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As filed with the Securities and Exchange Commission on September 26, 2007

Registration No.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Textainer Group Holdings Limited

(Exact Name of Registrant as Specified in its Charter)

Bermuda	7359	98-0530316
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Century House
16 Par-La-Ville Road
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Bermuda
(441) 296-2500

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Textainer Group Holdings Limited
c/o Textainer Equipment Management (U.S.) Limited
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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price(1)	Amount of registration fee
Common Shares, $0.01 par value	$207,000,000	$6,355

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes $27,000,000 of shares that the underwriters have the option to purchase to cover over-allotments.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance

with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 26, 2007

9,000,000 Shares

Textainer Group Holdings Limited

Common Shares

We are selling 9,000,000 common shares.

The underwriters have an option to purchase a maximum of 1,350,000 additional common shares to cover over-allotments of shares. The underwriters are entitled to exercise this right at any time within 30 days from the date of this prospectus.

Prior to this offering there has been no public market for our common shares. The initial public offering price of the common shares is expected to be between $19.00 and $21.00 per share. We will apply to list our common shares on the New York Stock Exchange under the symbol “TGH”.

Investing in our common shares involves a high degree of risk. See “ Risk Factors” on page 13.

Our principal shareholder, Halco Holdings Inc. (“Halco”), which is owned by a trust in which Trencor Limited and certain of its affiliates are the sole discretionary beneficiaries, has indicated to the underwriters its interest in acquiring $30.0 million of our common shares in this offering at the initial offering price. These shares will not be purchased unless the offering to the public is consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180 day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering. The underwriters are not entitled to any discount or commission on these shares.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Textainer (before Expenses)
Per Share to Public	$	$	$
Per Share to Halco	$	$	$
Total	$	$	$

Delivery of the common shares will be made on or about , 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse
Jefferies & Company

Wachovia Securities
Piper Jaffray
Fortis Securities LLC

The date of this prospectus is , 2007.

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Until , 2007 (25 days after the date of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

You should carefully read this entire prospectus and consider, among other things, the matters set forth under "Risk Factors" before deciding to invest in our common shares. In this prospectus, unless indicated otherwise, references to: (1) "Textainer," "TGH," "the company," "we," "us" and "our" refer to Textainer Group Holdings Limited, a Bermuda company that is the issuer of the common shares in this offering and its subsidiaries; (2) "TEU" refers to a "Twenty-Foot Equivalent Unit," which is a unit of measurement used in the container shipping industry to compare shipping containers of various lengths to a standard 20' dry freight container, thus a 20' container is one TEU and a 40' container is two TEU; (3) "CEU" refers to a Cost Equivalent Unit, which is a unit of measurement based on the approximate cost of a container relative to the cost of a standard 20' dry freight container, so the cost of a standard 20' dry freight container is one CEU; the cost of a 40' dry freight container is 1.6 CEU; and the cost of a 40' high cube dry freight container (9'6" high) is 1.68 CEU; (4) "our owned fleet" means the containers we own; (5) "our managed fleet" means the containers we manage that are owned by other container investors; (6) "our fleet" and "our total fleet" mean our owned fleet plus our managed fleet plus any containers we lease from other lessors; (7) "container investors" means the owners of the containers in our managed fleet; (8) "Drewry" refers to Drewry Shipping Consultants Limited; (9) "Clarkson" refers to Clarkson Research Services Limited; and (10) "Trencor" refers to Trencor Ltd., a public South African container and logistics company listed on the JSE Limited in Johannesburg, South Africa, which, together with certain of its subsidiaries, are the discretionary beneficiaries of a trust that indirectly owns a majority of our common shares (such interest, "beneficiary interest"). See "Business—History and Corporate Structure" for an explanation of the relationship between us and Trencor.

Our Company

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size (*Containerisation International Market Analysis: Container Leasing Market 2007*), with a total fleet of more than 1.3 million containers, representing over 2,000,000 TEU. We lease containers to more than 300 shipping lines and other lessees, including each of the world's top 20 container lines, as measured by the total TEU capacity of their container vessels ("container vessel fleet size"). We believe we are one of the most reliable lessors of containers, in terms of consistently being able to supply containers in locations where our customers need them. We have provided an average of more than 90,000 TEU of new containers per year for the past 12 years, and have been one of the largest purchasers of new containers among container lessors over the same period. We believe we are also one of the two largest sellers of used containers among container lessors, having sold an average of more than 45,600 containers per year for the last five years. We provide our services worldwide via a network of 14 regional and area offices and over 300 independent depots in more than 130 locations. Trencor, a company publicly traded on the JSE Limited (the "JSE") in Johannesburg, South Africa, and its affiliates currently have beneficiary interest in a majority of our issued and outstanding common shares and will continue to have a majority interest after giving effect to this offering.

We operate our business in four core segments: Container Ownership (representing 52% of our fleet as of June 30, 2007), Container Management (representing the remaining 48% of our fleet as of June 30, 2007), Container Resale (of our owned and managed containers and as a trader) and Military Management (we have contracted to be the main supplier of containers to the U.S. military).

We principally lease dry freight containers, which are by far the most common of the three principal types of intermodal containers. Dry freight intermodal containers are large, standardized steel boxes used to transport cargo by multiple modes of transportation, including ships, trains and trucks. Compared to traditional shipping methods, intermodal containers typically provide users with faster loading and unloading as well as some protection from weather and potential theft, thereby reducing both transportation costs and time to market for our lessees' customers.

We primarily lease containers under four different types of leases. Term leases, which provide a customer with a specified number of containers for a specified period of time, typically ranging from three to five years, with an associated set of pick-up and drop-off conditions, represented 62.1% of our on hire fleet as of June 30, 2007. Master leases, which provide a framework of terms and conditions valid for a specified period of time, typically one year, give customers greater flexibility than is typical in term leases and represented 29.9% of our on hire fleet as of June 30, 2007. Spot leases, which provide the customers with containers for a relatively short lease period and fixed pick-up and drop-off locations, represented 5.4% of our on hire fleet as of June 30, 2007. Finance leases, which provide customers an alternative means for purchasing containers, represented 2.6% of our on hire fleet as of June 30, 2007.

For 2006, we generated revenues, income from operations and income before taxes of $226.5 million, $108.4 million and $60.6 million, respectively. For 2006, the proportion of our income before taxes generated from Container Ownership, Container Management, Container Resale and Military Management operating segments was 70.3%, 18.9%, 8.9% and 1.9%, respectively, before taking into consideration inter-segment eliminations. As of June 30, 2007, the utilization of our fleet was 93.6%. The average remaining lease term for our term leases as of June 30, 2007, was 2.1 years.

Industry Overview

In 2006, the container shipping industry celebrated the 50th anniversary of the first standardized container voyage by sea. According to preliminary data published by Drewry, the annual gross revenues of container shipping lines had grown to $187.7 billion in 2006. Also according to Drewry, the volume of the industry, as measured by loaded container liftings, grew at a compound annual growth rate ("CAGR") of 9.8% from 1980 to 2005 and is forecasted to grow by approximately 9.0% annually through 2011 and container trade is projected to grow by 9.8% in 2007 and 9.2% in 2008. In addition, as of April 2007, the new containership orderbook reached a level of 1,255 vessels, or 4.64 million TEU, representing 48% of the then existing worldwide container ship capacity, according to Clarkson. We believe this increased vessel capacity should continue to drive the demand for intermodal containers. We believe that the projected growth in the container shipping industry is due to several factors, including:

- the movement in global manufacturing capacity toward lower labor cost areas such as the People's Republic of China (the "PRC") and India;
- the continued integration of developing high growth economies into global trade patterns;
- the general trend away from bulk shipping and migration to the use of containers; and
- the gradual liberalization and integration of world trade.

According to *Containerisation International, World Container Census 2007*, container lessors owned approximately 42.5% of the total worldwide container fleet of 22.2 million TEU as of mid-2006, with the balance owned by the shipping lines. The percentage of containers utilized by shipping lines and leased from container lessors ranged from 43% to 54% from 1980 through 2006 and is projected to stay in the 42% to 43% range from 2007 to 2015. Most shipping lines lease a portion of their container fleets, which enables them to serve their customers better by:

- increasing flexibility to manage the availability and location of containers;
- increasing the shipper's ability to meet peak demand requirements, particularly prior to holidays such as Christmas and Chinese New Year; and
- reducing their capital expenditures.

Our Strengths

We believe that we have the following competitive strengths:

- *Largest Container Lessor, with Global Scale and Infrastructure Overseen by Experienced Management.* We have a long history in our business and are currently the world's largest container lessor, with a truly global platform and proprietary information technology systems that help us serve our shipping line customers effectively by generally providing containers where they need them, when they need them. Our management team on average has 21 years' experience in the container leasing industry.
- *Lease Term and Type Flexibility, Global Presence and Logistical and Resale Expertise*. Our lease type and terms, international coverage, organization and resources enable us to handle a variety of types of leases effectively and position us to generally optimize residual values when selling containers, thereby helping us optimize value over the entirety of a container's useful economic life in marine service. We structure our initial long-term leases of new containers in an effort to minimize the number of containers that can be returned in lower demand locations. We re-lease off-lease containers into a wide variety of master and special leases with other customers. We utilize our expertise in logistics and our U.S. military relationship to reposition off-lease containers from lower demand to higher demand locations. Finally, we believe that selling used containers ourselves optimizes the residual value of our fleet.
- *High Margin, High Return, Less Cyclical Business Model Driven by Diverse Revenue Streams.* By balancing the ownership of containers with the management of containers for third parties, we enjoy the market presence, customer service and scale benefits of a larger fleet without the capital cost associated with owning such a fleet. We believe that over time, this model's capital cost efficiency provides us with higher operating margins and higher returns on capital than would a model in which we only owned or only managed containers. Also, managing containers during periods of low demand for containers reduces the negative financial impact of such periods since the container investors bear the cost of owning the containers. We further balance these diverse revenue streams by selling and trading containers and supplying leased containers to the U.S. military; taken together, these multiple revenue streams provide for a diverse income base, mitigate the effects of cycles in our industry on our profitability and allow us to optimize our use of capital.
- *Demonstrated Ability to Grow Organically or via Acquisitions of Existing Fleets.* We believe we are the leasing industry's largest buyer of new containers, purchasing on average more than 90,000 TEU per year over the last 12 years; as a result, and given our large volume buying power and solid financial structure, we are able to source containers during periods of high demand. We are able to identify, analyze and integrate potential acquisitions quickly and effectively, growing our revenues without a corresponding increase in our expenses because of our scalable infrastructure. We have successfully concluded eight transactions over the last 20 years involving other lessors' container fleets or management rights over those fleets, representing over 1,143,000 TEU in total.

Business Strategies

We intend to grow our business profitably by pursuing the following strategies:

- *Leverage Our Status as the Largest Intermodal Container Lessor and Consistent Purchaser* . While a number of our competitors' purchasing patterns have fluctuated over time, we have been, and plan to continue to be, a consistent purchaser of containers, maintaining what we believe to be one of the youngest fleet age profiles among major lessors as we grow our fleet. We believe that our scale, consistent purchasing habits, and maintenance of a young fleet age profile have provided us with a competitive advantage that we will continue to exploit.
- *Pursue Attractive Acquisitions*. Having already participated in the significant consolidation that has occurred in our industry, we will continue to seek to identify and acquire attractive portfolios of containers, both on an owned and on a managed basis, to allow us to grow our fleet profitably.

- *Continue to Focus on Operating Efficiency*. We already have a low cost, efficient structure, and we believe that we can continue to grow our fleet and therefore our revenue without a proportionate increase in our headcount, thereby spreading our operating expenses over a larger base and improving our profitability.
- *Grow Our Container Resale and Military Management Businesses* . We look to trade containers and sell containers from our fleet when they reach the end of their useful lives in marine service or when it is financially attractive for us to do so, often receiving rental revenue from a shipping line for a one-way lease of the container to its ultimate sales destination. We also seek to grow our relationship with the U.S. military, for which we are the main provider of leased intermodal containers.
- *Maintain Access to Diverse Sources of Capital*. We have successfully utilized a wide variety of financing alternatives to fund our growth, including secured and unsecured debt financings, bank financing, and equity from third party investors in containers. We believe this diversity of funding, combined with our anticipated access to the public equity markets, provides us with a competitive advantage in terms of both cost and availability of capital.

Risk Factors

In the execution of our business strategy, we have faced and will continue to face significant challenges. Our ability to execute our strategy is subject to numerous risks as discussed more fully in "Risk Factors,'' immediately following this Prospectus Summary. For example:

- The demand for leased containers depends on many political and economic factors beyond our control;
- Lease rates may decrease, which could harm our business, results of operations and financial condition;
- If container prices decline after we purchase the containers but before we lease them, our results of operations and financial condition may be harmed;
- Sustained reduction in prices of new containers could harm our business and results of operations due to its effects on the lease rates of older, off-lease containers;
- Further consolidation of container manufacturers or the disruption of manufacturing for the major manufacturers could result in higher new container prices and/or decreased access to new containers. Any increase in the cost or reduction in the supply of new containers could harm our business, results of operations and financial condition; and
- Terrorist attacks, the threat of such attacks or the outbreak of war and hostilities could negatively impact our operations and profitability and may expose us to liability.

Any of the above risks could adversely affect our financial position and results of operations. Furthermore, the execution of our plans could result in our having reduced income or losses that could have a material adverse effect on our business. Investment in our common shares involves risks. You should read and consider the information set forth in "Risk Factors'' and all other information set forth in this prospectus before investing in our common shares.

Recent Events

On July 23, 2007, we purchased for $56.0 million the exclusive rights to manage the container fleet of Capital Lease Limited, Hong Kong ("Capital") from Green Eagle Investments N.V., an investment vehicle of DVB Bank America N.V., which concurrently purchased all of the outstanding capital shares of Capital. Capital is the world's eighth largest container leasing company as measured by fleet size according to *Containerisation International Market Analysis: Container Leasing Market 2007* , with over 500,000 TEU in its fleet. We began management of the Capital fleet on September 1, 2007. With this addition, we have over 2,000,000 TEU in our fleet. We funded the $56.0 million purchase price through a borrowing under our secured debt facility and we

intend to use a portion of the proceeds from this offering to repay this borrowing. In addition, we have agreed in principle with FB Transportation Capital LLC and FB Aviation and Intermodal Finance Holding B.V. (together, "FB") that Textainer Limited will acquire half of their interest in our subsidiary, Textainer Marine Containers Limited, at a cash price equal to (i) 25% of the total shareholders' equity of the Class A Shares of Textainer Marine Containers Limited on the day immediately preceding the closing of such acquisition, plus (ii) $18.0 million. If this transaction had closed on July 31, 2007, the cash purchase price would have been approximately $68.7 million. In addition, as part of the consideration, at least 50% of the total annual capital expenditures of the company on new containers, as measured under GAAP, will be allocated to the Class A portion of Textainer Marine Containers Limited for a three-year period after the close of this transaction. FB shall hold 25% of all issued and outstanding Class A Shares of Textainer Marine Containers Limited after the close of this transaction. We are in the process of negotiating the transaction documents and expect to close the transaction within two business days after the closing of this offering or as soon as practicable thereafter. See "Use of Proceeds."

The U.S. military informed us in August 2007 that 26,120 containers that they lease from us are unaccounted for. Of this total, 9,850 are owned containers, 12,094 are managed for third party owners and 4,176 are subleased. Per the terms of our contract with the U.S. military, they will pay a stipulated value for each of these containers. Due to the loss of these containers, future rental income from the U.S. military on these containers will cease, but we expect to record a gain on disposal of the owned portion of these unaccounted for containers during the quarterly period ended September 30, 2007.

On September 4, 2007, our shareholders approved a one-for-one share split, effected by way of a share dividend or bonus issue, for shareholders of record as of August 8, 2007. All shares and per share data in this prospectus, including the consolidated financial statements, have been adjusted to reflect the share split, effected by way of a share dividend or bonus issue.

Our Corporate Information

Our business began operations in 1979. We reorganized our business in 1993 and incorporated Textainer Group Holdings Limited in Bermuda as the holding company of a group of corporations involved in the purchase, ownership, management, leasing and disposal of a fleet of intermodal containers. Our subsidiaries manage and provide administrative support to the affiliated and unaffiliated owners of the containers. We have three directly owned subsidiaries:

- Textainer Equipment Management Limited, our wholly-owned subsidiary incorporated in Bermuda, which provides container management, acquisition and disposal services to affiliated and unaffiliated container investors;
- Textainer Limited, our wholly-owned subsidiary incorporated in Bermuda, which owns containers directly and via a subsidiary, Textainer Marine Containers Limited, which is jointly owned with FB Aviation and Intermodal Finance Holding B.V., a Netherlands corporation, and FB Transportation Capital LLC, a Delaware limited liability company; and
- Textainer Capital Corporation, our wholly-owned subsidiary incorporated in Delaware, which together with its subsidiary, was the former managing general partner of six California limited partnerships formed to invest in transportation equipment and which are now dissolved. This entity is currently not actively operating.

The information contained on, or that can be accessed through, our website, including but not limited to www.textainer.com, is not incorporated into and is not intended to be a part of this prospectus.

We have registered “TEXTAINER,” “TEX” and “tex” (logo) in the U.S. Patent and Trademark Office and in the patent and trademark agencies of thirteen countries as trademarks. This prospectus also contains trademarks and trade names of other companies and those trademarks and trade names are the property of their respective owners.

This prospectus contains market data and industry forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed.

The Offering	
Common shares offered by us	9,000,000 Shares
Common shares to be issued and outstanding after this offering	47,604,640 Shares
Common shares currently held by Halco	27,678,802 Shares
Common shares that would be held by Halco after this offering, assuming the purchase by Halco of $30.0 million of our common shares in this offering (using the midpoint of the price range shown on the cover of this prospectus)	29,178,802 Shares
Use of proceeds	We intend to use the proceeds from this offering (1) to repay the debt incurred to fund our purchase of the exclusive rights to manage the container fleet of Capital from Green Eagle Investments N.V. which acquisition closed on July 23, 2007; (2) to fund the purchase of half of the interests held by FB in our subsidiary, Textainer Marine Containers Limited; (3) to fund fleet expansion and acquisitions of complementary businesses, products, technologies or other assets; and (4) for general corporate purposes, including repayment of debt, working capital and capital expenditures. See "Use of Proceeds."
Dividend Policy	Our board of directors has adopted a dividend policy which reflects its judgment that our shareholders would be better served if we distributed to them, as quarterly dividends payable at the discretion of our board of directors, a portion of the cash generated by our business in excess of our expected cash needs, including cash needs for potential acquisitions or other growth opportunities, rather than retaining such excess cash or using such cash for other purposes. In accordance with our dividend policy, we currently intend to pay an initial fourth quarter dividend of $0.20 per share on or about December 2007. We are not required to pay dividends, and our shareholders will not be guaranteed, or have contractual or other rights, to receive dividends. Our board of directors may decide, in its discretion, at any time, to decrease the amount of dividends, otherwise modify or repeal the dividend policy or discontinue entirely the payment of dividends. In addition, our ability to pay dividends is and will be restricted by current and future arrangements governing our debt and by Bermuda law. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash

flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends. See "Dividend Policy" for further details.

Proposed New York Stock Exchange symbol "TGH"

The number of common shares that will be issued and outstanding after this offering is based on the number of shares issued and outstanding as of June 30, 2007, and excludes the common shares reserved for future issuance under our 2007 Share Incentive Plan. We have reserved a maximum of 8% of our issued and outstanding common shares as of forty-five (45) days after the completion of this offering for issuance under our 2007 Share Incentive Plan.

Unless otherwise stated, information in this prospectus assumes:

- the amendment of our bye-laws effective immediately before the completion of this offering;
- a one-for-one share split, effected by way of a share dividend or a bonus issue, as of August 8, 2007. All share and per share data in this prospectus, including the consolidated financial statements, have been adjusted to reflect the share split, effected by way of a share dividend or bonus issue;
- no exercise of the over-allotment option granted to the underwriters; and
- the initial public offering price of $20.00 per share for the sale of common shares in this offering which is the midpoint of the price range on the cover page of this prospectus.

Summary Consolidated Financial and Operating Data

The summary consolidated financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2006, 2005 and 2004 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data presented below under the heading "Statement of Income Data" for the six months ended June 30, 2007 and 2006 and under the heading "Balance Sheet Data" as of June 30, 2007, is unaudited, has been derived from our unaudited consolidated financial statements that are included elsewhere in this prospectus and has been prepared on the same basis as our audited consolidated financial statements. In the opinion of management, the unaudited consolidated summary financial data presented below under the headings "Statement of Income Data" and "Balance Sheet Data" reflects all normal and recurring adjustments necessary to fairly present our financial condition and results of operations as of and for the periods presented. The data presented below under "Other Financial and Operating Data" is not audited. Historical results are not necessarily indicative of the results of operations to be expected for future periods. You should read the summary consolidated financial and operating data presented below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with our consolidated financial statements and related notes included elsewhere in this prospectus.

We adopted the Financial Accounting Standards Board ("FASB") Staff Position Accounting for Planned Major Maintenance Activities ("FSP AUG AIR-1") effective January 1, 2007. As a result, we have retroactively adjusted our consolidated financial statements to reflect the direct expense method of accounting for maintenance, a method permitted under this Staff Position. The impact of the application of FSP AUG AIR-1 to our direct container expense, in thousands, was a $406, $1,903 and $2,255 decrease for the years ended December 31, 2006, 2005 and 2004, respectively, and a $182 decrease for the six months ended June 30, 2006.

The as-adjusted balance sheet data reflects the balance sheet data as of June 30, 2007, as adjusted for the sale of 9,000,000 common shares in this offering at an assumed initial public offering price of $20.00 per share, after deducting the estimated underwriting discounts, commissions and offering expenses payable by us, as if these events had occurred as of June 30, 2007.

	Six Months Ended June 30, (Unaudited)		Fiscal Year Ended December 31,		
	2007	2006	2006	2005	2004
	(Dollars in thousands, except per share data)				
Statement of Income Data:					
Revenues:					
Lease rental income	$ 96,649	$ 90,679	$186,093	$188,904	$147,152
Management fees	10,141	6,574	16,194	15,472	17,942
Trading container sales proceeds	7,162	9,287	14,137	16,046	8,429
Incentive management fees and general partner distributions	—	—	—	2,874	1,579
Gain on sale of containers, net	5,611	4,186	9,558	10,456	4,275
Other	286	182	480	648	940
Total revenues	119,849	110,908	226,462	234,400	180,317

	Six Months Ended June 30, (Unaudited)		Fiscal Year Ended December 31,		
	2007	2006	2006	2005	2004
	(Dollars in thousands, except per share data)				
Operating expenses:					
Direct container expense	18,427	15,715	29,757	24,314	16,431
Cost of trading containers sold	5,779	7,708	11,480	12,944	6,235
Depreciation expense	23,391	29,625	54,330	60,792	48,321
Amortization expense	1,070	—	1,023	—	—
General and administrative expense	8,407	8,133	16,155	16,567	16,807
Incentive compensation expense	2,178	1,720	4,694	5,140	4,507
Bad debt expense, net	996	502	664	91	868
Total operating expenses	60,248	63,403	118,103	119,848	93,169
Income from operations	59,601	47,505	108,359	114,552	87,148
Other income (expense):					
Interest expense	(17,251)	(15,385)	(33,083)	(27,491)	(13,434)
Interest income	1,377	1,021	2,286	1,086	399
Realized and unrealized gains (losses) on derivative instruments, net	1,519	4,607	2,274	4,535	(889)
Other, net	(7)	(145)	243	(2,648)	(237)
Net other expense	(14,362)	(9,902)	(28,280)	(24,518)	(14,161)
Income before income tax and minority interest	45,239	37,603	80,079	90,034	72,987
Income tax expense	(2,775)	(2,061)	(4,299)	(4,662)	(4,011)
Minority interest expense	(9,150)	(10,277)	(19,499)	(22,393)	(15,382)
Net income	$ 33,314	$ 25,265	$ 56,281	$ 62,979	$ 53,594
Net income per share:					
Basic	$ 0.87	$ 0.66	$ 1.47	$ 1.65	$ 1.41
Diluted	$ 0.86	$ 0.66	$ 1.46	$ 1.63	$ 1.39
Weighted average shares outstanding:					
Basic	38,494	38,136	38,186	38,142	38,022
Diluted	38,574	38,480	38,488	38,598	38,490
Other Financial and Operating Data (unaudited):					
EBITDA(1)	$ 84,055	$ 76,985	$ 163,955	$ 172,696	$ 135,232
Purchase of containers and fixed assets(2)	$ 93,710	$ 24,165	$ 104,818	$ 158,193	$ 194,634
Utilization(3):					
Former Computation	91.2%	89.8%	91.1%	91.9%	93.2%
New Computation	93.6%				
Total fleet in TEU (as of the end of the period)(4)	1,559,215	1,198,884	1,527,814	1,183,332	1,157,063

	As of June 30, 2007	
	Actual	As Adjusted(5)
	(Unaudited) (Dollars in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 35,900	$ 131,402
Containers, net	821,221	821,221
Net investment in direct finance leases	46,415	46,415
Total assets	1,000,601	1,096,103
Long-term debt (including current portion)	567,167	495,167
Total liabilities	657,024	585,024
Minority interest	95,071	95,071
Total shareholders' equity	248,506	416,008

(1) EBITDA (defined as net income, before interest income and interest expense, realized and unrealized (gains) losses on derivative instruments, net, income tax expense, minority interest expense and depreciation and amortization expense) is not a financial measure calculated in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be considered as an alternative to net income, income from operations or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure of our liquidity. EBITDA is presented solely as a supplemental disclosure because management believes that it may be a useful performance measure that is widely used within our industry. EBITDA is not calculated in the same manner by all companies and, accordingly, may not be an appropriate measure for comparison. We believe EBITDA provides useful information on our earnings from ongoing operations, on our ability to service our long-term debt and other fixed obligations, and on our ability to fund our continued growth with internally generated funds. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Some of these limitations are:

- It does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect interest expense or cash requirements necessary to service interest or principal payments on our debt;
- Although depreciation is a non-cash charge, the assets being depreciated may be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements;
- It is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and
- Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

The following is a reconciliation of net income to EBITDA:

	Six Months Ended June 30,		Fiscal Year Ended December 31,		
	2007	2006	2006	2005	2004
			(Dollars in thousands) (Unaudited)		
Reconciliation of EBITDA:					
Net income	$ 33,314	$25,265	$ 56,281	$ 62,979	$ 53,594
Adjustments:					
Interest income	(1,377)	(1,021)	(2,286)	(1,086)	(399)
Interest expense	17,251	15,385	33,083	27,491	13,434
Realized and unrealized (gains) losses on derivative instruments, net	(1,519)	(4,607)	(2,274)	(4,535)	889
Income tax expense	2,775	2,061	4,299	4,662	4,011
Minority interest expense	9,150	10,277	19,499	22,393	15,382
Depreciation expense	23,391	29,625	54,330	60,792	48,321
Amortization expense	1,070	—	1,023	—	—
EBITDA	$ 84,055	$76,985	$163,955	$172,696	$135,232

(2) Amounts for year ended December 31, 2006, 2005 and 2004, respectively, are audited.

(3) We measure utilization on the basis of containers on lease, using the actual number of days on hire, expressed as a percentage of containers available for lease, using the actual days available for lease. Prior to 2007, we calculated containers available for lease to include all containers in our fleet (Former Computation). Utilization figures in this prospectus for periods prior to 2007 are calculated in the latter manner. Starting in 2007, to conform to the method used by most of our competitors, we began calculating containers available for lease by excluding containers that have been manufactured for us but have not been delivered yet to a lessee and containers designated as held-for-sale units (New Computation).

(4) With the acquisition of the exclusive management rights over the Capital container fleet on July 23, 2007, we have over 2,000,000 TEU in our fleet.

(5) A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share (the midpoint of the range on the front cover of this prospectus) would increase (decrease) the net proceeds to us from this offering by $8.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus (excluding the shares that the underwriters have an option to purchase to cover over-allotments), remains the same and after deducting the estimated underwriting discounts, commissions and offering expenses payable by us. The as-adjusted information is illustrative only and following the pricing of this offering, will be adjusted based on the actual initial public offering price and other terms of this offering.

RISK FACTORS

An investment in our common shares involves a high degree of risk. You should carefully consider the following risk factors, together with the other information contained elsewhere in this prospectus, including our financial statements and the related notes, before investing in our common shares. Any of the risk factors we describe below could adversely affect our business, cash flows, results of operations and financial condition. The market price of our common shares could decline and you may lose some or all of your investment if one or more of these risks and uncertainties develop into actual events.

Risks Related to Our Business and Industry

The demand for leased containers depends on many political and economic factors beyond our control.

Substantially all of our revenue comes from activities related to the leasing, managing and selling of containers. Our ability to continue successfully leasing containers to container shipping lines, earning management fees on leased containers and source capital required to purchase containers depends, in part, upon the continued demand for leased containers.

Demand for containers depends largely on the rate of world trade and economic growth, with worldwide consumer demand being the most critical factor affecting this growth. Economic downturns in the U.S., Europe and other countries with consumer-oriented economies could result in a reduction in world trade volume and demand by container shipping lines for leased containers. Thus, a decrease in the volume of world trade may adversely affect our utilization and per diem rates and lead to reduced revenue and increased operating expenses (such as storage and repositioning costs), and have an adverse effect on our financial performance. We cannot predict whether, or when, such downturns will occur.

Other general factors affecting demand for leased containers, utilization and per diem rates include the following:

- prices of new and used containers;
- economic conditions, competitive pressures and consolidation in the container shipping industry;
- shifting trends and patterns of cargo traffic;
- fluctuations in demand for containerable goods outside their area of production;
- the availability and terms of container financing;
- fluctuations in interest rates and foreign currency values;
- overcapacity, undercapacity and consolidation of container manufacturers;
- the lead times required to purchase containers;
- the number of containers purchased by competitors and container lessees;
- container ship fleet overcapacity or undercapacity;
- increased repositioning by container shipping lines of their own empty containers to higher demand locations in lieu of leasing containers;
- consolidation or withdrawal of individual container lessees in the container leasing industry;
- import/export tariffs and restrictions;
- customs procedures, foreign exchange controls and other governmental regulations;
- natural disasters that are severe enough to affect local and global economies or interfere with trade; and
- other political and economic factors.

Many of these and other factors affecting the container industry are inherently unpredictable and beyond our control. These factors will vary over time, often quickly and unpredictably, and any change in one or more of these factors may have a material adverse effect on our business and results of operations. Many of these factors also influence the decision by container shipping lines to lease or buy containers. Should one or more of these factors influence container shipping lines to buy a larger percentage of the containers they operate, our utilization rate could decrease, resulting in decreased revenue and increased storage and repositioning costs, which would harm our business results of operations and financial condition.

Lease rates may decrease, which could harm our business, results of operations and financial condition.

We compete mostly on price and availability of containers. Lease rates for our containers depend on a large number of factors, including the following:

- the supply of containers available;
- the price of new containers;
- the type and length of the lease;
- interest rates;
- embedded residual assumptions;
- the type and age of the container;
- the location of the container being leased;
- the number of containers available for lease by our competitors; and
- the lease rates offered by our competitors.

Most of these factors are beyond our control. In addition, lease rates can be negatively impacted by the entrance of new leasing companies, overproduction of new containers by factories and over-buying by shipping lines, leasing competitors and tax-driven container investors. For example, during 2001 and again in the second quarter of 2005, overproduction of new containers, coupled with a build-up of container inventories in Asia by leasing companies and shipping lines, led to decreasing utilization rates. In the event that the container shipping industry were to be characterized by overcapacity in the future, or if available supply of containers were to increase significantly as a result of, among other factors, new companies entering the business of leasing and selling containers, both utilization and lease rates can be expected to decrease, thereby adversely affecting the revenues generated by our fleet, which could harm our business, results of operations and financial condition.

If we are unable to lease our new containers shortly after we purchase them, our risk of ownership of the containers increases.

Lease rates for new containers are positively correlated to the fluctuations in the price of new containers. Container prices can fluctuate greatly due to the factors discussed below. In the past five years, we have purchased containers at prices ranging from $1,138 per CEU to $2,396 per CEU. If we are unable to lease the new containers that we purchase within a short period of time of such purchase, the market price of new containers and the corresponding market lease rates for new containers may decrease, regardless of the high cost of the previously purchased containers. This decline could harm our business, results of operations and financial conditions.

Sustained reduction in prices of new containers could harm our business and results of operations.

If there is a sustained downturn in new container prices, the lease rates of older, off-lease containers would also be expected to decrease. As of June 30, 2007, we had an average cost of $1,620 per CEU for our owned

fleet. If there is a sustained reduction in the price of new containers such that the market lease rate for all containers is reduced, this trend could harm our business and results of operations, notwithstanding the fact that we could purchase cheaper containers.

Further consolidation of container manufacturers or the disruption of manufacturing for the major manufacturers could result in higher new container prices and/or decreased supply of new containers. Any increase in the cost or reduction in the supply of new containers could harm our business, results of operations and financial condition.

We currently purchase almost all of our containers from manufacturers based in the PRC. If it were to become more expensive for us to procure containers in the PRC or to transport these containers at a low cost from the manufacturer to the locations where they are needed by our container lessees because of changes in exchange rates between the U.S. Dollar and Chinese Yuan, further consolidation among container suppliers, increased tariffs imposed by the U.S. or other governments, increased fuel costs, or for any other reason, we may have to seek alternative sources of supply. While we are not dependent on any single manufacturer, we may not be able to make alternative arrangements quickly enough to meet our container needs, and the alternative arrangements may increase our costs.

In particular, the availability and price of containers depend significantly on the capacity and bargaining position of the major container manufacturers. There has recently been a consolidation in the container manufacturing industry, resulting in two major manufacturers having market share of approximately 70% of that industry. This increased bargaining position has led to sustained increases in container prices. If the increased cost of purchasing containers is not matched by an increase in lease rates, our business, results of operations and financial conditions would be harmed.

Terrorist attacks, the threat of such attacks or the outbreak of war and hostilities could negatively impact our operations and profitability and may expose us to liability.

Terrorist attacks and the threat of such attacks have contributed to economic instability in the U.S. and elsewhere, and further acts or threats of terrorism, violence, war or hostilities could similarly affect world trade and the industries in which we and our container lessees operate. For example, worldwide containerized trade dramatically decreased in the immediate aftermath of the September 11, 2001 terrorist attacks in the U.S., which affected demand for leased containers. In addition, terrorist attacks, threats of terrorism, violence, war or hostilities may directly impact ports, depots, our facilities or those of our suppliers or container lessees and could impact our sales and our supply chain. A severe disruption to the worldwide ports system and flow of goods could result in a reduction in the level of international trade and lower demand for our containers.

Our lease agreements require our lessees to indemnify us for all costs, liabilities and expenses arising out of the use of our containers, including property damage to the containers, damage to third-party property and personal injury. However, our lessees may not have adequate resources to honor their indemnity obligations upon a terrorist attack. Our insurance coverage is limited and is subject to large deductibles and significant exclusions and we have very limited insurance for liability arising from a terrorist attack. Accordingly, we may not be protected from liability (and expenses in defending against claims of liability) arising from a terrorist attack.

A substantial portion of our containers is leased out from or manufactured at locations in the PRC and a significant portion of our major shipping line customers is domiciled in either the PRC (including Hong Kong) or Taiwan. Therefore, our results of operations are subject to changes resulting from the political and economic policies of the PRC.

A substantial portion of our containers is leased out from locations in the PRC because of the large volume of goods being shipped from the PRC to the U.S. or Europe. The main manufacturers of containers are also located in the PRC. These business operations could be restricted by the political environment in the PRC. The

PRC has operated as a socialist state since 1949 and is controlled by the Communist Party of China. In recent years, however, the government has introduced reforms aimed at creating a "socialist market economy" and policies have been implemented to allow business enterprises greater autonomy in their operations. Changes in the political leadership of the PRC may have a significant effect on laws and policies related to the current economic reform programs, other policies affecting business and the general political, economic and social environment in the PRC, including the introduction of measures to control inflation, changes in the rate or method of taxation, and the imposition of additional restrictions on currency conversion, remittances abroad, and foreign investment. Moreover, economic reforms and growth in the PRC have been more successful in certain provinces than in others, and the continuation of or increases in such disparities could affect the political or social stability of the PRC.

Although we believe that the economic reform and the macroeconomic measures adopted by the PRC have had a positive effect on the economic development of the PRC, the future direction of these economic reforms is uncertain. This uncertainty may affect the economic development in the PRC, thereby affecting the level of trade with the rest of the world and the corresponding need for containers to ship goods from the PRC. In addition, a large portion of our shipping line customers are domiciled either in the PRC (including Hong Kong) or in Taiwan. In fiscal year 2006, 33.3% of our revenue was attributable to shipping line customers that were either domiciled in the PRC (including Hong Kong) or in Taiwan. The manufacturing facilities of the container manufacturers from which we purchased all of our containers in 2006 are also located in the PRC. Political instability in either the PRC or Taiwan could have a negative effect on our major customers, our ability to obtain containers and correspondingly, our results of operations and financial condition.

The legal system in the PRC has inherent uncertainties that could limit the legal protections available to us.

We currently purchase all of our containers from manufacturers based in the PRC. In addition, a substantial portion of our containers is leased out from locations in the PRC. California law governs almost all of these agreements. However, disputes or settlements arising out of these agreements may need to be enforced in the PRC. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in the PRC. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve, the interpretations of many laws, regulations and rules are not always uniform and may be subject to considerable discretion, variation, or influence by external forces unrelated to the legal merits of a particular matter. The enforcement of these laws, regulations, and rules involves uncertainties that may limit remedies available to us. Any litigation or arbitration in the PRC may be protracted and may result in substantial costs and diversion of resources and management attention. In addition, the PRC may enact new laws or amend current laws that may be detrimental to us, which may have a material adverse effect on our business operations. If we are unable to enforce any legal rights we may have under our contracts or otherwise, our ability to compete and our results of operations could be harmed.

The demand for leased containers is partially tied to international trade. If this demand were to decrease due to increased barriers to trade, or for any other reason, it could reduce demand for intermodal container leasing, which would harm our business and financial condition.

A substantial portion of our containers is used in trade involving goods being shipped from the PRC to the United States, Europe or other regions. The willingness and ability of international consumers to purchase PRC goods is dependent on political support, in the United States, Europe and other countries, for an absence of government-imposed barriers to international trade in goods and services. For example, international consumer demand for PRC goods is related to price; if the price differential between PRC goods and domestically-produced goods were to decrease due to increased tariffs on PRC goods, demand for PRC goods could decrease, which could result in reduced demand for intermodal container leasing. A similar reduction in demand for intermodal container leasing could result from an increased use of quotas or other technical barriers to restrict trade from or to the PRC. The current regime of relatively free trade may not continue.

Because substantially all of our revenues are generated in U.S. dollars, but a significant portion of our expenses are incurred in other currencies, exchange rate fluctuations could have an adverse impact on our results of operations.

The U.S. dollar is our primary operating currency and substantially all of our revenues are generated in U.S. dollars. However, a significant portion of our expenses are incurred in other currencies. This difference could lead to fluctuations in net income due to changes in the value of the U.S. dollar relative to the other currencies. For the years ended December 31, 2006, 2005 and 2004, 41%, 34% and 36%, respectively, of our direct container expenses were paid in 15 different foreign currencies. A decrease in the value of the U.S. dollar against foreign currencies in which our expenses are incurred translates into an increase in those expenses in U.S. dollar terms, which would decrease our net income.

Sustained Asian economic instability could reduce demand for leasing, which would harm our business and financial condition.

Many of our customers are substantially dependent upon shipments of goods exported from Asia. From time to time, there have been health scares, such as Severe Acute Respiratory Syndrome and avian flu, financial turmoil, natural disasters and political instability in Asia. If these events were to occur in the future, they could adversely affect our container lessees and the general demand for shipping and lead to reduced demand for leased containers or otherwise adversely affect us. Any reduction in demand for leased containers would harm our business, results of operations and financial condition.

We own a large and growing number of containers in our fleet and are subject to significant ownership risk.

Ownership of containers entails greater risk than management of containers for container investors. As we increase the number of containers in our owned fleet, we will increase our exposure to financing costs, changes in per diem rates, re-leasing risk, changes in utilization rates, lessee defaults, repositioning costs, storage expenses, impairment charges and changes in sales price upon disposition of containers. The number of containers in our owned fleet fluctuates over time as we purchase new containers, sell containers into the secondary resale market, and acquire other fleets. As part of our strategy, we are focused on increasing the number of owned containers in our fleet and therefore, we expect our ownership risk to increase correspondingly. We paid $104.8 million to purchase containers for our owned fleet in 2006 and we expect to purchase approximately $190.0 million to $194.0 million of new containers in 2007. We believe we will be able to find container investors to purchase the desired portion of the new containers that we want to manage. If we are unable to locate container investors to purchase these containers, we may purchase the containers ourselves and operate them as part of our owned fleet.

As we increase the number of containers in our owned fleet, we will have significant capital at risk and may need to have more debt, which could result in financial instability.

As we increase the number of containers in our owned fleet, either as a result of planned growth in our owned fleet or as a result of our inability to attract investment to purchase containers from container investors, we will likely have more capital at risk and may need to maintain higher debt balances at a level that may adversely affect our return on equity and reduce our ability to raise capital, including our ability to borrow money to continue expanding our owned fleet. Future borrowings may not be available under our debt facilities and we may not be able to refinance these facilities, if necessary, on commercially reasonable terms or at all. We may need to raise additional debt or equity capital in order to fund our business, expand our sales activities and/or respond to competitive pressures. We may not have access to the capital resources we desire or need to fund our business. These effects, among others, may reduce our profitability and adversely affect our plans to maintain the container management portion of our business.

If we are unable to finance continued purchase of containers, our competitive position may diminish and our results of operation may be harmed.

Our container lessees typically prefer newer containers. Also, a portion of our container fleet is disposed of due to age or other factors every year. To stay competitive we must continually add new containers to our fleet. If we are unable to make the necessary capital expenditures, our fleet of containers may be less attractive to our container lessees and our business, results of operations and financial condition could suffer.

We derive a substantial portion of our revenue from each of our container ownership and container resale segments from a limited number of container lessees, and the loss of, or reduction in business by, any of these container lessees could harm our business and financial condition.

We have derived, and believe that we will continue to derive, a significant portion of our revenue and cash flow from a limited number of container lessees. Our business comprises four reportable segments for financial statement reporting purposes: container ownership, container management, container resale and military management. Revenue for our container ownership segment comes primarily from container lessees that lease containers from our owned fleet. Revenue for our container management segment is also primarily dependent on the lease revenue of those containers that we manage. Revenue from our 25 largest container lessees by revenue represented $259.0 million or 80.7% of the total fleet container for the fiscal year ended December 31, 2006, with revenue from our single largest container lessee accounting for $28.9 million, or 9.0% of container leasing revenue during such period.

We do not distinguish between our owned fleet and our managed fleet when we enter into leases with or lease containers to container shipping lines. Accordingly, the largest lessees of our owned fleet are typically among the largest lessees of our managed fleet, and our management fee revenue is based on the number and performance of managed containers on lease to container lessees. As a result, the loss of, or default by, any of our largest container lessees could have a material adverse effect on the revenue for both our container ownership segment and our container management segment, and could harm our business, results of operations and financial condition.

We face extensive competition in the container leasing industry.

We may be unable to compete favorably in the highly competitive container leasing and container management businesses. We compete with a relatively small number of major leasing companies, many smaller lessors, companies and financial institutions offering finance leases, and promoters of container ownership and leasing as a tax-efficient investment. In addition, the shipping lines own a significant amount of the world's intermodal containers and effectively compete with us. Some of these competitors have greater financial resources and access to capital than we do. Additionally, some of these competitors may have large, underutilized inventories of containers, which could, if leased, lead to significant downward pressure on per diem rates, margins and prices of containers. Competition among container leasing companies depends upon many factors, including, among others: per diem rates; supply reliability; lease terms, including lease duration, drop-off restrictions and repair provisions; customer service; and the location, availability, quality and individual characteristics of containers. New entrants into the leasing business have been attracted by the high rate of containerized trade growth and the extent of investment from a number of container investors in recent years. New entrants may be willing to offer pricing or other terms that we are unwilling or unable to match. Shipping lines may prefer to use containers they own instead of leasing containers from us. As a result, we may not be able to maintain a high utilization rate or achieve our growth plans.

The international nature of the container shipping industry exposes us to numerous risks.

Our ability to enforce lessees' obligations may be subject to applicable law in the jurisdiction in which enforcement is sought or the country of domicile of the lessee. As containers are predominantly located on international waterways and the lessees domiciled in many different countries, it is not possible to predict, with

any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions in which laws do not confer the same security interests and rights to creditors and lessors as those in the U.S. and in jurisdictions where recovery of containers from defaulting lessees is more cumbersome. As a result, the relative success and expedience of enforcement proceedings with respect to containers in various jurisdictions cannot be predicted.

We are also subject to risks inherent in conducting business across national boundaries, any one of which could adversely impact our business. These risks include:

- regional or local economic downturns;
- fluctuations in currency exchange rates;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds or other assets into or out of different countries;
- import and export duties and quotas;
- domestic and foreign customs and tariffs;
- war, hostilities and terrorist attacks, or the threat of any of these events;
- government instability;
- nationalization of foreign assets;
- government protectionism;
- compliance with export controls, including those of the U.S. Department of Commerce;
- compliance with import procedures and controls, including those of the U.S. Department of Homeland Security;
- consequences from changes in tax laws, including tax laws pertaining to the container investors;
- potential liabilities relating to foreign withholding taxes;
- labor or other disruptions at key ports;
- difficulty in staffing and managing widespread operations; and
- restrictions on our ability to own or operate subsidiaries, make investments or acquire new businesses in various jurisdictions.

One or more of these factors or other related factors may impair our current or future international operations and, as a result, harm our business, results of operations and financial condition.

We rely on our proprietary information technology systems to conduct our business. If these systems fail to perform their functions adequately, or if we experience an interruption in their operation, our business, results of operations and financial prospects could be harmed.

The efficient operation of our business is highly dependent on our proprietary information technology systems. We rely on our systems to record transactions, such as repair and depot charges and changes to book value, and movements associated with each of our owned or managed containers. We use the information provided by these systems in our day-to-day business decisions in order to effectively manage our lease portfolio, reduce costs and improve customer service. We also rely on these systems for the accurate tracking of the performance of our managed fleet for each container investor. The failure of our systems to perform as we expect could disrupt our business, adversely affect our results of operations and cause our relationships with lessees and container investors to suffer. Our information technology systems are vulnerable to damage or interruption from circumstances beyond our control, including fire, natural disasters, power loss and computer systems failures and

viruses. Even though we have developed redundancies and other contingencies to mitigate any disruptions to our information technology systems, these redundancies and contingencies may not completely prevent interruptions to our information technology systems. Any such interruptions could harm our business, results of operations and financial condition.

Consolidation and concentration in the container shipping industry could decrease the demand for leased containers.

We primarily lease containers to container shipping lines. We believe container shipping lines require a quantity of containers equal to just under two times the total TEU capacity on their container ships to support their operations. The container shipping lines have historically relied on a large number of leased containers to satisfy their needs. Consolidation of major container shipping lines could create efficiencies and decrease the demand that container shipping lines have for leased containers because they may be able to fulfill a larger portion of their needs through their owned container fleets. Consolidation could also create concentration of credit risk if the number of our container lessees decreases. Additionally, large container shipping lines with significant resources could choose to manufacture their own containers, which would decrease their demand for leased containers and could harm our business, results of operations and financial condition.

We may incur significant costs to reposition our containers, which could harm our business, results of operations and financial condition.

When lessees return containers to locations where supply exceeds demand, we sometimes reposition containers to higher demand areas. Repositioning expenses vary depending on geographic location, distance, freight rates and other factors, and may not be fully covered by drop-off charges collected from the previous lessee of the containers or pick-up charges paid by the new lessee. We seek to limit the number of and impose surcharges on containers returned to low demand locations. Market conditions, however, may not enable us to continue such practices. In addition, we may not be able to accurately anticipate which locations will be characterized by higher or lower demand in the future, and our current contracts will not protect us from repositioning costs if locations that we expect to be higher demand locations turn out to be lower demand locations at the time the containers are returned. Any such increases in costs to reposition our containers could harm our business, results of operations and financial condition.

Lessee defaults may harm our business, results of operations and financial condition by decreasing revenue and increasing storage, repositioning, collection and recovery expenses.

Our containers are leased to numerous container lessees. Lessees are required to pay rent and to indemnify us for damage to or loss of containers. Lessees may default in paying rent and performing other obligations under their leases. A delay or diminution in amounts received under the leases (including leases on our managed containers), or a default in the performance of maintenance or other lessee obligations under the leases could adversely affect our business, results of operations and financial condition and our ability to make payments on our debt.

Our cash in-flows from containers, principally container rental revenue, management fee revenue, gain on disposition of used equipment and commissions earned on the sale of containers on behalf of container investors, are affected significantly by our ability to collect payments under leases and purchase and sale agreements, which is subject to external economic conditions and the operations of lessees and others that are not within our control.

When lessees default, we may fail to recover all of our containers and the containers we do recover may be returned to locations where we will not be able to quickly re-lease or sell them on commercially acceptable terms. We may have to reposition these containers to other places where we can re-lease or sell them, which could be expensive depending on the locations and distances involved. Following repositioning, we may need to

repair the containers and pay container depots for storage until the containers are re-leased. For our owned containers, these costs will directly reduce our income before taxes and for our managed containers, lessee defaults will decrease rental revenue and increase operating expenses, and thus reduce our management fee revenue. While we maintain insurance to cover some defaults, it is subject to large deductible amounts and significant exclusions and, therefore, may not be sufficient to prevent us from suffering material losses. Additionally, this insurance might not be available to us in the future on commercially reasonable terms or at all. While defaults by lessees, as measured by our experience and reflected on our financial statements as a bad debt expense, averaged less than 1% of lease rental revenue over the past 13 years, future defaults may be more material and any such future defaults could harm our business, results of operations and financial condition.

U.S. investors in our company could suffer adverse tax consequences if we are characterized as a passive foreign investment company for U.S. federal income tax purposes.

Based upon the nature of our business activities, we may be classified as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. Such characterization could result in adverse U.S. tax consequences to direct or indirect U.S. investors in our common shares. For example, if we are a PFIC, our U.S. investors could become subject to increased tax liabilities under U.S. tax laws and regulations and could become subject to burdensome reporting requirements. The determination of whether or not we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. Specifically, for any taxable year we will be classified as a PFIC for U.S. tax purposes if either:

- 75% or more of our gross income in a taxable year is passive income, or
- the average percentage of our assets (which includes cash) by value in a taxable year which produce or are held for the production of passive income is at least 50%.

In applying these tests, we are treated as owning or generating directly our pro rata share of the assets and income of any corporation in which we own at least 25% by value. In addition, the composition of our income and assets will be affected by how, and how quickly, we spend the cash we raise in this offering.

If you are a U.S. investor and we are a PFIC for any taxable year during which you own our common shares, you could be subject to adverse U.S. tax consequences. Under the PFIC rules, unless a U.S. investor is permitted to and does elect otherwise under the Internal Revenue Code, such U.S. investor would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain had been recognized ratably over the investor's holding period for our common shares. Based on the composition of our income, valuation of our assets (including goodwill), and our expected election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes, we do not expect that we should be treated as a PFIC for our current taxable year. However, there can be no assurance at all in this regard. Because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year or that the IRS may challenge our determination concerning our PFIC status. See "Material United States and Bermuda Income Tax Consequences—United States Federal Income Tax Consequences—Taxation of U.S. Holders—Passive Foreign Investment Company" for a more detailed discussion.

We may become subject to unanticipated tax liabilities that may have a material adverse effect on our results of operations.

We are a Bermuda company, and we believe that a significant portion of the income derived from our operations will not be subject to tax in Bermuda, which currently has no corporate income tax, or in many other countries in which we conduct activities or in which our customers are located. However, this belief is based on the anticipated nature and conduct of our business, which may change. It is also based on our understanding of our position under the tax laws of the countries in which we have assets or conduct activities. This position is subject to review and possible challenge by taxing authorities and to possible changes in law that may have retroactive effect.

One of our non-U.S. subsidiaries, Textainer Limited, earns income that is effectively connected with its conduct of a trade or business within the U.S., and such effectively connected income is subject to U.S. federal income tax. We believe that we and the rest of our non-U.S. subsidiaries conduct our operations so that we and the rest of our non-U.S. subsidiaries are not engaged in a trade or business within the U.S. and therefore do not earn effectively connected income that would be subject to U.S. federal income tax. However, it is possible that the U.S. Internal Revenue Service may conclude that we and the rest of our non-U.S. subsidiaries are engaged in a U.S. trade or business and earn effectively connected income that is subject to U.S. federal income tax. Our results of operations could be materially and adversely affected if we become subject to a significant amount of unanticipated tax liabilities. See "Material United States and Bermuda Income Tax Consequences—United States Federal Income Tax Consequences—Taxation of the Companies" and "Material Bermuda and United States Federal Income Tax Consequences—Bermuda Tax Consequences—Taxation of the Companies."

Our U.S. subsidiaries may be treated as personal holding companies for U.S. federal tax purposes now or in the future.

Any of our direct or indirect U.S. subsidiaries could be subject to additional U.S. tax on a portion of its income if it is considered to be a personal holding company ("PHC") for U.S. federal income tax purposes. This status depends on whether more than 50% of the subsidiary's shares by value could be deemed to be owned (taking into account constructive ownership rules) by five or fewer individuals and whether 60% or more of the subsidiary's adjusted ordinary gross income consists of "personal holding company income," which includes certain forms of passive and investment income. The PHC rules do not apply to non-U.S. corporations. We believe that none of our U.S. subsidiaries should be considered PHCs. In addition, we intend to cause our U.S. subsidiaries to manage their affairs in a manner that reduces the possibility that they will meet the 60% income threshold. However, because of the lack of complete information regarding our ultimate share ownership (*i.e.*, particularly as determined by constructive ownership rules), our U.S. subsidiaries may become PHCs following this offering or in the future and in that event, the amount of U.S. federal income tax that would be imposed could be material. See "Material United States and Bermuda Income Tax Consequences—United States Federal Income Tax Consequences—Taxation of the Companies—U.S. Subsidiaries."

The U.S. government has special contracting requirements which create additional risks.

We have entered into a firm, fixed price, indefinite quantity contract with the Surface Deployment and Distribution Command ("SDDC") to supply leased marine containers to the U.S. military. As an indefinite quantity contract, there is no guarantee that the U.S. military will pay more than the minimum guarantee, which guaranteed amount is substantially below the total amount authorized under the contract. Thus, the expected revenues from the SDDC contract may not fully materialize. In addition, there is no guarantee that the U.S. military will exercise any option terms beyond those currently exercised or that we will be awarded additional periods (the "award terms") in years 6 through 10 of the SDDC contract, which award is also subject to us performing at a certain level under the contract. If we do not perform in accordance with the terms of the SDDC contract, we may receive a poor performance report that would be considered by the U.S. military in exercising its options to extend the term of the contract and in making any future awards. Accordingly, we cannot be certain that the term of the SDDC contract will be extended or that we will be awarded any future government contracts.

In contracting with the U.S. military, we are subject to U.S. government contract laws, regulations and other requirements that impose risks not generally found in commercial contracts. For example, U.S. government contracts require contractors to comply with a number of socio-economic requirements and to submit periodic reports regarding compliance, are subject to audit and modification by the U.S. government in its sole discretion, and impose certain requirements relating to software and/or technical data that, if not followed, could result in the inadvertent grant to the U.S. government of broader licenses to use and disclose such software or data than we intended.

These laws, regulations and contract provisions also permit, under certain circumstances, the U.S. government unilaterally to:

- suspend or prevent us for a set period of time from receiving new government contracts or extending existing contracts based on violations or suspected violations of laws or regulations;
- terminate the SDDC contract;
- reduce the scope and value of the SDDC contract;
- audit our performance under the SDDC contract and our compliance with various regulations; and
- change certain terms and conditions in the SDDC contract.

In addition, the U.S. military may terminate the SDDC contract either for its convenience at any time or if we default by failing to perform in accordance with the contract schedule and terms. Termination for convenience provisions generally enable the contractor to recover only those costs incurred or committed, and settlement expenses and profit on the work completed prior to termination. Termination for default provisions do not permit these recoveries and make the contractor liable for excess costs incurred by the U.S. military in procuring undelivered items from another source.

In addition, the U.S. government could bring criminal and civil charges against us based on intentional or unintentional violations of the representations and certifications that we have made in the SDDC contract. Although adjustments arising from U.S. government audits and reviews have not seriously harmed our business in the past, future audits and reviews could cause adverse effects. We could also suffer serious harm to our reputation if allegations of impropriety were made against us.

Gains and losses associated with the disposition of used equipment may fluctuate and adversely affect our business, results of operations and financial condition.

We regularly sell used containers at the end of their useful economic lives in marine service or when it is financially attractive for us to do so, considering the location, sale price, cost of repair, and possible repositioning expenses. The residual value of these containers affects our profitability. The volatility of the residual values of used containers may be significant. These values depend upon, among other factors, demand for used containers for secondary purposes, comparable new container costs, used container availability, condition and location of the containers, and market conditions. Most of these factors are outside of our control.

Containers are typically sold if it is in the best interest of the owner to do so after taking into consideration the prevailing sales price, as affected by the above factors, location, earnings prospects, remaining useful life, repair condition, and suitability for leasing or other uses. Gains or losses on the disposition of used container equipment and the sales fees earned on the disposition of managed containers will also fluctuate and may be significant if we sell large quantities of used containers. Any such fluctuations could harm our business, results of operations and financial condition. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a discussion of our gains or losses on the disposition of used container equipment.

We may choose to pursue acquisitions or joint ventures that could present unforeseen integration obstacles or costs.

We may pursue acquisitions and joint ventures. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including:

- potential disruption of our ongoing business and distraction of management;
- difficulty integrating personnel and financial and other systems;

- hiring additional management and other critical personnel; and
- increasing the scope, geographic diversity and complexity of our operations.

In addition, we may encounter unforeseen obstacles or costs in the integration of acquired businesses. Also, the presence of one or more material liabilities of an acquired company that are unknown to us at the time of acquisition may have a material adverse effect on our business. Acquisitions or joint ventures may not be successful, and we may not realize any anticipated benefits from acquisitions or joint ventures.

A reduction in the willingness of container investors to have us manage their containers could adversely affect our business, results of operations and financial condition.

A significant percentage of our revenue is attributable to management fees earned on services related to the leasing of containers owned by container investors. This revenue has very low direct operating costs associated with it. Accordingly, fluctuations in our management fee revenue in any period will have an impact on our profitability in that period. Our ability to continue to attract new management contracts depends upon a number of factors, including our ability to lease containers on attractive lease terms and to efficiently manage the repositioning, storage and disposition of containers. In the event container investors perceive another container leasing company as better able to provide them with a stable and attractive rate of return, we may lose management contract opportunities in the future, which could affect our business, results of operations and financial condition.

Our senior executives are critical to the success of our business and any inability to retain them or recruit new personnel could harm our business, results of operations and financial condition.

Our senior management has a long history in the container leasing industry, with our four most senior officers having an average of approximately 15 years of service with us and an average of 21 years in the container leasing industry. We rely on this knowledge and experience in our strategic planning and in our day-to-day business operations. Our success depends in large part upon our ability to retain our senior management, the loss of one or more of whom could have a material adverse effect on our business. Our success also depends on our ability to retain our experienced sales force and technical personnel as well as recruiting new skilled sales, marketing and technical personnel. Competition for these individuals in our industry is intense and we may not be able to successfully recruit, train or retain qualified personnel. If we fail to retain and recruit the necessary personnel, our business and our ability to obtain new container lessees and provide acceptable levels of customer service could suffer. We have employment agreements with all of our executive officers.

We may incur costs associated with new cargo security regulations, which may adversely affect our business, financial condition and results of operations.

We may be subject to regulations promulgated in various countries, including the U.S., seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the U.S. Moreover, the International Convention for Safe Containers, 1972 (“CSC”), as amended, adopted by the International Maritime Organization, applies to new and existing containers and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. As these regulations develop and change, we may incur compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet new requirements imposed by such regulations. Additionally, certain companies are currently developing or may in the future develop products designed to enhance the security of containers transported in international commerce. Regardless of the existence of current or future government regulations mandating the

safety standards of intermodal shipping containers, our competitors may adopt such products or our container lessees may require that we adopt such products. In responding to such market pressures, we may incur increased costs, which could have a material adverse effect on our business, results of operations and financial condition.

Our indebtedness reduces our financial flexibility and could impede our ability to operate.

We currently utilize three types of borrowings: (i) issuance of bonds; (ii) borrowings under a revolving credit facility and (iii) borrowings under a secured debt facility. Our revolving credit facility is a bank revolving facility involving a commitment to one of our subsidiaries, Textainer Limited, of $75.0 million. Our secured debt facility is a conduit facility, which allows for recurring borrowings and repayments, granted to a subsidiary of Textainer Limited, Textainer Marine Containers Limited. Textainer Marine Containers Limited is also the issuer of our bonds. We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving and secured debt facilities and intend to continue to do so in the future. Containers are purchased by Textainer Limited using proceeds of our revolving credit facility. Textainer Limited then sells these containers at book value to Textainer Marine Containers Limited, which then finances part of the purchase price with draw downs from our secured debt facility. In 2001 and again in 2005, at such time as the secured debt facility reached an appropriate size, it was refinanced through the issuance of bonds to institutional investors. We anticipate a similar refinancing at such time as the secured debt facility reaches a balance of between $300.0 million and, if we are able to increase the commitment under the secured debt facility, $500.0 million. This timing will depend on the level of future purchases of containers for our owned fleet.

As of June 30, 2007, we had outstanding borrowings of $16.0 million under our revolving credit facility, $92.0 million under our secured debt facility and $459.2 million of bonds payable. We expect that we will maintain a significant amount of indebtedness on an ongoing basis.

Payments of principal on our secured debt facility are not due until a conversion event, although we have the option of repaying the principal on those borrowings at any time. If we do not refinance the secured debt facility prior to June 6, 2008, a conversion event will occur, resulting in an increased interest rate and a need to make monthly principal payments. Payments of principal on our bonds are due monthly, although we may not prepay these bonds before June 15, 2008. The borrowings under our revolving credit facility do not amortize prior to January 31, 2009, although we have the option of repaying principal prior to that date. If we do not refinance our revolving credit facility prior to January 31, 2009, those borrowings will then become subject to an increased interest rate and we will need to make monthly principal payments. There is no assurance that we will be able to refinance our outstanding indebtedness, or if refinancing is available, that it can be obtained on terms that we can afford. See “Description of Indebtedness” for further discussions on our borrowings.

The amount of our indebtedness could have important consequences for us, including the following:

- require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing funds available for operations, investments and future business opportunities and other purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- reduce our ability to make acquisitions or expand our business;
- make it more difficult for us to satisfy our debt obligations, and any failure to comply with such obligations, including financial and other restrictive covenants, could result in an event of default under the agreements governing such indebtedness, which could lead to, among other things, an acceleration of our indebtedness or foreclosure on the assets securing our indebtedness, which could have a material adverse effect on our business or financial condition;
- limit our ability to borrow additional funds, or to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes; and

- increase our vulnerability to general adverse economic and industry conditions, including changes in interest rates.

We may not generate sufficient cash flow from operations to service and repay our debt and related obligations and have sufficient funds left over to achieve or sustain profitability in our operations, meet our working capital and capital expenditure needs or compete successfully in our industry.

We will require a significant amount of cash to service and repay our outstanding indebtedness and our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and repay our indebtedness and to fund planned capital expenditures will depend on our ability to generate cash in the future. It is possible that:

- our business will not generate sufficient cash flow from operations to service and repay our debt and to fund working capital requirements and planned capital expenditures;
- future borrowings will not be available under our current or future credit facilities in an amount sufficient to enable us to refinance our debt; or
- we will not be able to refinance any of our debt on commercially reasonable terms or at all.

Our revolving credit facility and secured debt facility and our bonds impose, and the terms of any future indebtedness may impose, significant operating, financial and other restrictions on us and our subsidiaries.

Restrictions imposed by our revolving credit facility and secured debt facility and our bonds may limit or prohibit, among other things, our ability to:

- incur additional indebtedness;
- pay dividends on or redeem or repurchase our common shares;
- enter into new lines of business;
- issue capital stock of our subsidiaries;
- make loans and certain types of investments;
- incur liens;
- sell certain assets or merge with or into other companies or acquire other companies;
- enter into certain transactions with shareholders and affiliates; and
- restrict dividends, distributions or other payments from our subsidiaries.

We are also required to comply with certain financial ratio covenants. See “Description of Indebtedness” for further details on our financial ratio covenants. These restrictions could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities. A breach of any of these restrictions, including a breach of financial covenants, could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and fees, to be immediately due and payable and proceed against any collateral securing that indebtedness, which will constitute substantially all of our container assets.

If we are unable to enter into interest rate caps and swaps on reasonable commercial terms, our exposure associated with our variable rate debt could increase.

We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving and secured debt facilities and intend to continue to do so in the future.

In 2001 and again in 2005, at such time as the secured debt facility reached an appropriate size, the facility was refinanced through the issuance of bonds. We anticipate a similar refinancing at such time as the secured debt facility reaches a balance of between $300.0 million and, if we are able to increase the secured debt facility commitment, $500.0 million. As of June 30, 2007, we had outstanding borrowing of $16.0 million under our revolving credit facility, $92.0 million under our secured debt facility and $459.2 million under our bonds payable, all of which are subject to variable interest rates. We have entered into various interest rate cap and swap agreements to mitigate our exposure associated with variable rate debt. The swap agreements involve payments by us to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate ("LIBOR"). Our interest rate swap agreements have expiration dates between November 2007 and December 2010. Our interest rate cap agreements have expiration dates between October 2007 and November 2015. There can be no assurance that these interest rate caps and swaps will be available in the future, or if available, will be on terms satisfactory to us. If we are unable to obtain such interest rate caps and swaps, our exposure associated with our variable rate debt could increase.

Environmental liability may adversely affect our business, results of operations and financial condition.

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air, ground and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and costs arising out of third-party claims for property or natural resource damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessees' current or historical operations. Under some environmental laws in the U.S. and certain other countries, the owner or operator of a container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from the container without regard to the fault of the owner or operator. While we typically maintain certain limited liability insurance and typically require lessees to provide us with indemnity against certain losses, the insurance coverage may not be sufficient to protect against any or all liabilities and such indemnities may not be sufficient, or available, to protect us against losses arising from environmental damage. Moreover, our lessees may not have adequate resources, or may refuse to honor their indemnity obligations and our insurance coverage is subject to large deductibles, coverage limits and significant exclusions.

We could face litigation involving our management of containers for container investors.

We manage containers for container investors under management agreements that are negotiated with each container investor. We make no assurances to container investors that they will make any amount of profit on their investment or that our management activities will result in any particular level of income or return of their initial capital. We believe that as the number of containers that we manage for container investors increases, the possibility that we may be drawn into litigation relating to these managed containers may also increase. Although our management agreements contain contractual protections and indemnities that are designed to limit our exposure to such litigation, such provisions may not be effective and we may be subject to a significant loss in a successful litigation by a container investor. In addition, we currently are in litigation regarding prior management of assets for certain terminated limited partnerships. See "Business—Legal Proceedings".

Certain liens may arise on our containers.

Depot operators, manufacturers, repairmen and transporters may come into possession of our containers from time to time and have amounts due to them from the lessees or sublessees of the containers. In the event of nonpayment of those charges by the lessees or sublessees, we may be delayed in, or entirely barred from, repossessing the containers, or be required to make payments or incur expenses to discharge such liens on our containers.

We may not always pay dividends on our common shares.

We may not be able to pay future dividends because they depend on future earnings, capital requirements, and financial condition. The declaration and payment of future dividends is at the discretion of our board of directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given year. In addition, we will not pay dividends in the event we are not allowed to do so under Bermuda law, are in default under (or such payment would cause a default under) our revolving credit facility, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as (i) a minimum net worth level (which level would decrease by the amount of any dividend paid), (ii) a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid) and (iii) a minimum ratio of certain income (which amount would decrease by the amount of any dividend paid) to current obligations. The reduction or elimination of dividends may negatively affect the market price of our common shares. Please see "Description of Indebtedness—Credit Facility" for a description of these covenants and "Description of Share Capital—Dividend Rights" for the limitations under Bermuda law. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

Risks Related to this Offering

Our common shares have no public market, and an active trading market may not develop.

Prior to this offering, there has not been a market for our common shares. Although we have applied and expect to list our common shares on the New York Stock Exchange ("NYSE"), an active trading market in our common shares might not develop or continue. If you purchase shares in this offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was determined through negotiations with the representative of the underwriters based upon an assessment of the valuation of our shares and a book-building process. The public market may not agree with or accept this valuation, in which case you may not be able to sell your shares at or above the initial public offering price.

The market price and trading volume of our shares may be volatile and may be affected by market conditions beyond our control.

Even if an active trading market for the shares develops, the market price of our shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our common shares may fluctuate and cause significant price variations to occur. If the market price of the shares declines significantly, you may be unable to resell your shares at or above your purchase price, if at all. The market price of our shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect our shares price or result in fluctuations in the price or trading volume of our shares include:

- variations in our quarterly operating results;
- failure to meet our earnings estimates;
- publication of research reports about us, other intermodal container lessors or the container shipping industry or the failure of securities analysts to cover our shares or our industry after this offering;
- additions or departures of key management personnel;
- adverse market reaction to any indebtedness we may incur or preference or common shares we may issue in the future;
- changes in our dividend payment policy or failure to execute our existing policy;
- actions by shareholders;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;

- speculation in the press or investment community; and
- changes or proposed changes in laws or regulations affecting the container shipping industry or enforcement of these laws and regulations, or announcements relating to these matters.

In the past, the stock market has experienced extreme price and volume fluctuations. These market fluctuations could result in extreme volatility in the trading price of the shares, which could cause a decline in the value of your investment. You should also be aware that price volatility may be greater if the public float and trading volume of our shares are low.

One of our shareholders, Halco, a company owned by a trust in which Trencor and certain of its affiliates are the sole discretionary beneficiaries, has and will continue to have substantial control over us after this offering and could act in a manner with which other shareholders may disagree or that is not necessarily in the interests of other shareholders.

Halco currently beneficially owns approximately 71.7% of our issued and outstanding common shares. After taking into account this offering, including the full exercise of the over-allotment option by the underwriters, and assuming that Halco purchases $30.0 million of our shares in this offering at the assumed initial public offering price of $20.00 per share, based upon beneficial ownership of our issued and outstanding common shares as of September 5, 2007, Halco will beneficially own approximately 59.6% of our issued and outstanding common shares. These shares will not be purchased unless the offering to the public is consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180 day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering. Accordingly, Halco has and will continue to have the ability to influence the outcome of matters submitted to our shareholders for approval, including the election of directors and any amalgamation, merger, consolidation or sale of all or substantially all of our assets. Six of our eleven directors are also directors of Trencor. In addition, Halco will have the ability to control the management and affairs of our company. Halco may have interests that are different from yours. For example, it may support proposals and actions with which you may disagree or which are not in your interests as a shareholder of our company. The concentration of ownership could delay or prevent a change in control of us or otherwise discourage a potential acquiror from attempting to obtain control of us, which in turn could reduce the price of our common shares.

Affiliates of Halco and Trencor may compete with us and compete with some of our customers.

Halco and Trencor, through their affiliates, are free to compete with us, and have engaged in the past and will likely continue to engage in businesses that are similar to ours. In particular, Leased Assets Pool Company Limited ("LAPCO"), an affiliate of Halco, owns containers, has competed against us and our customers through its investment in containers and has used our competitors to manage some of its containers in the past. Thus, although we have a management agreement with LAPCO to manage a majority of its containers, we expect that we will continue to compete with LAPCO in the future, which may result in various conflicts of interest.

Our current management and share ownership structure may create conflicts of interest.

Six of our eleven directors are also directors of Trencor. These directors owe fiduciary duties to each company and may have conflicts of interest in matters involving or affecting us and Trencor, including matters arising under our agreements with Trencor and its affiliates. In addition, to the extent that some of these directors may own shares in Trencor, they may have conflicts of interest when faced with decisions that could have different implications for Trencor than they do for us. Furthermore, Trencor, as a South African company, endorses for itself and for its subsidiaries, the Code of Corporate Practices and Conduct in the King II Report on Corporate Governance. The King II Report on Corporate Governance is a document promulgated by the South African Institute of Directors which, among other things, suggests that corporations in their corporate decision-

making consider the following stakeholders in addition to the owners of shares: parties who contract with the enterprise; parties who have a non-contractual nexus with the enterprise (including civic society and the environment); and the state. Trencor may seek to or be required to impose these corporate governance practices on us, which may result in constraints on management and may involve significant costs. Your interests as a shareholder of Textainer may not align with the interests of Trencor and its affiliates and shareholders.

We are a holding company with no material direct operations and rely on our operating subsidiaries to provide us with funds necessary to meet our financial obligations and to pay dividends.

We are a holding company with no material direct operations. Our principal assets are the equity interests we directly or indirectly hold in our operating subsidiaries, which own our operating assets. As a result, we are dependent on loans, dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations and to pay dividends on our common shares. Our subsidiaries are legally distinct from us and may be prohibited or restricted from paying dividends or otherwise making funds available to us under certain conditions. If we are unable to obtain funds from our subsidiaries, we may be unable to, or our board may exercise its discretion not to, pay dividends on our common shares.

Our ability to sell more shares in the future may be materially constrained by Trencor's South African currency restrictions and JSE Listings Requirements.

Trencor, a South African company listed on the JSE, has beneficiary interest in a majority of our share capital. Six of our eleven directors are also directors of Trencor. Both South African exchange control authorities and the JSE impose certain restrictions on Trencor.

South Africa's exchange control regulations provide for restrictions on exporting capital from South Africa. These restrictions require Trencor to obtain approval from South African exchange control authorities before engaging in transactions that would result in dilution of their share interest in us below certain thresholds, whether through their sale of their own shareholdings or through their approval of our issuance of new shares. The exchange control authorities may decide not to grant such approval if a proposed transaction were to dilute Trencor's beneficiary interest in us below certain levels. While the South African government has, to some extent, relaxed exchange controls in recent years, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the future. The above requirements could restrict or limit our ability to issue new shares. In addition, Trencor is required to comply with JSE Listings Requirements in connection with its holding or sale of our shares.

Immediately following the completion of this offering, including the full exercise of the over-allotment option by the underwriters, and assuming that Halco purchases $30.0 million of our shares in this offering at the assumed initial public offering price of $20.00 per share, Trencor will have an indirect beneficiary interest in 59.6% of our issued and outstanding shares. The above requirements could limit our financial flexibility by, among other things, impacting our future ability to raise funds through the issuance of securities, preventing or limiting the use of our shares as consideration in acquisitions, and limiting our use of option grants and restricted share grants to our directors, officers and other employees as incentives to improve the financial performance of our company.

It may not be possible for investors to enforce U.S. judgments against us.

We and all of our subsidiaries, except Textainer Equipment Management (U.S.) Limited, Textainer Capital Corporation and Textainer Financial Services Corporation, are incorporated in jurisdictions outside the U.S. A substantial portion of our assets and those of our subsidiaries are located outside of the U.S. In addition, most of our directors are non-residents of the U.S., and all or a substantial portion of the assets of these non-residents are located outside the U.S. As a result, it may be difficult or impossible for U.S. investors to serve process within the U.S. upon us, our non-U.S. subsidiaries, or our directors, or to enforce a judgment against us for civil

liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our assets or the assets of our subsidiaries are located would enforce judgments of U.S. courts obtained in actions against us or our subsidiaries based upon the civil liability provisions of applicable U.S. federal and state securities laws, or would enforce, in original actions, liabilities against us or our subsidiaries based on those laws.

We are a foreign private issuer and, as a result, under NYSE rules, we are not required to comply with certain corporate governance requirements.

As a foreign private issuer, we are permitted by the NYSE to comply with Bermuda corporate governance practice in lieu of complying with certain NYSE corporate governance requirements. This means that we are not required to comply with NYSE requirements that:

- the board of directors consists of a majority of independent directors;
- independent directors meet in regularly scheduled executive sessions;
- the audit committee satisfy NYSE standards for independence (although we must still comply with independence standards pursuant to Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"));
- the audit committee have a written charter addressing the committee's purpose and responsibilities;
- we have a nominating and corporate governance committee composed of independent directors with a written charter addressing the committee's purpose and responsibilities;
- we have a compensation committee composed of independent directors with a written charter addressing the committee's purpose and responsibilities;
- we establish corporate governance guidelines and a code of business conduct;
- our shareholders approve any equity compensation plans; and
- there be an annual performance evaluation of the nominating and corporate governance and compensation committees.

Our board of directors has adopted an audit committee charter, a compensation committee charter and a nominating and governance committee charter, in each case, to be effective immediately prior to the effectiveness of this offering. However, following this offering, we intend to utilize some of the exemptions available to a foreign private issuer. As a result, our board of directors may not consist of a majority of independent directors and our compensation committee may not consist of any or a majority of independent directors. Accordingly, you may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Market interest rates may have an effect on the trading value of our shares.

One of the factors that investors may consider in deciding whether to buy or sell our shares is our dividend rate, as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may demand a higher dividend yield on our shares or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions can affect the market value of our shares.

If securities analysts do not publish research or reports about our business or if they change their financial estimates or investment recommendation, the price of our common shares could decline.

The trading market for our common shares will rely in part on the research and reports that industry or financial analysts publish about us or our business. We do not control or influence the decisions or opinions of

these analysts and analysts may not cover us. If any analyst who covers us changes his or her financial estimates or investment recommendation, the price of our common shares could decline. If any analyst ceases coverage of our company or our industry, we could lose visibility in the market, which in turn could cause our share price to decline.

Implementation of required public company corporate governance and financial reporting practices and policies will increase our costs, and we may be unable to provide the required financial information in a timely and reliable manner.

As a result of this offering, we will become subject to the reporting requirements of the Exchange Act and the other rules and regulations of the Securities and Exchange Commission (the "SEC"). The SEC, as directed by Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), has adopted rules that will require us to conduct an assessment by management of the effectiveness of our internal controls over financial reporting. In addition, our independent auditors must attest to and report on the effectiveness of such internal controls over financial reporting. Our management may not be able to effectively and timely implement controls and procedures that adequately respond to the increased regulatory compliance and reporting requirements that will be applicable to us as a public company. If we are not able to implement the requirements of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, our independent auditors may not be able to attest as to the effectiveness of our internal controls over financial reporting. This result may subject us to adverse regulatory consequences, and could lead to a negative reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. We could also suffer a loss of confidence in the reliability of our financial statements if we disclose material weaknesses or significant deficiencies in our internal controls. In addition, if we fail to develop and maintain effective controls and procedures, we may be unable to provide the required financial information in a timely and reliable manner or otherwise comply with the standards applicable to us as a public company. Any failure by us to timely provide the required financial information could materially and adversely impact our financial condition and the market value of our common shares. Furthermore, testing and maintaining internal controls can divert our management's attention from other matters that are important to our business. We also expect these regulations to increase our legal and financial compliance costs, make it more difficult to attract and retain qualified officers and directors, particularly to serve on our audit committee, and make some activities more difficult, time consuming and costly.

You will incur immediate and substantial dilution in the net tangible book value of the shares you purchase.

Purchasers of our common shares in this offering will pay a price per share that exceeds the per share value of our tangible assets after subtracting our liabilities and the per share price paid by our existing shareholders to acquire our common shares. Accordingly, assuming an initial public offering price of $20 per share, you will experience immediate and substantial dilution of approximately $11.62 per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering and the assumed initial public offering price. In addition, purchasers of our common shares in this offering will have contributed approximately 87% of the aggregate price paid by all purchasers of our shares but will own only approximately 19% of our common shares issued and outstanding after this offering. See "Dilution."

A large number of shares are restricted from immediate resale but may be sold into the market in the near future. We may also issue additional shares without your approval. This could cause the market price of our common shares to decline significantly.

After taking into account this offering, including the full exercise of the over-allotment option by the underwriters, based on the number of shares issued and outstanding as of September 5, 2007, we will have 48,954,640 common shares issued and outstanding. This includes the 10,350,000 shares we are selling in this offering, based on an assumed offering price of $20 per share, which may be sold in the public market immediately unless held by an affiliate of ours. Of these 10,350,000 common shares sold, based on an assumed offering price of $20 per share, we expect that 1,500,000 shares will be sold to Halco, which is our affiliate, and

therefore these shares will not be freely tradable in the public market. These shares will not be purchased by Halco unless the offering to the public is consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180 day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering.

Substantially all of our officers, directors and existing shareholders have entered into lock-up agreements providing that they will not sell any of our common shares until 180 days from the date of this prospectus, without the prior written consent of Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC. Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC may release the shares subject to the lock-up agreements in whole or in part at any time without prior public notice. However, Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC have no current plans to effect such a release. Please see "Shares Eligible for Future Sale" for a description of sales that may occur in the future.

We intend to file a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), as promptly as possible after the effective date of this offering to register the common shares that we may issue in the future under our 2007 Share Incentive Plan. We have reserved a maximum of 8% of our issued and outstanding common shares as of forty-five (45) days after the completion of this offering for issuance under our 2007 Share Incentive Plan. Once we register any new shares that we may issue under this plan, those shares will be freely tradable upon issuance. If this causes a large number of our shares to be sold in the public market, or if there is an expectation of such sales, the sales or expectations of sales, could reduce the trading price of our common shares and impede our ability to raise future capital. See "Shares Eligible for Future Sale" for a more detailed description of sales that may occur in the future.

Our board of directors and management have broad discretion in using the proceeds from this offering, which might not be used in ways that improve our operating results or increase our market value. Investors will rely on the judgment of our board of directors and management regarding the application of the proceeds from this offering.

We intend to use the net proceeds from this offering:

- to repay the debt incurred to fund our purchase of the exclusive rights to manage the container fleet of Capital from Green Eagle Investments N.V., which acquisition closed on July 23, 2007;
- to fund the purchase of half of the interests held by FB in our subsidiary, Textainer Marine Containers Limited;
- to fund fleet expansion and acquisitions of complementary businesses, products, technologies or other assets; and
- for general corporate purposes, including repayment of debt, working capital and capital expenditures.

However, our board of directors and management will have broad discretion in applying the net proceeds we receive from this offering and may spend the proceeds for corporate purposes that do not necessarily improve our operating results or enhance the value of our common shares, or allocate the net proceeds in a manner with which you do not agree. See "Use of Proceeds" for a more detailed description of how we intend to use the net proceeds from this offering.

We have anti-takeover provisions in our bye-laws that may discourage a change of control.

Bermuda law and our bye-laws contain provisions that could make it more difficult for a third party to acquire us without the consent of our board of directors. These include provisions:

- requiring the approval of not less than 66% of our shareholders for a merger or amalgamation transaction that has not been approved by our board of directors;
- prohibiting us from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person becomes an interested shareholder, unless certain conditions are met;
- authorizing our board of directors to issue blank-check preference shares without shareholder approval;
- establishing a classified board with staggered three-year terms;
- only authorizing the removal of directors (i) for cause by the affirmative vote of the holders of a majority of the votes cast at a meeting or (ii) without cause by the affirmative vote of the holders of 66% of the common shares then issued and outstanding and entitled to vote on the resolution; and
- establishing advance notice requirements for nominations for election to our board of directors.

These provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our management and/or our board of directors. Public shareholders who might desire to participate in these types of transactions may not have an opportunity to do so. These anti-takeover provisions could substantially impede the ability of public shareholders to benefit from a change in control or change our management and board of directors and, as a result, may adversely affect the market price of our shares and your ability to realize any potential change of control premium. See "Description of Share Capital—Amalgamations and Business Combinations."

As a shareholder of our company, you may have greater difficulties in protecting your interests than as a shareholder of a U.S. corporation.

The Companies Act 1981 of Bermuda, as amended (the "Companies Act"), applies to our company and differs in material respects from laws generally applicable to U.S. corporations and their shareholders. Taken together with the provisions of our bye-laws, some of these differences may result in your having greater difficulties in protecting your interests as a shareholder of our company than you would have as a shareholder of a U.S. corporation. This affects, among other things, the circumstances under which transactions involving an interested director are voidable, whether an interested director can be held accountable for any benefit realized in a transaction with our company, what approvals are required for business combinations by our company with a large shareholder or a wholly-owned subsidiary, what rights you may have as a shareholder to enforce specified provisions of the Companies Act or our bye-laws, and the circumstances under which we may indemnify our directors and officers.

Our bye-laws restrict shareholders from bringing legal action against our officers and directors.

Our bye-laws contain a broad waiver by our shareholders of any claim or right of action, both individually and on our behalf, against any of our officers or directors. The waiver applies to any action taken by an officer or director, or the failure of an officer or director to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the officer or director. This waiver limits the right of shareholders to assert claims against our officers and directors unless the act or failure to act involves fraud or dishonesty.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS; CAUTIONARY LANGUAGE

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business," contains forward-looking statements. Forward-looking statements include all statements that are not statements of historical facts and may relate to, but are not limited to, expectations or estimates of future operating results or financial performance, capital expenditures, introduction of new products, regulatory compliance, plans for growth and future operations, as well as assumptions relating to the foregoing. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "continue" or the negative of these terms or other similar terminology. Although we do not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy, and actual results may differ materially from those we anticipated due to a number of uncertainties, many of which cannot be foreseen. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including, among others, the risks we face that are described in the section entitled "Risk Factors" and elsewhere in this prospectus.

We believe that it is important to communicate our future expectations to potential investors. However, there may be events in the future that we are not able to accurately predict or control and that may cause actual events or results to differ materially from the expectations expressed in or implied by our forward-looking statements. The risk factors listed on the previous pages, as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Before you invest in our common shares, you should be aware that the occurrence of the events described in the previous risk factors and elsewhere in this prospectus could negatively impact our business, cash flows, results of operations, financial condition and share price. Potential investors should not place undue reliance on our forward-looking statements.

Forward-looking statements regarding our present plans or expectations for fleet size, management contracts, container purchases, sources and availability of financing, and growth involve risks and uncertainties relative to return expectations and related allocation of resources, and changing economic or competitive conditions, as well as the negotiation of agreements with container investors, which could cause actual results to differ from present plans or expectations, and such differences could be material. Similarly, forward-looking statements regarding our present expectations for operating results and cash flow involve risks and uncertainties related to factors such as utilization rates, per diem rates, container prices, demand for containers by container shipping lines, supply and other factors discussed under "Risk Factors" or elsewhere in this prospectus, which would also cause actual results to differ from present plans. Such differences could be material.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to, and do not plan to, update any forward-looking statements after the date of this prospectus as a result of new information, future events or developments, except as required by federal securities laws. You should read this prospectus and the documents that we reference and have filed as exhibits to the registration statement, of which this prospectus is a part, with the understanding that we cannot guarantee future results, levels of activity, performance or achievements and that actual results may differ materially from what we expect. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by the Private Securities Litigation Reform Act of 1995.

Industry data and other statistical information used in this prospectus are based on independent publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates, derived from our review of internal surveys and the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information.

You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this prospectus.

In this prospectus, unless otherwise specified, all monetary amounts are in U.S. dollars. To the extent that any monetary amounts are not denominated in U.S. dollars, they have been translated into U.S. dollars in accordance with our accounting policies as described in our consolidated financial statements included elsewhere in this prospectus.

Consent under the Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of the common shares to and between non-residents of Bermuda for exchange control purposes, provided our shares are and remain listed on an appointed stock exchange, which includes the NYSE. This prospectus will be filed with the Registrar of Companies in Bermuda in accordance with Bermuda law. In granting such consent and in accepting this prospectus for filing, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for our financial soundness, the correctness of any of the statements made or opinions expressed in this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the common shares we are offering will be approximately $167.5 million, based upon an assumed initial public offering price of $20.00 per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses. A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would increase (decrease) the net proceeds to us from this offering by $8.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus (excluding the shares that the underwriters have an option to purchase to cover over-allotments), remains the same and after deducting the estimated underwriting discounts, commissions and offering expenses payable by us. If the underwriters fully exercise the over-allotment option, we estimate that our net proceeds from this offering will be approximately $192.7 million.

We anticipate that we will use the net proceeds we receive from this offering:

- to repay the debt incurred to fund the $56.0 million purchase price for our purchase of the exclusive rights to manage the container fleet of Capital from Green Eagle Investments N.V. which acquisition closed on July 23, 2007. We financed this $56.0 million purchase price under our $300.0 million secured debt facility, which had an interest rate of LIBOR plus 0.32% as of July 23, 2007. See “Description of Indebtedness” for further details on our secured debt facility;
- to pay for the purchase of half of the interests held by FB in our subsidiary, Textainer Marine Containers Limited. We have agreed in principle with FB that Textainer Limited will acquire half of their interest in our subsidiary, Textainer Marine Containers Limited, at a cash price equal to (i) 25% of the total shareholders’ equity of the Class A Shares of Textainer Marine Containers Limited on the day immediately preceding the closing of such acquisition, plus (ii) $18.0 million. If the transaction had closed on July 31, 2007, the cash purchase price would have been approximately $68.7 million. In addition, as part of the consideration, at least 50% of the total annual capital expenditures of the company on new containers, as measured under GAAP, will be allocated to the Class A portion of Textainer Marine Containers Limited for a three-year period after the close of this transaction. FB shall hold 25% of all issued and outstanding Class A Shares of Textainer Marine Containers Limited after the close of this transaction. We are in the process of negotiating the transaction documents and expect to close the transaction within two business days after the closing of this offering or as soon as practicable thereafter; and
- for general corporate purposes, including repayment of debt, working capital and capital expenditures. Borrowings under our secured debt facility have been used to finance the purchases of new containers and had an interest rate of LIBOR plus 0.32% as of September 5, 2007. Borrowings under our revolving credit facility have been used for working capital purposes and to finance the purchases of new containers and had an interest rate between LIBOR plus 1.0% to LIBOR plus 1.5% as of September 5, 2007. See “Description of Indebtedness” for further details on our debt. In addition, we may use proceeds from this offering for fleet expansion and acquisitions of complementary businesses, products, technologies or other assets. While we do not have any current specific plans for the proceeds other than those mentioned above, we also evaluate other acquisition opportunities and engage in related discussions from time to time.

As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the proceeds from this offering or the amounts that we will actually spend on the uses set forth above. The amount and timing of actual expenditures may vary significantly depending upon a number of factors, such as the amount of cash used by our operations and capital expenditures. Accordingly, our board of directors and management will have significant flexibility in applying the net proceeds from this offering. Pending the application of the net proceeds from this offering as described above, we intend to invest the net proceeds from this offering in short-term, interest-bearing, investment-grade securities or certificates of deposit.

DIVIDEND POLICY

During March 2005, we declared and paid a dividend totaling $17.2 million. During August 2005, we declared a dividend totaling $9.6 million that was paid in September 2005. During March 2006, we declared and paid a dividend totaling $19.1 million. During August 2006, we declared a dividend totaling $8.2 million that was paid in September 2006. During March 2007, we declared and paid a dividend totaling $20.3 million. During May 2007, we declared a dividend totaling $8.1 million that was paid in June 2007. During August 2007, we declared a dividend totaling $8.7 million that was paid in September 2007.

Our board of directors has adopted a dividend policy which reflects its judgment that our shareholders would be better served if we distributed to them, as quarterly dividends payable at the discretion of our board of directors, a portion of the cash generated by our business in excess of our expected cash needs, including cash needs for potential acquisitions or other growth opportunities, rather than retaining such excess cash or using such cash for other purposes. On an annual basis we expect to pay dividends with cash flow from operations, but due to seasonal or other temporary fluctuations in cash flow, we may from time to time use temporary short-term borrowings to pay quarterly dividends. In accordance with our dividend policy, we currently intend to pay an initial fourth quarter dividend of $0.20 per share on or about December 2007.

We are not required to pay dividends, and our shareholders will not be guaranteed, or have contractual or other rights, to receive dividends. The timing and amount of future dividends will be at the discretion of our board of directors and will be dependent on our future operating results and the cash requirements of our business. There are a number of factors that can affect our ability to pay dividends and there is no guarantee that we will pay dividends in any given year. See “Risk Factors” for a discussion of these factors. Our board of directors may decide, in its discretion, at any time, to decrease the amount of dividends, otherwise modify or repeal the dividend policy or discontinue entirely the payment of dividends.

In addition, we will not pay dividends in the event we are not allowed to do so under Bermuda law, are in default under (or such payment would cause a default under) our revolving credit facility, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as (i) a minimum net worth level (which level would decrease by the amount of any dividend paid), (ii) a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid) and (iii) a minimum ratio of certain income (which amount would decrease by the amount of any dividend paid) to current obligations. Please see “Description of Indebtedness—Credit Facility” for a description of these covenants and “Description of Share Capital—Dividend Rights” for the limitation under Bermuda law. Furthermore, since we are a holding company, substantially all of the assets shown on our consolidated balance sheet are held by our subsidiaries. Accordingly, our earnings and cash flow and our ability to pay dividends are largely dependent upon the earnings and cash flows of our subsidiaries and the distribution or other payment of such earnings to us in the form of dividends.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2007:

- on an actual basis, but giving effect to a one-for-one share split, effected by way of a share dividend or bonus issue, as of August 8, 2007; and
- on an as adjusted basis to give effect to (1) the amendment of our Memorandum of Association and bye-laws to authorize a total of 140,000,000 common shares, (2) the sale of common shares in this offering, including the shares that Halco has indicated an interest in acquiring in this offering, at an assumed initial public offering price of $20.00 per share, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Halco will not purchase any shares unless the offering to the public is consummated. Halco is under no obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. The shares purchased by Halco will be subject to the 180 day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering.

You should read the information in this table together with our consolidated financial statements and accompanying notes and the disclosures in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

	June 30, 2007 Actual	Adjustments(2)	June 30, 2007 As Adjusted(1)
		(Dollars in thousands, except per share data)	
Cash and Cash Equivalents	$ 35,900	$ 95,502	$ 131,402
Long-Term Debt Obligations (including current portion)			
Revolving credit facility	$ 16,000	$ (16,000)	$ —
Secured debt facility	92,000(3)	(56,000)	36,000
Bonds payable	459,167	—	459,167
Total Long-Term Debt	$567,167	$ (72,000)	$ 495,167
Shareholders' equity:			
Preferred shares, $0.01 par value: 10,000,000 shares authorized and no shares issued and outstanding	—	—	—
Common shares, $0.01 par value: 120,000,000 shares authorized and 38,604,640 shares issued and outstanding, actual; 140,000,000 shares authorized and 47,604,640 shares issued and outstanding, as adjusted	386	90	476
Additional paid-in capital	24,945	167,412	192,357
Notes receivable from shareholders	(792)	—	(792)
Accumulated other comprehensive income	374	—	374
Retained earnings	223,593	—	223,593
Total shareholders' equity	248,506	167,502	416,008
Total capitalization	$ 815,673	$ 95,502	$ 911,175

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would increase (decrease) the net proceeds to us from this offering by $8.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus (excluding the shares that the underwriters have an option to purchase to cover over-allotments), remains the same and after deducting the estimated underwriting discounts, commissions and offering expenses payable by us. The as adjusted information is illustrative only and following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

(2) Assuming a successful offering at $20.00 per share, the middle of the price range set forth on the cover page of this prospectus.

(3) Does not include the $56.0 million of debt incurred on July 23, 2007 to finance the purchase price for our purchase of the exclusive rights to manage the container fleet of Capital. This amount was funded from our $300.0 million secured debt facility, which had an interest rate of LIBOR plus 0.32% as of July 23, 2007. See "Description of Indebtedness" for further details on our secured debt facility. This additional debt is expected to have a minimal impact on our future consolidated statement of operations as this debt is expected to be repaid with the proceeds from this offering.

DILUTION

If you invest in our common shares in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common shares after this offering. The historical net tangible book value of our common shares, as of June 30, 2007, was approximately $231,616, or approximately $6.00 per common share, based on the number of common shares issued and outstanding as of June 30, 2007. Historical net tangible book value per share is determined by dividing the product of our total tangible assets (total assets less intangible assets) less total liabilities and minority interest by the number of our issued and outstanding common shares.

Investors participating in this offering will incur immediate, substantial dilution. After giving effect to the sale of common shares offered in this offering at an assumed initial public offering price of $20.00 per share, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2007 would have been approximately $399.1 million, or approximately $8.38 per common share. This represents an immediate increase in pro forma as adjusted net tangible book value of $2.38 per share to existing common shareholders, and an immediate dilution of $11.62 per share to investors participating in this offering. The following table illustrates this dilution:

Assumed initial public offering price		$ 20.00
Historical net tangible book value as of June 30, 2007	$6.00	
Pro forma increase in net tangible book value attributable to investors participating in this offering	$2.38	
Pro forma as adjusted net tangible book value after this offering		$ 8.38
Pro forma dilution to investors participating in this offering		$11.62

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2007, the differences between the number of common shares purchased from us, the total consideration and the average price per share paid by existing shareholders and by investors participating in this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses, at an assumed initial public offering price of $20.00 per share:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing shareholders before this offering	38,604,640	81%	$ 25,331	13%	$ 0.66
Investors participating in this offering	9,000,000	19%	$167,502	87%	$18.61
Total	47,604,640	100%	$ 192,833	100%	

A $1.00 increase (decrease) in the assumed initial public offering price of $20.00 per share would increase (decrease) total consideration paid by new investors, total consideration paid by all shareholders and the average price per share paid by all shareholders by $8.4 million, $8.4 million and $0.18, respectively, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus (excluding the shares that the underwriters have an option to purchase to cover over-allotments), remains the same.

Assuming the underwriters exercise their over-allotment option in full, the percentage of common shares held by existing shareholders will decrease to 79% of the total number of common shares issued and outstanding after this offering, and the number of shares held by new investors will be increased to 10,350,000, or 21% of the total number of common shares issued and outstanding after this offering.

A maximum of 8% of our issued and outstanding common shares as of forty-five (45) days after the completion of this offering is reserved for future issuance under our 2007 Share Incentive Plan. Assuming an offering size of 10,350,000 shares, which includes the exercise of the over-allotment option by the underwriters, we expect that a total of 3,916,371 common shares will be reserved for issuance under our 2007 Share Incentive Plan. To the extent new options or other equity awards are issued under our share incentive plan or we issue additional common shares in the future, there will be further dilution to new investors participating in this offering.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The selected financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2006, 2005 and 2004 and under the heading "Balance Sheet Data" as of December 31, 2006 and 2005 has been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2003 and 2002 and under the heading "Balance Sheet Data" as of December 31, 2004, 2003 and 2002 are unaudited and has been derived from our unaudited consolidated financial statements not included in this prospectus. The selected financial data presented below under the heading "Statement of Income Data" for the six months ended June 30, 2007, and 2006 and the selected financial data presented below under the heading "Balance Sheet Data" as of June 30, 2007 are unaudited and has been derived from our unaudited consolidated financial statements that are included elsewhere in this prospectus. In the opinion of management, all unaudited selected financial data presented below under the headings "Statement of Income Data" and "Balance Sheet Data" reflect all normal and recurring adjustments necessary to present fairly our results for and as of the periods presented. The data presented below under the heading "Other Financial and Operating Data" are not audited. Historical results are not necessarily indicative of the results of operations to be expected in future periods. You should read the selected consolidated financial data and operating data presented below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with our consolidated financial statements and related notes included elsewhere in this prospectus.

We adopted the FSP AUG AIR-1 effective January 1, 2007. As a result, we have retroactively adjusted our consolidated financial statements to reflect the direct expense method of accounting for maintenance, a method permitted under this Staff Position. The impact of the application of FSP AUG AIR-1 to our direct container expense, in thousands, was a $406, $1,903 and $2,255 decrease for the years ended December 31, 2006, 2005 and 2004, respectively, and a $182 decrease for the six months ended June 30, 2006.

	Six Months Ended June 30, (Unaudited)		Fiscal Year Ended December 31,				
	2007	2006	2006	2005	2004	2003 (Unaudited)	2002 (Unaudited)
	(Dollars in thousands, except per share data)						
Statement of Income Data:							
Revenues:							
Lease rental income	$ 96,649	$ 90,679	$ 186,093	$ 188,904	$ 147,152	$ 122,304	$ 100,097
Management fees	10,141	6,574	16,194	15,472	17,942	16,815	14,435
Trading container sales proceeds	7,162	9,287	14,137	16,046	8,429	9,348	9,777
Incentive management fees and general partner distributions	—	—	—	2,874	1,579	1,393	1,286
Gain on sale of containers, net	5,611	4,186	9,558	10,456	4,275	31	601
Other	286	182	480	648	940	355	261
Total revenues	119,849	110,908	226,462	234,400	180,317	150,246	126,457
Operating expenses:							
Direct container expense	18,427	15,715	29,757	24,314	16,431	15,724	14,408
Cost of trading containers sold	5,779	7,708	11,480	12,944	6,235	7,246	9,205
Depreciation expense	23,391	29,625	54,330	60,792	48,321	42,678	40,760
Amortization expense	1,070	—	1,023	—	—	—	—
General and administrative expense	8,407	8,133	16,155	16,567	16,807	15,454	14,237
Incentive compensation expense	2,178	1,720	4,694	5,140	4,507	2,752	1,607
Bad debt expense, net	996	502	664	91	868	1,396	232
Total operating expenses	60,248	63,403	118,103	119,848	93,169	85,250	80,449
Income from operations	59,601	47,505	108,359	114,552	87,148	64,996	46,008

	Six Months Ended June 30, (Unaudited)		Fiscal Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
						(Unaudited)	(Unaudited)
	(Dollars in thousands, except per share data)						
Other income (expense):							
Interest expense	(17,251)	(15,385)	(33,083)	(27,491)	(13,434)	(11,954)	(12,433)
Interest income	1,377	1,021	2,286	1,086	399	238	238
Realized and unrealized gains (losses) on derivative instruments, net	1,519	4,607	2,274	4,535	(889)	(4,763)	(19,083)
Other, net	(7)	(145)	243	(2,648)	(237)	(84)	(25)
Net other expense	(14,362)	(9,902)	(28,280)	(24,518)	(14,161)	(16,563)	(31,303)
Income before income tax and minority interest	45,239	37,603	80,079	90,034	72,987	48,433	14,705
Income tax expense	(2,775)	(2,061)	(4,299)	(4,662)	(4,011)	(3,001)	(2,275)
Minority interest expense	(9,150)	(10,277)	(19,499)	(22,393)	(15,382)	(10,063)	(1,022)
Net income	$ 33,314	$ 25,265	$ 56,281	$ 62,979	$ 53,594	$ 35,369	$ 11,408
Net income per share:							
Basic	$ 0.87	$ 0.66	$ 1.47	$ 1.65	$ 1.41	$ 0.94	$ 0.31
Diluted	$ 0.86	$ 0.66	$ 1.46	$ 1.63	$ 1.39	$ 0.93	$ 0.30
Weighted average shares outstanding:							
Basic	38,494	38,136	38,186	38,142	38,022	37,784	37,330
Diluted	38,574	38,480	38,488	38,598	38,490	38,212	37,816
Cash dividends declared per common share	$ 0.74	$ 0.50	$ 0.71	$ 0.70	$ 0.55	$ 0.22	$ 0.20
Other Financial and Operating Data (unaudited):							
EBITDA(1)	$ 84,055	$ 76,985	$ 163,955	$ 172,696	$ 135,232	$ 107,590	$ 86,743
Purchase of containers and fixed assets(2)	$ 93,710	$ 24,165	$ 104,818	$ 158,193	$ 194,634	$ 105,648	$ 62,961
Utilization rate(3):							
Former Computation	91.2%	89.8%	91.1%	91.9%	93.2%	88.3%	78.0%
New Computation	93.6%						
Total fleet in TEU (as of the end of the period)(4)	1,559,215	1,198,884	1,527,814	1,183,332	1,157,063	1,072,310	989,934
Balance Sheet Data (as of the end of the period):							
Cash and cash equivalents	$ 35,900		$ 41,163	$ 42,231	$ 28,354	$ 16,419	$ 15,853
Containers, net	821,221		763,612	722,611	748,604	547,408	502,732
Net investment in direct finance leases	46,415		42,222	33,011	5,742	7,468	9,737
Total assets	1,000,601		944,233	870,765	846,579	615,119	569,917
Long-term debt (including current portion)	567,167		541,167	546,167	503,469	401,469	378,909
Total liabilities	657,024		617,017	592,791	627,813	445,421	435,350
Minority interest	95,071		85,922	66,423	44,029	28,647	19,930
Total shareholders' equity	248,506		241,294	211,551	174,737	141,051	114,637

(1) EBITDA (defined as net income, before interest income and interest expense, realized and unrealized (gains) losses on derivative instruments, net, income tax expense, minority interest expense and depreciation and amortization expense) is not a financial measure calculated in accordance with GAAP and should not be considered as an alternative to net income, income from operations or any other performance measures derived in accordance with GAAP or as an alternative to cash flows from operating activities as a measure

of our liquidity. EBITDA is presented solely as a supplemental disclosure because management believes that it may be a useful performance measure that is widely used within our industry. EBITDA is not calculated in the same manner by all companies and, accordingly, may not be an appropriate measure for comparison. We believe EBITDA provides useful information on our earnings from ongoing operations, on our ability to service our long-term debt and other fixed obligations, and on our ability to fund our continued growth with internally generated funds. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Some of these limitations are:

- It does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- It does not reflect changes in, or cash requirements for, our working capital needs;
- It does not reflect interest expense or cash requirements necessary to service interest or principal payments on our debt;
- Although depreciation is a non-cash charge, the assets being depreciated may be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements;
- It is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and
- Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

The following is a reconciliation of net income to EBITDA:

	Six Months Ended June 30,		Fiscal Year Ended December 31,				
	2007	2006	2006	2005	2004	2003	2002
	(Dollars in thousands) (Unaudited)						
Reconciliation of EBITDA:							
Net income	$ 33,314	$25,265	$ 56,281	$ 62,979	$ 53,594	$ 35,369	$ 11,408
Adjustments:							
Interest income	(1,377)	(1,021)	(2,286)	(1,086)	(399)	(238)	(238)
Interest expense	17,251	15,385	33,083	27,491	13,434	11,954	12,433
Realized and unrealized (gains) losses on derivative instruments, net	(1,519)	(4,607)	(2,274)	(4,535)	889	4,763	19,083
Income tax expense	2,775	2,061	4,299	4,662	4,011	3,001	2,275
Minority interest expense	9,150	10,277	19,499	22,393	15,382	10,063	1,022
Depreciation expense	23,391	29,625	54,330	60,792	48,321	42,678	40,760
Amortization expense	1,070	—	1,023	—	—	—	—
EBITDA	$ 84,055	$76,985	$163,955	$172,696	$135,232	$107,590	$ 86,743

(2) Amounts for year ended December 31, 2006, 2005 and 2004, respectively, are audited.

(3) We measure utilization on the basis of containers on lease, using the actual number of days on hire, expressed as a percentage of containers available for lease, using the actual days available for lease. Prior to 2007, we calculated containers available for lease to include all containers in our fleet (Former Computation). Utilization figures in this prospectus for periods prior to 2007 are calculated in the latter manner. Starting in 2007, to conform to the method used by most of our competitors, we began calculating containers available for lease by excluding containers that have been manufactured for us but have not been delivered yet to a lessee and containers designated as held-for-sale units (New Computation).

(4) With the acquisition of the exclusive management rights over the Capital container fleet on July 23, 2007, we have over 2,000,000 TEU in our fleet.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited and unaudited consolidated financial statements and related notes included elsewhere in this prospectus. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See "Information Regarding Forward-Looking Statements." Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors." Dollar amounts in this section of the prospectus are expressed in thousands unless otherwise indicated.

Overview

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size (*Containerisation International Market Analysis: Container Leasing Market 2007*), with a total fleet of more than 1.3 million containers, representing over 2,000,000 TEU. We lease containers to more than 300 shipping lines and other lessees, including each of the world's top 20 container lines, as measured by container vessel fleet size. We believe we are one of the most reliable lessors of containers, in terms of consistently being able to supply containers in locations where our customers need them. We have provided an average of more than 90,000 TEU of new containers per year for the past 12 years, and have been one of the largest purchasers of new containers among container lessors over the same period. We believe we are also one of the two largest sellers of used containers among container lessors, having sold an average of more than 45,600 containers per year for the last five years. We provide our services worldwide via a network of 14 regional and area offices and over 300 independent depots in more than 130 locations. Trencor, a company publicly traded on the JSE in Johannesburg, South Africa, and its affiliates currently have beneficiary interest in a majority of our issued and outstanding common shares and will continue to have a majority interest after giving effect to this offering.

We operate our business in four core segments:

- *Container Ownership*. As of June 30, 2007, we owned containers accounting for approximately 52% of our fleet.
- *Container Management*. As of June 30, 2007, we managed containers on behalf of 12 container investors, providing acquisition, management and disposal services. These managed containers account for the remaining 48% of our fleet.
- *Container Resale*. We generally sell containers from our fleet when they reach the end of their useful lives in marine service or when it is financially attractive for us to do so, considering the location, sale price, cost of repair, and possible repositioning expenses. We also purchase and lease or resell containers from shipping line customers, container traders and other sellers of containers.
- *Military Management*. We lease containers to the U.S. military pursuant to the SDDC contract and earn a fee for supplying and managing its fleet of leased containers. We are the main supplier of leased intermodal containers to the U.S. military.

Each of these core businesses comprises a reportable segment for financial statement reporting purposes. For the years ended December 31, 2006 and 2005, income before income taxes generated by each of the four core businesses, before inter-segment eliminations, was:

	Fiscal Year Ended December 31,	
	2006	2005
	(Dollars in thousands)	
Container Ownership	$ 42,949	$ 47,397
Container Management	$ 11,523	$ 13,761
Container Resale	$ 5,458	$ 5,447
Military Management	$ 1,172	$ 738

Our total revenues primarily consist of leasing revenues derived from the lease of our owned containers and, to a lesser extent, fees received for managing containers owned by third parties, equipment resale and military management. The most important driver of our profitability is the extent to which revenues on our owned fleet and management fee income exceed our operating costs. The key drivers of our revenues are fleet size, rental rates and utilization. Our operating costs primarily consist of depreciation and amortization, interest expense, direct operating expenses and administrative expenses. Our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities.

Significant Transactions

During the last ten years, we have added containers from our competitors' fleets as follows:

Former Competitor	Date	Fleet Size	Type of Addition	Amount Paid
Capital Lease Limited, Hong Kong ("Capital")	July 23, 2007	Over 500,000 TEU	We purchased from Green Eagle Investment N.V. the exclusive management rights over all of Capital's fleet	$56.0 million
Gateway Management Services Limited ("Gateway")	July 1, 2006	315,000 TEU	We purchased from Gateway the management contracts of the fleet it formerly managed (the "Gateway Transaction")	$19.0 million
XTRA International Ltd. ("XTRA")	November 1, 2004	109,800 TEU	We purchased the remaining containers that we managed (the "XTRA Transaction")	$85.3 million
	May 1, 1999	225,800 TEU	Management of the fleet turned over to us by XTRA pursuant to a new management agreement	Management fees of approximately $4.3 million were waived during the first twelve months of the management agreement
PSH Limited	April 1, 1998	54,900 TEU	Management of the fleet turned over to us by the container investor pursuant to a new management agreement	$0

Factors Affecting Our Performance

We believe there are a number of factors that have affected, and are likely to continue to affect, our operating performance. These factors include the following, among others:

- the demand for leased containers;
- lease rates;
- our ability to lease our new containers shortly after we purchase them;
- prices of new containers;
- further consolidation of container manufacturers and/or decreased access to new containers; and
- terrorist attacks, the threat of such attacks or the outbreak of war and hostilities.

For further details of these and other factors which may affect our business and results of operations, see "Risk Factors."

Revenue

Our revenue comprises lease rental income, management fees, trading container sale proceeds and gain on sale of containers.

Lease Rental Income. We generate lease rental income by leasing our owned containers to container shipping lines and other customers, such as the U.S. military. Lease rental income comprises daily per diem rental changes due under the lease agreements, together with payments for other charges set forth in the leases, such as handling fees, drop-off charges and pick-up charges and credits (together "geography revenue") and charges for a damage protection plan ("DPP"). The operating results of our owned container business are determined by the amount by which our container rental revenue exceeds our ownership costs, consisting primarily of depreciation, interest expense, storage, handling and other direct operating expenses and management costs.

Utilization is a key performance indicator which demonstrates how much of our equipment is on lease at a point in time or over a period of time. We measure utilization on the basis of containers on lease, using the actual number of days on hire, expressed as a percentage of containers available for lease, using the actual days available for lease. Prior to 2007, we calculated containers available for lease to include all containers in our fleet. Utilization figures in this prospectus for periods prior to 2007 are calculated in this manner. Starting in 2007, to conform to the method used by most of our competitors, we began calculating containers available for lease by excluding containers that have been manufactured for us but have not been delivered yet to a lessee and containers designated as held-for-sale units. This change in the method of calculating utilization causes our utilization rate to appear higher than under the former methodology, but has no effect on the amount of lease rental income earned. Our utilization is primarily a function of our current lease structure, overall level of container demand, the location of our available containers and prevailing lease terms by location. The location of available containers is critical because containers available in high-demand locations are more readily leased and are typically leased on more favorable terms than containers available in low-demand locations.

Lease rental income is also affected by per diem rates. The per diem rate for a lease is set at the time we enter into a lease agreement. Our long-term per diem rate for new containers has historically been strongly influenced by new container pricing (which in turn is heavily influenced by container manufacturing industry concentrations and steel and other component pricing), interest rates, the balance of supply and demand for containers at a particular time and location, our estimate of the residual value of the container at the end of its useful life in marine service, the type of the container being leased, container purchasing activities by container shipping lines and competitors and efficiencies in container utilization by container shipping lines. Average per diem rates for containers in our owned fleet and in the portfolios of containers comprising our managed fleet change slowly in response to changes in new container prices because existing lease agreements can only be re-priced upon the expiration of the lease.

Management Fees. Management fee revenue is generated by our management services, which include the acquisition, leasing, repair, repositioning, storage and disposition of containers. We provide these management services pursuant to management agreements with container investors. Under these agreements, we earn fees for the acquisition of new containers and the management of the containers, and a sales commission upon disposition of containers under management. The management agreements typically cover the entire economic life of the containers.

Our acquisition fees are calculated as a percentage of the cost of the container. Our management fees are calculated as a percentage of net operating income of the containers. Net operating income is calculated as the lease payment and any other revenue attributable to a container, minus operating expenses related to that container (but not depreciation or financing expenses of the container investor). The management fee percentage generally varies based upon the type of lease and the terms of the management agreement. Management fee percentages for long-term leases are generally lower than management fee percentages for short-term leases because less daily involvement by management personnel is required to manage long-term leases. Our sales commissions are either fixed dollar amount or based on a percentage of the sales price.

All rental operations are conducted worldwide in our name as agent for the container investors. Revenues, customer accounts receivable, operating expenses, and vendor payables arising from direct container operations of the managed portion of our fleet are excluded from our financial statements.

Trading Container Sales Proceeds. Our Container Resale Division purchases used containers from third parties, primarily shipping lines, and resells these containers to a wide variety of buyers. This activity is reported as trading container sales proceeds.

Gain on Sale of Containers, net. Gain on sale of containers, net, represents the excess of the sale price of our owned fleet containers over their net book value at the time of sale. Containers are generally sold at the end of their useful lives in marine service or when it is financially attractive for us to do so, considering the location, sale price, cost of repair and possible repositioning expenses.

Operating Expenses

Our operating expenses include direct container expenses and depreciation of container rental equipment applicable to our owned containers, as well as general and administrative expenses for our total fleet.

Direct Container Expenses. Storage, handling, maintenance, repositioning and other direct container expenses are operating costs of our owned fleet. Storage and handling expenses occur when our customers drop off containers at depots around the world. Storage and handling expenses vary significantly by location. Other direct container expenses include maintenance expenses, which are the result of normal wear and tear on the containers, and repositioning expenses, which are incurred when we contract to move containers from locations where our inventories exceed actual or expected demand to locations with higher demand. Storage, handling, maintenance, repositioning and other direct container expenses are directly related to the number of containers in our owned fleet and inversely related to our utilization rate for those containers. As utilization increases, we typically have lower storage, handling, maintenance and repositioning expenses.

On September 8, 2006, the FASB posted the Staff Position (FSP), *Accounting for Planned Major Maintenance Activities*. FSP AUG AIR-1 amends certain provisions in the AICPA Industry Audit Guide, *Audits of Airlines*, and APB Opinion No. 28, *Interim Financial Reporting*. FSP AUG AIR-1 prohibits the use of the formerly allowed accrue-in-advance method of accounting for planned major maintenance activities in annual and interim financial statements. This guidance was effective for the six month period ended June 30, 2007 and was applied retrospectively for all financial statements presented.

Our leases require the lessee to pay for any damage to the container beyond normal wear and tear at the end of the lease term. We also offer a DPP pursuant to which the lessee pays a fee over the term of the lease (per

diem) in exchange for not being charged for certain damages at the end of the lease term. This revenue is recognized as earned over the term of the lease. Prior to 2007, for containers not subject to a DPP and for containers where DPP was billed upon drop off, we accrued for repairs once we made the decision to repair the container, which was made in advance of us incurring the repair obligations. For containers covered by per diem DPP, we accounted for estimated future repairs on an accrual basis over the estimated term of the lease. The impact of implementing FSP AUG AIR-1 on the financial statements was to reduce liabilities and increase shareholders' equity by approximately $5.6 million as of December 31, 2006 and 2005. As the equipment repair accruals have not changed significantly from period to period, there was no material change to our results of operations for any period following adoption of FSP AUG AIR-1.

Cost of Trading Containers Sold. We buy used containers for resale, primarily from shipping lines. Cost of trading containers sold represents the cost of these containers and is recognized as an expense at the time the containers are sold.

Depreciation Expense. We depreciate our containers on a straight line basis over a period of 12 years to a fixed residual value. We regularly assess both the estimated useful life of our containers and the expected residual values, and, when warranted, adjust our depreciation estimate accordingly. Depreciation expense will vary over time based upon the number and the purchase price of containers in our owned fleet. Beginning in the third quarter of 2006, depreciation of our existing owned fleet decreased as a result of an increase in our estimate of the residual values of our containers. However, this decrease could be partially or totally offset as a result of an increase in the size of our owned fleet in subsequent periods.

Amortization Expense. Amortization expense represents the amortization of the price paid for the Gateway Transaction. The purchase price is being amortized over the expected useful life of the contract on a pro-rata basis to the expected management fees.

General and Administrative Expense. Our general and administrative expenses are primarily employee-related costs such as salary, employee benefits, rent, travel and entertainment costs, as well as expenses incurred for outside services such as legal, consulting and audit-related fees. We expect general and administrative expenses to be higher in the future, as we incur additional costs related to operating as a public company.

Incentive Compensation Expense. Incentive compensation expense is the short-term annual bonus plan in which all company employees participate. The compensation amounts are determined on an annual basis based on the company's return on shareholders' equity.

Bad Debt Expense, net. Bad debt expense, net, represents the amounts recorded to provide for an allowance for the doubtful collection of accounts receivable for the owned fleet.

Results of Operations

Comparison of the Six Months Ended June 30, 2007 and 2006

The following table summarizes our total revenues for the six months ended June 30, 2007 and 2006:

	Six Months Ended June 30,		% Change Between
	2007	2006	2007 & 2006
	(Dollars in thousands) (Unaudited)		
Lease rental income	$ 96,649	$ 90,679	6.6%
Management fees	10,141	6,574	54.3%
Trading container sales proceeds	7,162	9,287	(22.9%)
Gain on sale of containers, net	5,611	4,186	34.0%
Other	286	182	57.1%
Total revenues	$119,849	$ 110,908	8.1%

Lease rental income increased $5,970 (6.6%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $3,539 of the increase was due to a 4.6% increase in fleet size, $3,387 was due to an increase in utilization and $1,292 was due to increased geography revenue. This was offset by $2,509 due to a 3.0% decrease in rental rates.

Management fees increased $3,567 (54.3%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $2,818 of this variance was due to the Gateway Transaction.

Trading container sales proceeds decreased $2,125 (22.9%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $2,329 of this decrease was due to a 25.1% decrease in units sold offset by $204 due to an increase in average sales proceeds of $38 per unit.

Gain on sale of containers, net, increased $1,425 (34.0%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 primarily due to a 5,922 increase in containers disposed accounting for $1,813 of the increase. The increase was offset by $185 due to a $31 decrease in average net gain per unit.

The following table summarizes our total operating expenses for the six months ended June 30, 2007 and 2006:

	Six Months Ended June 30,		% Change Between
	2007	2006	2007 & 2006
	(Dollars in thousands) (Unaudited)		
Direct container expense	$ 18,427	$ 15,715	17.3%
Cost of trading containers sold	5,779	7,708	(25.0%)
Depreciation expense	23,391	29,625	(21.0%)
Amortization expense	1,070	—	N/A
General and administrative expense	8,407	8,133	3.4%
Incentive compensation expense	2,178	1,720	26.6%
Bad debt expense, net	996	502	98.4%
Total operating expenses	$ 60,248	$ 63,403	(5.0%)

Direct container expense increased $2,712 (17.3%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 primarily due to a $1,067 increase in DPP expense and a $2,535 increase in repositioning expense, offset by a $254 decrease in storage expense, $299 decrease in agency expense and a $433 decrease in military sublease expense.

Cost of trading containers sold decreased $1,929 (25.0%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $1,933 of the decrease was due to a 25.1% decrease in unit sales offset by $4 due to a 0.1% increase in the average cost per unit of sold containers.

Depreciation expense decreased $6,234 (21.0%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $8,210 of this decrease was due to an increase in estimated future residual values used in the calculation of depreciation expense, offset by $1,976 due to an increase in the size of the owned fleet.

Amortization expense was $1,070 for the six months ending June 30, 2007 representing the amortization of the amount paid to acquire the management contracts in the Gateway Transaction.

General and administrative expense increased $274 (3.4%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 primarily due to a $269 increase in compensation expense.

Incentive compensation expense increased $458 (26.6%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 due to a higher level of participation in the incentive compensation program.

Bad debt expense, net, increased $494 (98.4%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 primarily due to a net increase for the period to the allowance for doubtful accounts.

The following table summarizes other income (expenses) for the six months ended June 30, 2007 and 2006:

	Six Months Ended June 30,		% Change Between
	2007	2006	2007 & 2006
	(Dollars in thousands) (Unaudited)		
Interest expense	$ (17,251)	$ (15,385)	12.1%
Interest income	1,377	1,021	34.9%
Realized gains on derivative instruments	1,741	992	75.5%
Unrealized gains (losses) on derivative instruments	(222)	3,615	(106.1%)
Other, net	(7)	(145)	(95.2%)
Net other expense	$ (14,362)	$ (9,902)	45.0%

Interest expense increased $1,866 (12.1%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $1,618 of the increase was due to an increase in average interest rates of 0.60 percentage points and $248 was due to an increase in average debt balances of $8,681.

Interest income increased $356 (34.9%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $298 of the increase was due to an increase in average interest rates of 1.00 percentage point and $58 was due to an increase in average cash balances of $3,261.

Realized gains on derivative instruments increased $749 (75.5%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $783 of the increase was due to an increase in average interest rates of 0.47 percentage point partially offset by $34 due to a decrease in average interest rate swap notional amounts of $12,163.

Unrealized gains (losses) on derivative instruments changed from a gain of $3,615 to a loss of $222 from the six months ended June 30, 2006 to the six months ended June 30, 2007 due to a decrease in the change in fair value of interest rate swap agreements held.

The following table summarizes income tax and minority interest expense for the six months ended June 30, 2007 and 2006:

	Six Months Ended June 30,		% Change Between
	2007	2006	2007 & 2006
	(Dollars in thousands) (Unaudited)		
Income tax expense	$ 2,775	$ 2,061	34.6%
Minority interest expense	$ 9,150	$ 10,277	(11.0%)

Income tax expense increased $714 (34.6%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. $709 of the increase was due to higher income and $5 was due to a higher effective tax rate.

Minority interest expense decreased $1,127 (11.0%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 due to a lower level of Textainer Marine Containers Limited net income. In

addition, if the transaction to acquire half of the ownership interest in Textainer Marine Containers Limited currently held by FB Transportation Capital LLC and FB Aviation and Intermodal Finance Holding B.V., as described in the "Use of Proceeds," is concluded, minority interest expense will decrease in future periods.

Comparison of the Years Ended December 31, 2006, 2005 and 2004.

The following table summarizes our total revenues for the years ended December 31, 2006, 2005 and 2004:

	Year Ended December 31,			% Change Between	
	2006	2005	2004	2006 & 2005	2005 & 2004
		(Dollars in thousands)			
Lease rental income	$ 186,093	$188,904	$147,152	(1.5%)	28.4%
Management fees	16,194	15,472	17,942	4.7%	(13.8%)
Trading container sales proceeds	14,137	16,046	8,429	(11.9%)	90.4%
Incentive management fees and general partner distributions	—	2,874	1,579	(100.0%)	82.0%
Gain on sale of containers, net	9,558	10,456	4,275	(8.6%)	144.6%
Other	480	648	940	(25.9%)	(31.1%)
Total revenues	$226,462	$ 234,400	$ 180,317	(3.4%)	30.0%

Lease rental income decreased $2,811 (1.5%) from 2005 to 2006. This included a $4,503 decrease due to a 2.7% decrease in per diem rental rates, a $1,535 decrease due to a 0.9% decrease in utilization and decreases of $1,161 in DPP income and $555 in military sublease income, offset by an increase of $2,484 due to a 1.5% increase in fleet size and a $1,037 increase in handling income and a $426 increase in finance lease income. Lease rental income increased $41,752 (28.4%) from 2004 to 2005. This included an increase of $33,770 due to an increase in average fleet size of 25.8%, primarily due to the XTRA Transaction, and an increase of $2,625 due to a 1.6% increase in per diem rental rates, a $2,362 increase in DPP revenue, a $390 increase in handling revenue, a $2,059 increase in finance lease revenue and a $1,900 increase in military sublease income, offset by a $3,433 decrease due to a 2.1% decrease in utilization.

Management fee revenue increased $722 (4.7%) from 2005 to 2006 due to $2,597 in additional fees earned following the Gateway Transaction, offset by a reduction of $1,875 due to a 3.7% decrease in the size of the fleets managed for other container investors and a $461 decrease in acquisition fees. Management fee revenue decreased $2,470 (13.8%) from 2004 to 2005 primarily due to the XTRA Transaction. We earned $3,114 in management fees from XTRA in 2004 and $0 in 2005, offset by higher management fees from other container investors.

Trading container sales proceeds decreased $1,909 (11.9%) from 2005 to 2006. $1,172 of this decrease was due to a 7.3% decrease in unit sales and $737 of the decrease was due to a decrease in average proceeds of $68 per unit. Trading sales proceeds increased $7,617 (90.4%) from 2004 to 2005. $4,898 of this increase was due to a 58.1% increase in unit sales and $2,719 of the increase was due to an increase in the average sales proceeds of $233 per unit.

Incentive management fees and general partner distributions decreased $2,874 (100.0%) from 2005 to 2006 due to the termination of six limited partnerships, Textainer Equipment Income Fund; Textainer Equipment Income Fund II, L.P.; Textainer Equipment Income Fund III, L.P.; Textainer Equipment Income Fund IV, L.P.; Textainer Equipment Income Fund V, L.P.; and Textainer Equipment Income Fund VI, L.P., for which we were the general partner (the "TEIF Partnerships") in 2005, resulting in no fees in 2006. Incentive management fees and general partner distributions increased $1,295 (82.0%) from 2004 to 2005 due to an increase in the amount of distributions to the partners upon termination of the partnerships.

Gain on sale of containers, net, decreased $898 (8.6%) from 2005 to 2006 primarily due to a decrease of $70 in average sales proceeds per unit. Gain on sale of containers, net, increased $6,181 (144.6%) from 2004 to 2005, primarily due to a 10,389 increase in containers disposed and a $119 increase in average net gain per unit accounting for $4,616 and $1,237 of the total increase, respectively. This increase in unit sales was primarily due to the sale of containers acquired in the XTRA Transaction, which were predominantly older containers.

The following table summarizes our total operating expenses for the years ended December 31, 2006, 2005 and 2004:

	Year Ended December 31,			% Change Between	
	2006	2005	2004	2006 & 2005	2005 & 2004
	(Dollars in thousands)				
Direct container expense	$ 29,757	$ 24,314	$ 16,431	22.4%	48.0%
Cost of trading containers sold	11,480	12,944	6,235	(11.3%)	107.6%
Depreciation expense	54,330	60,792	48,321	(10.6%)	25.8%
Amortization expense	1,023	—	—	N/A	0%
General and administrative expense	16,155	16,567	16,807	(2.5%)	(1.4%)
Incentive compensation expense	4,694	5,140	4,507	(8.7%)	14.0%
Bad debt expense, net	664	91	868	629.7%	(89.5%)
Total operating expenses	$118,103	$119,848	$93,169	(1.5%)	28.6%

Direct container expense increased $5,443 (22.4%) from 2005 to 2006 primarily due to a $2,510 increase in storage expense, $1,178 increase in repositioning expense, $1,383 increase in DPP expense, $834 increase in handling expense and $490 increase in maintenance expense, offset by a $775 decrease in military sublease expense. Direct container expense increased $7,883 (48.0%) from 2004 to 2005 due to the increase in the size of the owned fleet, primarily due to the XTRA Transaction.

Cost of trading containers sold decreased $1,464 (11.3%) from 2005 to 2006. $946 of the decrease was due to a 7.3% decrease in unit sales and $518 of the decrease was due to a 4.3% decrease in the average cost per unit of sold containers. Cost of trading containers sold increased $6,709 (107.6%) from 2004 to 2005. $3,623 of the increase was due to a 58.1% increase in unit sales and $3,086 of the increase was due to a 31.3% increase in the average cost per unit of sold containers.

Depreciation expense decreased $6,462 (10.6%) from 2005 to 2006. $5,534 of the decrease was due to an increase in estimated future residual values used in the calculation of depreciation expense. Depreciation expense increased $12,471 (25.8%) from 2004 to 2005 due to an increase in owned fleet size, primarily due to the XTRA Transaction.

Amortization expense was $1,023 in 2006 representing the amortization of the amount paid to acquire the management contracts in the Gateway Transaction.

General and administrative expense decreased $412 (2.5%) from 2005 to 2006 primarily due to $165 in lower compensation expense for share options and a $261 decrease in expenses related to the management of the TEIF Partnerships. General and administrative expense decreased $240 (1.4%) from 2004 to 2005 due to a $511 decrease in compensation expense for share options, $259 decrease in legal expense and $194 decrease in consulting expense. These decreases were offset by an increase of $331 in compensation and benefits expense and a reduction in the amount of capitalized compensation related to software systems development.

Incentive compensation expense decreased $446 (8.7%) from 2005 to 2006 due to a decrease in the company's return on shareholders' equity, which is the determinant of incentive compensation. Incentive compensation expense increased $633 (14.0%) from 2004 to 2005 due to an increase in our return on shareholders' equity.

Bad debt expense, net, increased $573 from 2005 to 2006 primarily due to a net increase for the year to the allowance for doubtful accounts. Bad debt expense decreased $777 from 2004 to 2005 primarily due a net decrease for the year to the allowance for doubtful accounts.

The following table summarizes other income (expenses) for the years ended December 31, 2006, 2005 and 2004:

	Year Ended December 31,			% Change Between	
	2006	2005	2004	2006 & 2005	2005 & 2004
	(Dollars in thousands)				
Interest expense	$ (33,083)	$(27,491)	$ (13,434)	20.3%	104.6%
Interest income	2,286	1,086	399	110.5%	172.2%
Realized gains (losses) on derivative instruments	2,848	(4,153)	(9,905)	168.6%	(58.1%)
Unrealized gains (losses) on derivative instruments	(574)	8,688	9,016	(106.6%)	(3.6%)
Other, net	243	(2,648)	(237)	109.2%	1017.3%
Net other expense	$(28,280)	$(24,518)	$(14,161)	15.3%	73.1%

Interest expense increased $5,592 (20.3%) from 2005 to 2006. $6,522 of the increase was due to an increase in average interest rates of 1.21 percentage points offset by $930 due to a decrease in average debt balances of $18,881. Interest expense increased $14,057 (104.6%) from 2004 to 2005. $9,970 of the increase was due to an increase in average interest rates of 1.79 percentage points and $4,087 was due to an increase in average debt balances of $130,168 to fund the XTRA Transaction and to purchase containers.

Interest income increased $1,200 (110.5%) from 2005 to 2006. $885 of the increase was due to an increase in average interest rates of 1.55 percentage points and $315 was due to an increase in average cash balances of $12,804. Interest income increased $687 (172.2%) from 2004 to 2005. $535 of the increase was due to an increase in average interest rates of 1.21 percentage points and $152 was due to an increase in average cash balances of $12,186.

Realized gains (losses) on derivative instruments changed from a loss of $4,153 to a gain of $2,848 from 2005 to 2006. $6,849 of the change was due to an increase in interest rates of 1.97 percentage points, and $152 was due to a decrease in average interest rate swap notional amounts of $13,231. Realized losses on derivative instruments decreased by $5,752 (58.1%) from 2004 to 2005. $8,526 of this change was due to an increase in interest rates of 2.36 percentage points, partially offset by $2,774 due to an increase in average interest rate swap notional amounts of $79,080.

Unrealized gains (losses) on derivative instruments changed from a gain of $8,688 to a loss of $574 from 2005 to 2006 due to a decrease in the change in fair value of interest rate swap agreements held. Unrealized gains on derivative instruments decreased by $328 (3.6%) due to a decrease in the change in fair value of interest rate swap agreements held.

Other, net increased $2,411 from 2004 to 2005 due to a $2,500 reserve recorded to resolve a dispute with a container manufacturer. A $450 reduction in the reserve was released to income in 2006.

The following table summarizes income tax and minority interest expense for the years ended December 31, 2006, 2005 and 2004:

	Year Ended December 31,			% Change Between	
	2006	2005	2004	2006 & 2005	2005 & 2004
	(Dollars in thousands)				
Income tax expense	$ 4,299	$ 4,662	$ 4,011	(7.8%)	16.2%
Minority interest expense	$19,499	$22,393	$15,382	(12.9%)	45.6%

Income tax expense decreased $363 (7.8%) from 2005 to 2006. $487 of the decrease was due to a lower level of taxable income, offset by $124 due to a higher effective tax rate. Income tax expense increased $651 (16.2%) from 2004 to 2005. $699 of the increase was due to a higher level of taxable income, offset by $48 due to a lower effective tax rate.

Minority interest expense decreased $2,894 (12.9%) from 2005 to 2006 due to a lower level of Textainer Marine Containers Limited net income. Minority interest expense increased $7,011 (45.6%) due to a higher level of Textainer Marine Containers Limited net income. See "Business—History and Corporate Structure."

Segment Information:

The following table summarizes our income before taxes attributable to each of our business segments for the six months ended June 30, 2007 and 2006 and the years ended December 31, 2006 and 2005 and 2004 (before inter-segment eliminations):

	Six Months Ended June 30,		% Change Between
	2007	2006	2007 & 2006
	(Dollars in thousands)		
Container ownership	$23,882	$ 19,260	24.0%
Container management	$ 8,825	$ 5,143	71.6%
Container resale	$ 3,595	$ 2,725	31.9%
Military management	$ 1,066	$ 675	57.9%

	Year Ended December 31,			% Change Between	
	2006	2005	2004	2006 & 2005	2005 & 2004
	(Dollars in thousands)				
Container ownership	$42,949	$47,397	$38,601	(9.4%)	22.8%
Container management	$11,523	$13,761	$17,604	(16.3%)	(21.8%)
Container resale	$ 5,458	$ 5,447	$ 2,731	0.2%	99.5%
Military management	$ 1,172	$ 738	$ 740	58.8%	(0.3%)

Income before taxes attributable to the container ownership segment increased $4,622 (24.0%) from the six months ended June 30, 2006 to the six months ended June 30, 2007. This was primarily due to a 4.6% increase in fleet size and a decrease in depreciation expense due to the increase in estimated future residual values used in the calculation of depreciation expense offset by increases in interest expense and a decrease in unrealized gains on derivative instruments.

Income before taxes attributable to the container ownership segment decreased $4,448 (9.4%) from 2005 to 2006 due to slightly less favorable market conditions, as evidenced by a 0.9% decrease in utilization, and a highly competitive market, as evidenced by a 2.7% decrease in rental rates. This was partially offset by a 1.5% increase in fleet size and a 10.6% decrease in depreciation expense due to the increase in estimated future residual values used in the calculation of depreciation expense.

Income before taxes attributable to the container ownership segment increased $8,796 (22.8%) from 2004 to 2005 primarily due to the XTRA Transaction.

Income before taxes attributable to the container management segment increased $3,682 (71.6%) from the six months ended 2006 to the six months ended 2007. The increase was primarily due to the increase in management fees due to the Gateway Transaction.

Income before taxes attributable to the container management segment decreased $2,238 (16.3%) from 2005 to 2006 due to a $339 decrease in acquisition fees due to fewer new containers purchased, a $530 increase in overhead expense, a $1,023 increase in amortization expense due to the Gateway Transaction and a $305 decrease in TEIF incentive management fees and general partner distributions due to the termination of the partnerships in 2005.

Income before taxes attributable to the container management segment decreased $3,843 (21.8%) from 2004 to 2005 primarily due to a $2,706 decrease in acquisition fees and a $1,121 increase in overhead expenses.

Income before taxes attributable to the container resale segment increased $870 (31.9%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 due to a higher volume of container sales resulting in an increase in sales commissions of $1,259 offset by a decrease in gains on container trading of $180 due to a lower volume of trading container sales.

Income before taxes attributable to the container resale segment increased $11 (0.2%) from 2005 to 2006 due to a larger volume of sales resulting in an increase in sales commissions of $662 offset by a decrease in operating profit on sales of trading containers due to a lower volume of sales and higher overhead and interest costs.

Income before taxes attributable to the container resale segment increased $2,716 (99.5%) from 2004 to 2005 primarily due to a higher volume of container sales resulting in an increase in sales commissions of $2,007 and higher gains on container trading of $885 due to a 58.1% increase in containers sold.

Income before taxes attributable to the military management segment increased $391 (57.9%) from the six months ended June 30, 2006 to the six months ended June 30, 2007 primarily due to a $218 increase in sublease income and a $167 decrease in overhead expense.

Income before taxes attributable to the military management segment increased $434 (58.8%) from 2005 to 2006 primarily due to higher subleasing income of $220 and lower overhead expenses of $177.

Income before taxes attributable to the military management segment decreased $2 (0.3%) from 2004 to 2005 due to higher overhead expenses of $165 offset by higher subleasing income and management fees of $163.

The U.S. military informed us in August 2007 that 26,120 containers that they lease from us are unaccounted for. Of this total, 9,850 are owned containers, 12,094 are managed for third party owners and 4,176 are subleased. Per the terms of our contract with the U.S. military, they will pay a stipulated value for each of these containers. Due to the loss of these containers, future rental income from the U.S. military on these containers will cease, but we expect to record a gain on disposal of the owned portion of these unaccounted for containers during the quarterly period ended September 30, 2007.

Quarterly Financial Data

The following table presents condensed consolidated statements of income data for each of the ten quarters in the period ended June 30, 2007. The operating results for any quarter are not necessarily indicative of the results for any subsequent quarter.

	2005 Quarters Ended				2006 Quarters Ended				2007 Quarters Ended	
	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31	June 30
	(Dollars in thousands, except per share data) (Unaudited)									
Revenues	$ 57,048	$ 61,073	$ 57,080	$ 59,199	$ 55,808	$ 55,100	$ 57,836	$ 57,718	$ 59,151	$ 60,698
Operating expenses	$ 28,335	$ 29,770	$ 29,675	$ 32,068	$ 31,438	$ 31,965	$ 28,283	$ 26,417	$ 28,721	$ 31,527
Income from operations	$ 28,713	$ 31,303	$ 27,405	$ 27,131	$ 24,370	$ 23,135	$ 29,553	$ 31,301	$ 30,430	$ 29,171
Net income	$ 18,572	$ 13,563	$ 15,923	$ 14,921	$ 13,069	$ 12,196	$ 13,941	$ 17,075	$ 16,727	$ 16,587
Earnings per share:										
Basic	$ 0.49	$ 0.36	$ 0.42	$ 0.39	$ 0.34	$ 0.32	$ 0.37	$ 0.45	$ 0.44	$ 0.43
Diluted	$ 0.48	$ 0.35	$ 0.41	$ 0.39	$ 0.34	$ 0.32	$ 0.36	$ 0.44	$ 0.43	$ 0.43

The $5,009 decrease in net income reported in the quarter ended June 30, 2005 compared to the prior quarter was primarily due to the accelerated amortization of prepaid financing costs of $1,909 recorded in the second quarter at the time of a debt refinancing and a reserve of $2,532 recorded in the second quarter related to a dispute with a container manufacturer.

The increase in net income in the quarter ended December 31, 2006 compared to the prior quarter is primarily due to a decrease in depreciation expense because of the change in estimated future residual values used in the calculation of depreciation expense, which was changed on September 1, 2006 and an increase of $3,407 in realized and unrealized gains on derivative instruments, net.

Our quarterly results are affected by seasonal trade patterns, timing of new container acquisitions, timing of container disposals and fluctuations in interest rates as reflected in realized and unrealized gains (losses) on derivative instruments. Some of these circumstances will change from quarter to quarter. Accordingly, results for a particular quarter are not necessarily indicative of results to be expected for any other quarter or for any year.

Liquidity and Capital Resources

As of June 30, 2007, we had cash and cash equivalents of $35,900. Our principal sources of liquidity have been cash flows from operations, proceeds from the sale of containers, issuance of bonds, and borrowings under our secured debt facility and revolving credit facility. Our revolving credit facility is a bank revolving facility extended to one of our subsidiaries, Textainer Limited. Our secured debt facility is a conduit facility, which allows for recurring borrowings and repayments, granted to a subsidiary of Textainer Limited, Textainer Marine Containers Limited. Textainer Marine Containers Limited is also the issuer of our bonds. As of June 30, 2007, we had the following borrowing capacity under our debt facilities, which does not give effect to the $56,000 borrowed to fund the purchase of exclusive management rights over Capital's container fleet, which amount is expected to be repaid with the proceeds from this offering (in thousands):

Facility	Current Borrowing	Additional Available Borrowing, as limited by our Borrowing Base	Additional Borrowing Commitment	Total Commitment
Revolving credit facility	$ 16,000	$ 33,077	$ 59,000	$ 75,000
Secured debt facility	92,000	96,033	208,000	300,000
Bonds payable	459,167	—	—	459,167
Total	$ 567,167	$ 129,110	$ 267,000	$ 834,167

We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving and secured debt facilities and intend to continue to do so in the future. In 2001 and again in 2005, at such time as the secured debt facility reached an appropriate size, the facility was refinanced through the issuance of bonds to institutional investors. We anticipate a similar refinancing at such time as the secured debt facility reaches a balance of between $300,000 and, if we are able to increase the commitment under the secured debt facility, $500,000. This timing will depend on our level of future purchases of containers. Please see "Description of Indebtedness" for further details on our debt facilities.

Our cash inflows from operations are affected by the utilization rate of our fleet and the per diem rates of our leases, whereas the cash inflows from proceeds for the sale of containers are affected by market demand for used containers and our available inventory of containers for sale. Our cash outflows are affected by payments and expenses related to our purchasing of containers, interest on our debt obligations or other contingencies discussed in Note 9 to our consolidated financial statements included elsewhere in this prospectus, which may place demands on our short-term liquidity.

We currently believe that cash flow from operations, proceeds from the sale of containers and borrowing availability under our debt facilities are sufficient to meet our liquidity needs, including for the payment of dividends, for the next twelve months and for the foreseeable future.

As of June 30, 2007, in addition to customary events of default, our revolving credit facility contains financial covenants by Textainer Limited and Textainer Marine Containers Limited. The revolving credit facility covenants require Textainer Group Holdings Limited and subsidiaries to maintain (1) a minimum consolidated tangible net worth of $180,339, plus 40% of consolidated net income after December 31, 2005; (2) a consolidated leverage ratio of 3.50 to 1.00 or less; (3) a minimum consolidated debt service coverage of 1.10 to 1.00; and (4) a minimum consolidated interest coverage ratio of 1.35 to 1.00. The revolving credit facility covenants also require Textainer Limited to maintain a consolidated leverage ratio of 5.00 to 1.00 or less.

Our secured debt facility and bond covenants require Textainer Equipment Management Limited and subsidiaries to maintain (1) a minimum consolidated tangible net worth of $5,000; (2) a minimum annual after-tax profit of $2,000 and; (3) a consolidated funded debt of $1,000 or less. The secured debt facility and bond covenants require Textainer Marine Containers Limited to maintain a minimum EBIT ratio of 1.10 to 1.00 and Textainer Group Holdings Limited and subsidiaries to maintain a consolidated leverage ratio of 4:00 to 1:00 or less.

We were in compliance with all of these covenants as of June 30, 2007.

Cash Flow

The following table summarizes historical cash flow information for the six months ended June 30, 2007 and 2006:

	June 30,	
	2007	2006
	(Dollars in thousands) (Unaudited)	
Net income	$ 33,314	$25,265
Adjustments to reconcile net income to net cash provided by operating activities	27,199	30,462
Net cash provided by operating activities	60,513	55,727
Net cash used in investing activities	(67,866)	(14,861)
Net cash provided by (used in) financing activities	2,096	(54,464)
Effect of exchange rate changes	(6)	208
Net decrease in cash and cash equivalents	(5,263)	(13,390)
Cash and cash equivalents at beginning of period	41,163	42,231
Cash and cash equivalents at end of period	$ 35,900	$ 28,841

Operating Cash Flows

Operating cash flows increased $4,786 (8.6%) from 2006 to 2007 primarily due to a $8,049 increase in net income, a $3,837 increase in the adjustment due to unrealized losses (gains) on derivative instruments, net, a $1,070 increase in the adjustment due to amortization of intangibles, a $5,795 increase in the adjustment due to accounts payable, a $3,625 increase in the adjustment due to accrued expenses and a $1,235 increase due to the adjustment for due to owners, net, primarily offset by a $6,234 decrease in the adjustment due to depreciation expense, a $1,425 decrease in the adjustment due to gain on sale of containers, net, a $1,127 decrease in the adjustment due to minority interest expense, a $9,705 decrease in the adjustment due to accounts receivable, and a $1,149 decrease in the adjustment due to prepaid expenses.

Investing Activities Cash Flows

Net cash used in investing activities increased $53,005 (356.7%) from 2006 to 2007 due to higher new container purchases, partially offset by higher proceeds from sales of containers and no purchase of intangible assets in 2007 compared to $9,000 in 2006.

Financing Activities Cash Flows

Net cash used in financing activities decreased $56,560 from 2006 to 2007 primarily due to a $26,000 net borrowing from debt facilities in 2007 compared to a net repayment of debt facilities of $29,000 in 2006, partially offset by a $9,286 increase in dividends paid.

The following table summarizes historical cash flow information for the years ended December 31, 2006, 2005 and 2004:

	2006	2005	2004
		(Dollars in thousands)	
Net income	$ 56,281	$ 62,979	$ 53,594
Adjustments to reconcile net income to net cash provided by operating activities	67,147	66,626	52,249
Net cash provided by operating activities	123,428	129,605	105,843
Net cash used in investing activities	(83,203)	(121,618)	(174,255)
Net cash provided by (used in) financing activities	(41,643)	6,123	80,097
Effect of exchange rate changes	350	(233)	250
Net increase (decrease) in cash and cash equivalents	(1,068)	13,877	11,935
Cash and cash equivalents at beginning of period	42,231	28,354	16,419
Cash and cash equivalents at end of period	$ 41,163	$ 42,231	$ 28,354

Operating Cash Flows

Operating cash flows decreased $6,177 (4.8%) from 2005 to 2006 due to a $6,698 decrease in net income, a $6,462 decrease in depreciation expense, a $1,918 decrease in amortization of debt issuance costs, a $1,106 decrease in share option plan expense, a $2,894 decrease in minority interest expense, a $3,621 decrease in the adjustment for accounts receivable, net, a $4,246 decrease in the adjustment for prepaid expenses, a $6,371 decrease in the adjustment for accounts payable, offset by a $9,262 adjustment for the change in unrealized losses (gains) on derivative instruments, net, a $1,023 increase in amortization expense, a $3,857 increase in the adjustment for container held for resale, a $4,266 decrease in the adjustment for other assets and a $6,260 increase in the adjustment for Due to owners, net. Operating cash flows increased $23,762 (22.5%) from 2004 to 2005, primarily due to the increase in owned fleet size from additions of new containers and the XTRA Transaction.

Investing Activities Cash Flows

Net cash used in investing activities decreased $38,415 (31.6%) from 2005 to 2006 due to lower new container purchases and higher proceeds from sales of containers, partially offset by the investment for the Gateway Transaction. Net cash used in investing activities decreased $52,637 (30.2%) from 2004 to 2005 due to lower new container purchases, the XTRA Transaction in 2004 and higher proceeds from sales of containers.

Financing Activities Cash Flows

Net cash used in financing activities increased $47,766 from 2005 to 2006 primarily due to a $5,000 net repayment of debt facilities in 2006 compared to a net borrowing of $42,698 in 2005. This change is primarily due to the decrease in the purchase of containers in 2006. Net cash provided by financing activities decreased $73,974 from 2004 to 2005 primarily due to a net borrowing from debt facilities of $42,698 in 2005 compared to a net borrowing of $101,710 in 2004. This change is primarily due to the decrease in the purchase of containers in 2005 and the XTRA Transaction that occurred in 2004.

Contractual Obligations and Commercial Commitments

The following table sets forth our contractual obligations and commercial commitments by due date as of December 31, 2006:

	Payments Due by Period						
	Total	1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years
	(Dollars in thousands) (Unaudited)						
Total debt obligations:							
Bonds payable	$ 488,167	$ 58,000	$ 58,000	$ 58,000	$ 58,000	$ 58,000	$ 198,167
Secured debt facility	53,000	—	2,650	5,300	5,300	5,300	34,450
Interest obligation(1)	135,688	28,955	25,643	22,103	18,525	14,947	25,515
Interest rate swap receivable(2)	(5,830)	(3,137)	(1,529)	(1,016)	(148)	—	—
Interest rate swap payable(2)	3	3	—	—	—	—	—
Office lease obligations	6,546	1,287	1,303	1,310	1,217	1,225	204
Trading container purchase commitments	4,357	4,357	—	—	—	—	—
Container purchase commitments	18,033	18,033	—	—	—	—	—
Container contracts payable	32,927	32,927	—	—	—	—	—
Total contractual obligations	$ 732,891	$ 140,425	$ 86,067	$ 85,697	$ 82,894	$ 79,472	$ 258,336

(1) Assuming an estimated current interest rate of LIBOR plus a margin, which equals an all-in interest rate of 5.61%.

(2) Calculated based on the difference between our fixed contractual rates and the counterparties' estimated average LIBOR rate of 5.32%, for all periods, for all interest rate contracts outstanding as of December 31, 2006.

Off Balance Sheet Arrangements

At December 31, 2006 we had no off-balance sheet arrangements or obligations. An off-balance sheet arrangement includes any contractual obligation, agreement or transaction arrangement involving an unconsolidated entity under which we would have: (1) retained a contingent interest in transferred assets; (2) an obligation under derivative instruments classified as equity; (3) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to us, or that engages in leasing, hedging or research and development services with us; or (4) made guarantees.

Currency

Almost all of our revenues are denominated in U.S. dollars and approximately 59% of our direct container expenses in 2006 were denominated in U.S. dollars. Our operations in locations outside of the U.S. have some exposure to foreign currency fluctuations, and trade growth and the direction of trade flows can be influenced by large changes in relative currency values. However, part of our non-U.S. dollar operating expenses is transportation and other costs incurred as a result of the SDDC contract. The SDDC contract contains an adjustment feature such that we are effectively protected against most foreign currency risks for the expenses incurred under the SDDC contract. In 2006, our non-U.S. dollar operating expenses were spread among 14 currencies, resulting in some level of self-hedging. We do not engage in currency hedging.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to use judgment in making estimates and assumptions that affect reported amounts of assets and liabilities, the reported amounts of income and expenses during the reporting period and the disclosure of contingent assets and liabilities as of the date of the financial statements. We have identified the policies and estimates below as among those critical to our business operations and the understanding of our results of operations. These policies and estimates are considered critical due to the existence of uncertainty at the time the estimate is made, the likelihood of changes in estimates from period to period and the potential impact that these estimates can have on our financial statements. The following accounting policies and estimates include inherent risks and uncertainties related to judgments and assumptions made by us. Our estimates are based on the relevant information available at the end of each period.

Revenue Recognition

Lease Rental Income. We recognize revenue from operating leases of our owned containers as earned over the term of the lease. Where minimum lease payments vary over the lease term, revenue is recognized on a straight-line basis over the term of the lease. We cease recognition of lease revenue if and when a container lessee defaults in making timely lease payments or we otherwise determine that future lease payments are not likely to be collected from the lessee. Our determination of the collectibility of future lease payments is made by management on the basis of available information, including the current creditworthiness of container shipping lines that lease containers from us, historical collection results and review of specific past due receivables. If we experience unexpected payment defaults from our container lessees, we will cease revenue recognition for those leases, which will reduce container rental revenue. Finance lease income is recognized using the effective interest method, which generates a constant rate of interest over the period of the lease. The same risks of collectibility discussed above apply to our collection of finance lease income. If we experience unexpected payment defaults under our finance leases, we will cease revenue recognition for those leases which will reduce finance lease income.

Our leases require the lessee to pay, at the end of the lease term, for any damage to the container beyond normal wear and tear. We also offer a DPP pursuant to which the lessee pays a fee over the term of the lease, primarily on a daily basis, in exchange for not being charged for certain damages at the end of the lease term. It is our policy to recognize these revenues as earned on a daily basis over the related term of the lease. We have not recognized revenue for customers who are billed at the end of the lease term under our DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectibility of these amounts because the amounts due under the DPP are typically re-negotiated at the end of the lease term or when the lease term is extended.

Management Fee Revenue. We recognize revenue from management fees earned under management agreements on an as earned basis. Fees are calculated as a percentage of net operating income, which is revenue from the containers under management minus direct operating expense related to those containers. If a lessee of a managed container defaults in making timely lease payments or we otherwise determine that future lease payments are not likely to be collected from the lessee, then we will cease to record lease revenue, which in turn will result in reduced management fee revenue.

Accounting for Container Leasing Equipment

Accounting for container leasing equipment includes depreciation, impairment of held for use equipment and the impairment of containers held for sale.

Depreciation. When we acquire containers, we record the cost of the container on our balance sheet. We then depreciate the container over its estimated "useful life" (which represents the number of years we expect to be able to lease the container to shipping lines) to its estimated "residual value" (which represents the amount we

estimate we will recover upon the sale or other disposition of the equipment at the end of its "useful life" as a shipping container). Our estimates of useful life are based on our actual experience with our fleet, and our estimates of residual value are based on a number of factors including disposal price history.

We review our depreciation policies, including our estimates of useful lives and residual values, on a regular basis to determine whether a change in our estimates of useful lives and residual values is warranted. Prior to September 1, 2006, we estimated that standard dry freight containers, which represent substantially all the containers in our fleet, have a useful life in marine services of 12 years and had residual values of $650 for a 20', $800 for a 40', and $900 for a 40' high cube. Beginning on September 1, 2006, we changed our residual value estimates to $850 for a 20', $950 for a 40' and $1,000 for a 40' high cube. Our change in residual value estimates is based on our recent sales history and current market conditions for the sale of used containers, which we believe currently is the best indicator of the residual value we will realize. The effect of this change will be a reduction in depreciation expense as compared to what would have been reported using the previous estimates. We continue to estimate a container's "useful life" in marine service to be 12 years from the first lease out date after manufacture.

If market conditions in the future warrant a further change of our estimates of the useful lives or residual values of our containers, we may be required to again recognize increased or decreased depreciation expense. A decrease in either the useful life or residual value of our containers would result in increased depreciation expense and decreased net income.

Impairment. We periodically evaluate our containers held for use to determine whether there has been any event that would cause the book value of our containers to be impaired. Any such impairment would be expensed in our results of operations. Impairment exists when the future undiscounted cash flows generated by an asset are estimated to be less than the net book value of that asset. If impairment exists, the containers are written down to their fair value. This fair value then becomes the containers' new cost basis and is depreciated over their remaining useful life in marine services to their estimated residual values. Any impairment charge would result in decreased net income.

Containers Held for Sale. We also evaluate all off-lease containers to determine whether the containers will be repaired and returned to service or sold based upon what we estimate will be the best economic alternative. If we designate a container as held for sale, depreciation on the container ceases, and the container is reported at the lower of (1) its recorded value or (2) the amount we expect to receive upon sale (less the estimated cost to sell the container). Any writedown of containers held for sale is reflected in our statement of operations as an expense. If a large number of containers are identified for sale or prices for used containers drop, impairment charges for containers held for sale may increase which would result in decreased net income.

Allowance for Doubtful Accounts

Our allowance for doubtful accounts is reviewed regularly by our management and is based on the risk profile of the receivables, credit quality indicators such as the level of past due amounts and non-performing accounts and economic conditions. Our credit committee meets regularly to assess performance of our container lessees and to recommend actions to be taken in order to reduce credit risks. Changes in economic conditions or other events may necessitate additions or deductions to the allowance for doubtful accounts. The allowance is intended to provide for losses inherent in the owned fleet's accounts receivable, and requires the application of estimates and judgments as to the outcome of collection efforts and the realization of collateral, among other things. If the financial condition of our container lessees were to deteriorate, reducing their ability to make payments, additional allowances may be required, which would decrease our net income or increase our net loss in the period of the adjustment.

Income Taxes

Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in our consolidated financial statements. Deferred tax liabilities and assets are determined

based on the differences between the book values and the tax basis of particular assets and liabilities, using tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance would be recorded to reduce our deferred tax assets to an amount we determine is more likely than not to be realized, based on our analyses of past operating results, future reversals of existing taxable temporary differences and projected taxable income. Our analyses of future taxable income are subject to a wide range of variables, many of which involve estimates. Uncertainty regarding future events and changes in tax regulation could materially alter our valuation of deferred tax liabilities and assets. If we determine that we would not be able to realize all or part of our deferred tax assets in the future, we would record a valuation allowance and make a corresponding change to our earnings in the period in which we make such determination. If we later determine that we are more likely than not to realize our deferred tax assets, we would reverse the applicable portion of the previously provided valuation allowance.

In certain situations, a taxing authority may challenge positions adopted in our income tax filings. For transactions that we believe may be challenged, we may apply a different tax treatment for financial reporting purposes. We regularly assess the tax positions for such transactions and include reserves for those differences in position. The reserves are utilized or reversed once the statute of limitations has expired or the matter is otherwise resolved.

In July 2006, the FASB issued FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes*, an interpretation of Statement of Financial Accounting Standards ("SFAS") No. 109, *Accounting for Income Taxes* ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of FIN 48 on January 1, 2007 did not have a significant effect on our consolidated financial position and we do not expect a significant effect on our results of operations.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). This statement establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements. This statement retains the exchange price notion in earlier definitions of fair value. SFAS No. 157 clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. Therefore, the definition focuses on the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price). SFAS No. 157 is effective for financial statements issued for years beginning after November 15, 2007, and interim periods within those years with earlier application encouraged. We do not expect the adoption of SFAS No. 157 to have a material effect on our consolidated financial position or results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin ("SAB") No. 108, which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. If the effect of initial adoption is determined to be material, the cumulative effect may be reported as an adjustment to the beginning of year retained earnings with disclosure of the nature and amount of each individual error being corrected in the cumulative adjustment. The guidance is applicable in our 2006 fiscal year. We will apply this guidance in assessing any future misstatements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115.* Under this pronouncement, companies may elect to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reporting earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. However, SFAS No. 159 specifically includes financial assets and financial liabilities recognized under leases (as defined in SFAS No. 13, Accounting for Leases), as among those items not eligible for the fair value measurement option except contingent obligations for cancelled leases and guarantees of third-party lease obligations. This statement is effective for fiscal years that begin after November 15, 2007. We do not expect the adoption of SFAS No. 159 to have a material effect on our consolidated financial position or results of operations.

Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of changes in value of a financial instrument, derivative or non-derivative, caused by fluctuations in foreign exchange rates and interest rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

Foreign Exchange Rate Risk. Although we have significant foreign-based operations, the U.S. dollar is our primary operating currency. Thus, substantially all of our revenue and the majority of our expenses in 2006, 2005 and 2004 were denominated in U.S. dollars. For the years 2006, 2005 and 2004, 41%, 34% and 36%, respectively, of our direct container expenses were paid in 15 different foreign currencies. We do not hedge these container expenses as there are no significant payments made in any one foreign currency and our SDDC contract contains a provision to protect it from fluctuations in exchange rates for payments made in foreign currencies for services rendered under the SDDC contract. Foreign exchange fluctuations did not materially impact our financial results in those periods.

Interest Rate Risk. We have entered into various interest rate cap and swap agreements to mitigate our exposure associated with our variable rate debt. The swap agreements involve payments by us to counterparties at fixed rates in return for receipts based upon variable rates indexed to the LIBOR. The differentials between the fixed and variable rate payments under these agreements are recognized in realized and unrealized gains (losses) on derivative instruments, net in the consolidated statement of income.

As of December 31, 2006, 2005 and 2004, none of the derivative instruments we have entered into qualify for hedge accounting in accordance with Statement of Financial Accounting Standard No. 133, *Accounting for Derivative Instruments and Hedging Activities* , as amended ("SFAS 133"). The fair value of the derivative instruments is measured at each of these balance sheet dates and the change in fair value is recorded in the consolidated statements of income as realized and unrealized gains (losses) on derivative instruments, net.

Our interest rate swap agreements have expiration dates between November 2007 and December 2010. The cumulative fair value of these agreements was $3,992 and $4,566 as of December 31, 2006 and 2005, respectively.

Our interest rate cap agreements have expiration dates between October 2007 and November 2015.

Based on the debt balances and derivative instruments as of December 31, 2006, it is estimated that a 1% change in interest rates would result in the recording of an unrealized change in the value of derivative instruments of $3,800 and the change of interest expense of $2,300.

Quantitative and Qualitative Disclosures About Credit Risk

We maintain detailed credit records about our container lessees. Our credit policy sets different maximum exposure limits for our container lessees. Credit criteria may include, but are not limited to, container lessee trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, including those from Dynamar B.V. or "Dynamar," and Lloyd's Marine Intelligence Unit (common credit reporting agencies used in the maritime sector), operational history and financial strength. We monitor our container lessees' performance and our lease exposures on an ongoing basis, and our credit management processes are aided by the long payment experience we have with most of our container lessees and our broad network of long-standing relationships in the shipping industry that provide current information about our container lessees. In managing this risk, we also make an allowance for doubtful accounts. The allowance for doubtful accounts is developed based on two key components:

- specific reserves for receivables which are impaired for which management believes full collection is doubtful; and
- reserves for estimated losses inherent in the receivables based upon historical trends.

As of December 31, 2006, approximately 88.9% of accounts receivable for our total fleet and 92.3% of the finance lease receivables were from container lessees and customers outside of the U.S. Customers in the PRC (including Hong Kong) and Taiwan accounted for 18.2% and 15.1%, respectively, of our total fleet container leasing revenue for the year ended December 31, 2006. Customers in no other country accounted for greater than 10.0% of our total fleet container leasing revenue for the same period. Total fleet container leasing revenue differs from our reported container rental revenue in that total fleet container leasing revenue comprises revenue earned from leases on containers in our total fleet, including revenue earned by our investors from leases on containers in our managed fleet, while our reported container revenue only comprises container leasing revenue associated with our owned fleet. We derive revenue with respect to container leasing revenue associated with our managed fleet from management fees based upon the operating performance of the managed containers.

Revenue from our 25 largest container lessees by revenue represented $259,050, or 80.7% of the total fleet container lease billings for the year ended December 31, 2006, with revenue from our single largest container lessee accounting for $28,857, or 9.0% of container leasing revenue during such period.

An allowance of $2,320 has been established against non-performing receivables as of December 31, 2006 for our owned fleet. For the year ended December 31, 2006, receivable write-offs, net of recoveries, totaled $543 for our owned fleet.

BUSINESS

Our Company

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size (*Containerisation International Market Analysis: Container Leasing Market 2007*), with a total fleet of more than 1.3 million containers, representing over 2,000,000 TEU. We lease containers to more than 300 shipping lines and other lessees, including each of the world's top 20 container lines, as measured by container vessel fleet size. We believe we are one of the most reliable lessors of containers, in terms of consistently being able to supply containers in locations where our customers need them. We have provided an average of more than 90,000 TEU of new containers per year for the past 12 years, and have been one of the largest purchasers of new containers among container lessors over the same period. We believe we are also one of the two largest sellers of used containers among container lessors, having sold an average of more than 45,600 containers per year for the last five years. We provide our services worldwide via a network of 14 regional and area offices and over 300 independent depots in more than 130 locations. Trencor, a company publicly traded on the JSE in Johannesburg, South Africa, and its affiliates currently have beneficiary interest in a majority of our issued and outstanding common shares and will continue to have a majority interest after giving effect to this offering.

We operate our business in four core segments.

- *Container Ownership*. As of June 30, 2007, we owned containers accounting for approximately 52% of our fleet.
- *Container Management*. As of June 30, 2007, we managed containers on behalf of 12 container investors, providing acquisition, management and disposal services. These managed containers account for the remaining 48% of our fleet.
- *Container Resale*. We generally sell containers from our fleet when they reach the end of their useful lives in marine service or when it is financially attractive for us to do so, considering location, sale price, the cost of repair, and possible repositioning expenses. We also purchase and lease or resell containers from shipping line customers, container traders and other sellers of containers.
- *Military Management*. We lease containers to the U.S. military pursuant to the SDDC contract and earn a fee for supplying and managing its fleet of leased containers. We are the main supplier of leased intermodal containers to the U.S. military.

We believe that our strategy of owning containers as well as managing containers for other container investors offers several benefits, including:

- a larger fleet, which enables us to serve our shipping line customers more effectively;
- enhanced franchise value, market presence and economies of scale associated with a larger fleet;
- the ability to leverage our existing infrastructure and workforce without increasing the capital at risk; and
- a more balanced revenue and expense model.

In general, owning containers during periods of high demand for containers provides higher margins than managing containers, since we receive lease revenues for the containers that we own but only a percentage of the net operating income of the containers as a management fee for the containers that we manage. On the other hand, managing containers during periods of low demand for containers reduces the negative financial impact of such periods since the container investors bear the cost of owning the containers.

For 2006, we generated revenues, income from operations and income before taxes of $226.5 million, $108.4 million and $60.6 million, respectively. For 2006, the proportion of our income before taxes generated from Container Ownership, Container Management, Container Resale and Military Management operating

segments was 70.3%, 18.9%, 8.9% and 1.9%, respectively, before taking into consideration inter-segment eliminations. As of June 30, 2007, the utilization of our fleet was 93.6%. The average remaining lease term for our term leases as of June 30, 2007, was 2.1 years.

The most important driver of our profitability is the extent to which revenues on our owned fleet and management fee income exceed our operating costs. The key drivers of our revenues are fleet size, rental rates and utilization. Our operating costs primarily consist of depreciation and amortization, interest expense, direct operating expenses and administrative expenses. Our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities.

Our expertise and flexibility in managing containers after their initial lease is an important factor in our success. Leasing new containers is relatively easy because initial leases for new containers typically cover large volumes of units and are fairly standardized transactions. However, to successfully compete in our industry, we must not only obtain favorable initial long-term leases for new containers, but also increase the return generated by these containers throughout their useful life in marine service and their ultimate sale into the secondary market. To do that, we focus on renewing or extending our long-term container leases beyond their expiration date (typically five years from the start of the lease). In addition, we attempt to negotiate favorable return provisions, maintain an active presence in the master and spot lease markets, and work to increase our options for disposing of off-lease containers so that we have attractive alternatives if it is not possible to achieve reasonable renewal or extension of terms with the current lessee. Unlike some of our competitors, we have the capability and the infrastructure to re-lease or dispose of our containers at comparatively attractive terms, which increases our leverage with the lessees.

We believe that we have the ability to reposition containers which are returned in lower demand locations to higher demand locations at relatively low cost as a result of our experienced logistics team. Our large customer base of more than 300 lessees increases our ability to re-lease containers under master and other short-term lease terms. Our contract to supply leased containers to the U.S. military enables us to supply containers in their demand locations, which are often lower demand locations for our shipping line customers. Our Resale Division is also positioned to sell the containers and optimize their residual value in multiple markets, including lower demand locations. This “life cycle” system of generating an attractive revenue stream from and achieving high utilization of our container fleet has enabled us to become the world’s largest container lessors and led to 20 consecutive years of profits.

History and Corporate Structure

We began operations in 1979. Initially, Textainer Inc. was a Panama corporation and operated as a container trading and management company. Two wholly-owned subsidiaries were formed in the United Kingdom to conduct operations and investor sales. From 1979 until 1993, we pursued various acquisitions and joint ventures and formed several subsidiaries to grow our business. Between 1987 and 1997, we raised approximately $492 million from container investors through the formation of public limited partnerships (the “TEIF Partnerships”) in which various of our subsidiaries, including Textainer Capital Corporation, Textainer Equipment Management Limited, Textainer Financial Services Corporation and Textainer Limited were the general partners. These TEIF Partnerships were terminated in 2005 following the sale of the remaining assets in the partnerships.

In December 1993, we underwent a corporate reorganization whereby Textainer Group Holdings Limited was formed in Bermuda and the various corporations in our business group were reorganized as subsidiaries under Textainer Group Holdings Limited, including Textainer Equipment Management Limited, Textainer Limited and Textainer Capital Corporation. Most shareholders who had previously held separate interests in the subsidiaries became shareholders in Textainer Group Holdings Limited.

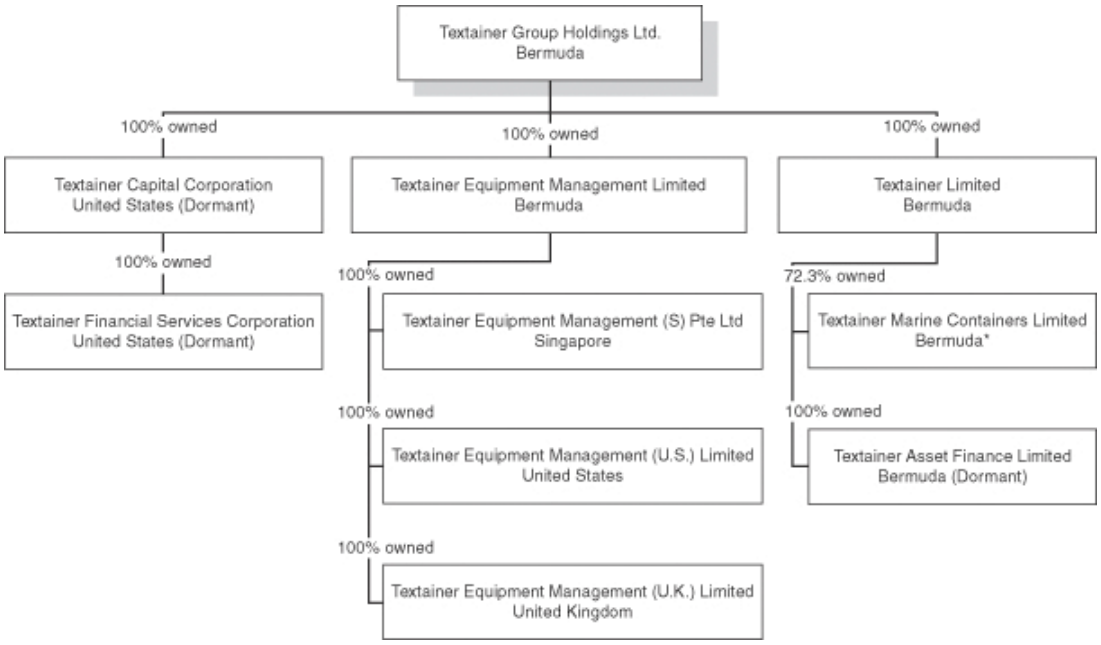
We currently own 100% of all of our direct and indirect subsidiaries, except for Textainer Marine Containers Limited. Textainer Marine Containers Limited was incorporated in Bermuda on July 1, 2000 as a

joint venture involving Textainer Limited and MeesPierson Transport & Logistics Holding B.V., which later changed its name to FB Aviation and Intermodal Finance Holding B.V., a subsidiary of Fortis Bank (Nederland) N.V. As of June 30, 2007, Textainer Limited held a 72.3% economic ownership interest and FB Aviation and Intermodal Finance Holding B.V. and FB Transportation Capital LLC (together with FB Aviation and Intermodal Finance Holding B.V., "FB") held a 27.7% economic ownership interest in Textainer Marine Containers Limited. However, the voting rights in a majority of matters are shared evenly between Textainer Limited and FB. We have agreed in principle with FB that Textainer Limited will acquire half of their interest in our subsidiary, Textainer Marine Containers Limited, at a cash price equal to (i) 25% of the total shareholders equity of the Class A Shares of Textainer Marine Containers Limited on the day immediately preceding the closing of such acquisition, plus (ii) $18.0 million. If the transaction had closed on July 31, 2007, the cash purchase price would have been approximately $68.7 million. In addition, as part of the consideration, at least 50% of the total annual capital expenditures of the company on new containers, as measured under GAAP, will be allocated to the Class A portion of Textainer Marine Containers Limited for a three-year period after the close of this transaction. FB shall hold 25% of all issued and outstanding Class A Shares of Textainer Marine Containers Limited after the close of this transaction. We are in the process of negotiating the transaction documents and expect to close the transaction within two business days after the closing of this offering or as soon as practicable thereafter. Upon the closing of the transaction, FB will hold 13.9% of the economic interest and 25% of the voting interest in Textainer Marine Containers Limited. In addition, voting matters related to commencing bankruptcy proceedings and amending related board and shareholder meeting requirements require the approval of a separate Class C common shareholder, which does not have any economic ownership interest in Textainer Marine Containers Limited.

Trencor held a beneficiary interest in Textainer Inc., our predecessor, starting in 1986 and, through its affiliate Halco, has held a beneficiary interest in a majority of our shares since our reorganization in 1993. Trencor is a South African container and logistics public company, listed on the JSE in Johannesburg, South Africa. Trencor was founded in 1929, and currently has businesses owning, leasing and managing marine cargo containers; owning and leasing returnable packaging units together with the related management and technology; and finance related activities. Mobile Industries Limited, a holding company listed on the JSE ("Mobile Industries"), owns 46% interest of Trencor and the family interests of our directors Neil I. Jowell and Cecil Jowell have a significant percentage in Mobile Industries with Neil and Cecil Jowell being directors of that company.

Trencor and certain of Trencor's subsidiaries are the sole discretionary beneficiaries of the Halco Trust, a discretionary trust with an independent trustee. Halco, which owned over 71.7% of our outstanding share capital as of June 30, 2007, is the wholly-owned subsidiary of the Halco Trust. After taking into account this offering, including the full exercise of the over-allotment option by the underwriters, and assuming that Halco purchases $30.0 million of our shares in this offering at the assumed initial public offering price of $20.00 per share, Halco's interest will drop to approximately 59.6% of our issued and outstanding share capital. In addition, the protectors of the Halco Trust are Neil I. Jowell, the chairman of both our board of directors and the board of directors of Trencor, and Cecil Jowell and James E. McQueen, members of our board of directors and the board of directors of Trencor. The protectors of the trust have the power, under the trust documents, to appoint or remove the trustee. The protectors cannot be removed and have the right to nominate replacement protectors. In addition, any changes to the beneficiary of the Halco Trust must be agreed to by both the independent trustee and the protectors of the trust.

Our current corporate structure is as follows:



* The remaining 27.7% is owned by FB. We have agreed in principle with FB that Textainer Limited will acquire half of their interest in our subsidiary, Textainer Marine Containers Limited at a cash price equal to (i) 25% of the total shareholders' equity of the Class A Shares of Textainer Marine Containers Limited on the day immediately preceding the closing of such acquisition, plus (ii) $18.0 million. In addition, as part of the consideration, at least 50% of the total annual capital expenditures of the company on new containers, as measured under GAAP, will be allocated to the Class A portion of Textainer Marine Containers Limited for a three-year period after the close of this transaction. FB shall hold 25% of all issued and outstanding Class A Shares of Textainer Marine Containers Limited after the close of this transaction. We are in the process of negotiating the transaction documents and expect to close the transaction within two business days after the closing of this offering or as soon as practicable thereafter.

Over the past 10 years, we concluded four strategic transactions involving former competitors. On April 1, 1998, we entered into a management service contract for the PrimeSource fleet, consisting of 54,900 TEU, at no cost. On May 1, 1999, we entered into a management service contract for the management of the XTRA fleet, consisting of 225,800 TEU, for a waiver of the first year's management fees of approximately $4.3 million. On November 1, 2004, we purchased from XTRA, Inc., the containers that we were managing on behalf of XTRA International pursuant to the May 1, 1999 management contract. This purchase was for 109,800 TEU at a purchase price of $85.3 million. On July 1, 2006, we purchased the management contracts of the fleet formerly managed by Gateway Management Services Limited for a purchase price of $19.0 million. This fleet consists of 315,000 TEU. On July 23, 2007, we purchased the exclusive rights to manage the container fleet of Capital for a purchase price of $56.0 million. The Capital fleet consists of over 500,000 TEU.

Industry Overview

Dry freight intermodal containers are large, standardized steel boxes used to transport goods by multiple modes of transportation, including ships, trains and trucks. Compared to traditional shipping methods, intermodal

containers provide users with faster loading and unloading as well as some protection from weather and potential theft, thereby typically reducing both transportation costs and time to market for our lessee's customers.

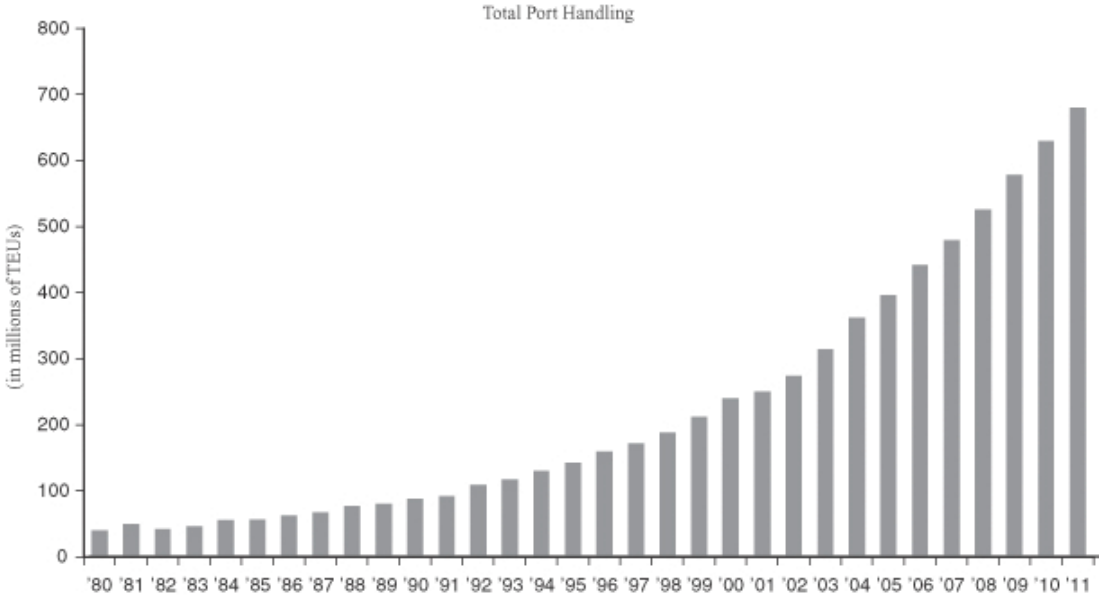
Containers are built in accordance with standard dimensions and weight specifications established by the International Organization for Standardization (ISO). The industry-standard measurement unit is the Twenty- Foot Equivalent Unit, or TEU, which compares the length of a container to a standard 20' container. For example, a 20' container is equivalent to one TEU and a 40' container is equivalent to two TEU. Standard dry freight containers are typically 8' wide, come in lengths of 20', 40' or 45' and are either 8'6" or 9'6" high. The three principal types of containers are described as follows:

- *Dry freight standard containers*. A dry freight standard container is constructed of steel sides, roof, an end panel on one end and a set of doors on the other end, a wooden floor and a steel undercarriage. Dry freight standard containers are the least expensive and most commonly used type of container. They are used to carry general cargo, such as manufactured component parts, consumer staples, electronics and apparel. According to *Containerisation International, World Container Census 2007*, dry freight standard containers comprised approximately 89.2% of the worldwide container fleet, as measured in TEU, at mid-2006.
- *Dry freight specialized containers*. Dry freight specialized containers consist of open-top and flat-rack containers. An open-top container is similar in construction to a dry freight standard container except that the roof is replaced with a tarpaulin supported by removable roof bows. A flat-rack container is a heavily reinforced steel platform with a wood deck and steel end panels. Open-top and flat-rack containers are generally used to transport heavy or oversized cargo, such as marble slabs, building products or machinery. According to *Containerisation International, World Container Census 2007*, dry freight specialized containers comprised approximately 3.8% of the worldwide container fleet, as measured in TEU, at mid-2006.
- *Other containers*. Other containers include refrigerated containers, tank containers, 45' containers, pallet-wide containers and other types of containers. The two most prominent types of such containers are refrigerated containers and tank containers. A refrigerated container has an integral refrigeration unit on one end which generally plugs into an outside power source and is used to transport perishable goods. Tank containers are used to transport liquid bulk products such as chemicals, oils, and other liquids. According to *Containerisation International, World Container Census 2007*, other containers comprised approximately 7.0% of the worldwide container fleet, as measured in TEU, at mid-2006.

Containers provide a secure and cost-effective method of transportation because they can be used in multiple modes of transportation, making it possible to move cargo from a point of origin to a final destination without repeated unpacking and repacking. As a result, containers reduce transit time and freight and labor costs, as they permit faster loading and unloading of shipping vessels and more efficient utilization of transportation containers than traditional break bulk shipping methods. The protection provided by containers also reduces damage, loss and theft of cargo during shipment. While the useful economic life of containers varies based upon the damage and normal wear and tear suffered by the container, we estimate that the useful economic life for a standard dry freight container used in intermodal transportation is on average 12 years.

In 2006, the container shipping industry celebrated the 50th anniversary of the first standardized container voyage by sea. According to Drewry, this industry had grown to a $187.7 billion industry by December 2006, as measured by preliminary data of annual gross revenues of container shipping lines and, the volume of the industry, as measured by loaded container liftings, grew at a CAGR of 9.8% from 1980 to 2005. In addition, as of April 2007, the containership orderbook reached a level of 1,255 vessels, or 4.64 million TEU, representing 48% of the then current worldwide container ship capacity, according to Clarkson. We believe this increased vessel capacity should continue to drive the demand for intermodal containers.

Over the last 25 years, containerized trade has grown at a rate greater than that of worldwide economic growth. According to *The Drewry Annual Container Market Review and Forecast 2006/2007,* worldwide containerized cargo volume grew from 1980 through 2005 at a rate of 9.8% per year. Drewry estimates that 2006 container cargo volume grew 10.3% over the prior year. In addition, according to Drewry, container trade is projected to grow by 9.8% in 2007 and 9.2% in 2008. Drewry forecasts that cargo volume will continue to grow at approximately 9.0% annually through 2011, as illustrated by the following chart:



We believe that the projected growth in the container shipping industry is due to several factors, including:

- the movement in global manufacturing capacity toward lower labor cost areas such as the PRC and India;
- the continued integration of developing high-growth economies into global trade patterns;
- the general trend away from bulk shipping and migration to the use of containers; and
- the gradual liberalization and integration of world trade.

Current trends in containerized shipbuilding also support expectations for increased container demand. According to the Drewry report, current orders for container ships set to be delivered between 2007 and 2009 represent approximately 3.5 million TEU of shipping vessel capacity, or the equivalent of 40.2% of the existing container ship fleet. In the early days of containerization, shipping lines usually required three sets of containers per ship capacity. For example, a 2,000 TEU ship might require 6,000 TEU of containers to support it. Simply stated, one set was on the ship, another set was waiting to be loaded on to the ship, and the third set had just been unloaded. Today, with more frequent sailings, improved information technology and much larger ships better able to reposition empty containers, modern shipping lines require just under two sets of containers to support each ship. Nevertheless, due to the dramatic increase in the number and size of new container ships entering service, the number of containers required to support the world container ship fleet has continued to grow.

According to *Containerisation International, World Container Census 2007*, container lessors owned approximately 42.5% of the total worldwide container fleet of 22.2 million TEU as of mid-2006. The percentage of leased containers utilized by shipping lines ranged from 43% to 54% from 1980 through 2006 and is expected to stay in the 42% to 43% range from 2007 to 2015. Given the uncertainty and variability of export volumes and

the fact that shipping lines have difficulty in accurately forecasting their container requirements at different ports, the availability of containers for lease significantly reduces a shipping line's need to purchase and maintain excess container inventory. In addition, leasing a portion of their total container fleets enables shipping lines to serve their manufacturer and retailer customers better by:

- increasing flexibility to manage the availability and location of containers;
- increasing the shipper's ability to meet peak demand requirements, particularly prior to holidays such as Christmas and Chinese New Year; and
- reducing their capital expenditures.

While international containerized trade has grown rapidly and been consistently positive for the last twenty-five years, the shipping business has been characterized by cyclical swings due to lengthy periods of excess or scarce vessel capacity. We believe that these sustained periods of vessel supply/demand imbalances are mainly a function of the multi-year ordering and production cycle associated with the manufacture of new vessels, which requires shipping lines to estimate market growth many years into the future. Container leasing companies are partially insulated from the risks of these shipping cycles by the relatively short production time associated with the manufacture of new containers. Lead-times for new container orders are typically only a few months, so the rate of new container ordering can be quickly adjusted to reflect unexpected market changes.

Additionally, for most leasing companies, the percentage of containers on long-term lease has grown over the past ten years, while the percentage on master lease has declined. We believe that a majority of all leased containers are under long-term lease today, compared with approximately 40% ten years ago. As a result, changes in utilization have become less volatile for most leasing companies.

According to "*Containerisation International Market Analysis: Container Leasing Market 2007* ," intermodal leasing companies, as ranked by total TEU as of mid-2006, are as follows:

Company	TEU(1)
Textainer Group(2)	2,038
Triton Container Intl.	1,380
Florens Group(3)	1,107
TAL International	947
GESeaCo	936
Interpool Group(4)	708
CAI-Cont. Applications Inc.	624
Cronos Group	405
Gold Container	324
UES-Unit Equipment Services	269
GVC-Grandview Development	139
Carlisle Leasing	122
Amficon Leasing	114
XINES Ltd.	100
Waterfront Cont. Leasing	88
Blue Sky Intermodal	49
Other	539
Grand Total	**9,889**

(1) TEU numbers in thousands.

(2) Textainer TEU pro forma to include the addition of the containers of Capital for which we acquired management rights in July 2007.

(3) Includes containers leased to Cosco Container Lines.

(4) Includes containers on structured finance leases.

Competitive Strengths

We believe that we have the following competitive strengths:

- One of our major strengths is our demonstrated ability to generate attractive revenue streams, relative to most of our competitors, throughout the economic life of a container in marine service, which in the past has averaged approximately twelve years. This strength is due to our large size and global scale, experienced management team, proprietary information technology systems, and strong customer relationships.
    - *Largest Container Lessor*. We operate the world's largest fleet of leased intermodal containers. We believe that our scale, global presence, business model and long history have made us one of the more reliable suppliers of leased containers in our industry. We believe that these factors have historically enabled us to supply containers in locations around the world where our customers need them with some consistency.
    - *Experienced Management Team*. Our senior management has a long history in the industry. Our four most senior officers have an average of approximately 15 years of service with us and an average of 21 years in the container leasing industry. They have been through many business cycles, and understand the key drivers of the container leasing business.
    - *Proprietary Information Technology Systems*. We have developed proprietary IT systems that allow us to monitor container status and offer our customers a high level of service. Our systems include internet-based updates regarding container availability and booking status. We also have the ability to produce complete management reports for each portfolio of containers we own and manage.
    - *Strong, Long-standing Relationships with Customers*. Our scale, long presence in the business and reliability as a supplier of containers has resulted in strong relationships with our customers. Our top 25 customers, as measured by revenue, have leased containers from us for an average of over 21 years. Our customers include each of the world's 20 largest shipping lines, as measured by container vessel fleet size.
- We have the international coverage, organization and resources to handle a variety of types of leases. Thus, at the termination of a term lease, we have the ability to either negotiate extending the term lease, accept the return of and re-lease the container, or to sell the containers utilizing our particular expertise in this area. This flexibility allows us more avenues to deploy our containers and therefore better optimizes our return.
    - *Lease Types and Structures.* We structure our initial long-term leases of new containers in an effort to reduce the percentage of containers that can be returned in lower demand locations. Our large customer base and worldwide presence makes us well-positioned to re-lease off-lease containers into a variety of master leases and special leases with other customers. We utilize our expertise in logistics to reposition off-lease containers from lower demand to higher demand locations where they can be re-leased at more attractive terms. Many of the U.S. military's demand locations are surplus locations for our shipping line customers. When containers are off-lease, we can re-lease them if the lease terms are acceptable, sell them at that location, or move them to a higher demand location or a better sale location.
    - *Leading Seller of Used Containers*. We believe we are one of the two largest sellers of used containers among container lessors. We believe that our experience in selling large quantities of containers at attractive prices generally optimizes the residual value of our fleet. It also enables us to serve some of our shipping line customers better by relieving them of the burden of disposing of their containers.

- We are able to mitigate the effects of the cyclical container shipping/leasing industry on our profitability by striking a balance between owned and managed containers and generating revenue streams from diverse sources.
    - *High Margin High Return Business Model*. We believe that our business model of balancing the proportion of owned versus managed containers in our container fleet provides us over time with higher operating margins and higher returns on capital than would a model in which we only owned or only managed containers.
    - *Diverse Revenue Streams*. We derive revenues from leasing our owned containers, managing containers owned by third parties, buying and selling containers and supplying leased containers to the U.S. military. These multiple revenue streams provide for a diverse income base, mitigate the effects of our cyclical industry on our profitability and allow us to optimize our use of capital.
- We have demonstrated our ability to increase the size of our container fleet by purchasing containers from container manufacturers and by acquiring existing container fleets or their management rights.
    - *Strong, Long-standing Relationships with Manufacturers*. As the leasing industry's largest buyer of new containers, averaging more than 90,000 TEU per year for the past 12 years, we have developed strong relationships with container manufacturers. These relationships, along with our large volume buying power and solid financial structure, enable us to purchase containers at attractive prices and foster our ability to source containers during periods of high demand.
    - *Experienced Consolidator*. Over the past 20 years, we have concluded eight transactions involving other lessors' container fleets or management rights over those fleets, representing over 1,143,000 TEU in total. This experience provides us with a competitive advantage over other lessors who are less experienced in taking over ownership or management of other container fleets. We have demonstrated the ability to efficiently identify, analyze, structure and integrate the equipment and lease portfolios of other lessors. For example, we integrated the container fleet formerly managed by Gateway Management Services Limited, comprising 315,000 TEU, in three weeks. Furthermore, due to the flexibility and scalability of our infrastructure, these transactions result in significant increases in revenue without corresponding increases in expenses.

Business Strategies

We intend to grow our business profitably by pursuing the following strategies:

- *Leverage Our Status as the Largest Intermodal Container Lessor and Consistent Purchaser in the Industry* . While a number of our competitors' purchasing patterns have fluctuated over time, we have been a consistent purchaser of containers and intend to continue to make regular purchases of containers to replace older containers and increase the size of our fleet, thereby maintaining what we believe to be one of the youngest fleet age profiles among major lessors. We believe that our scale, consistent purchasing habits, and maintenance of a young fleet age profile have provided us with a competitive advantage that we will continue to exploit by maintaining strong relationships with manufacturers and growing our market share with our existing customers.
- *Pursue Attractive Acquisitions*. We will continue to seek to identify and acquire attractive portfolios of containers, both on an owned and on a managed basis, to allow us to grow our fleet profitably. There has been significant consolidation in our industry. We believe that this trend will continue and will likely offer us opportunities for growth.
- *Continue to Focus on Operating Efficiency*. We have a low cost structure, having brought down our fleet management cost from $0.097 per CEU per day to $0.051 per CEU per day and grown the number of CEU in our fleet per employee from 3,206 to 11,330, in each case over the last 10 years. Furthermore, we believe that we can continue to grow our fleet and therefore our revenue without a proportionate increase in our headcount, thereby spreading our operating expenses over a larger base and helping to improve our profitability.

- *Grow Our Container Resale Business*. Our container resale and trading business is a significant source of profits. We look to sell containers from our fleet when they reach the end of their useful lives in marine service or when it is financially attractive for us to do so, considering the location, sales price, cost of repair, and possible repositioning expenses. In order to improve the sales price of our containers, we often move them from the location where they are returned by the lessee to another location that has a higher market price. We benefit not only as a result of the increased sales price but also because we often receive rental revenue from a shipping line for the one-way lease of the container. We also buy and lease or resell containers from shipping line customers, container traders and other sellers of containers. We attempt to improve the sales price of these containers in the same manner as with containers from our fleet.
- *Grow Our U.S. Military Management Business*. Our status as the main provider of leased intermodal containers to the U.S. military has resulted in a complementary source of demand for containers, usually in locations with lower shipping line demand, which grants us more flexibility in managing the remainder of our fleet. We seek to broaden and deepen our relationship with the U.S. military in order to provide the best possible customer service, while continuing to grow the business. We are currently in the fourth year of the SDDC contract, which, subject to yearly performance review and contract confirmation, may be renewed by the U.S. military on a yearly basis for a total contract period of up to ten years. Our latest performance rating in 2006 was "Excellent" with a score of 97%.
- *Maintain Access to Diverse Sources of Capital*. We have successfully utilized a wide variety of financing alternatives to fund our growth, including secured and unsecured debt financings, bank financing, and equity from third party investors in containers. We believe this diversity of funding, combined with our anticipated access to the public equity markets, provides us with an advantage in terms of both cost and availability of capital.

Operations

We operate our business through a network of 14 regional and area offices and over 300 independent depots in more than 130 locations. We maintain four regional offices:

- Americas Region in Hackensack, New Jersey, responsible for North and South America;
- European Region in London responsible for Europe, the Mediterranean, the Middle East, and Africa;
- North Asia Region in Yokohama responsible for Japan, South Korea, and Taiwan; and
- South Asia Region in Singapore, responsible for Southeast Asia, the PRC (including Hong Kong) and Australia.

Regional vice presidents are in charge of regional leasing and operations. Marketing directors and assistants located in the region and area offices handle day-to-day marketing and collection activities. Our operations include a global sales force, container operations group, container resale group, and logistics services group. Our principal administrative office is located in San Francisco, California. Our registered office is in Hamilton, Bermuda.

Our Container Fleet

As of June 30, 2007, we operated 1,559,215 TEU. We attempt to continually invest in our container fleet each year in an effort to replace the older containers being retired from marine service and to build our fleet size. We purchased an average of 90,000 TEU per year over the past 12 years. Our ability to invest in our fleet on a consistent basis has been instrumental in our becoming the world's largest container lessor. Our container fleet consists primarily of standard dry freight containers. The containers that we lease are either owned outright by us, owned by third parties and managed by us or leased-in from third parties. The table below summarizes the composition of our fleet, in TEU, by type of containers as of June 30, 2007 (unaudited):

	Standard Dry Freight	Dry Freight Specialized	Total	Percent of Total Fleet
Managed	685,321	12,644	697,965	44.8%
Owned	811,459	4,578	816,037	52.3%
Finance leases and sub-leased units	44,590	623	45,213	2.9%
Total fleet	1,541,370	17,845	1,559,215	100.0%

Our containers are designed to meet a number of criteria outlined by the ISO. The standard criteria include the size of the container and the gross weight rating of the container. This standardization ensures that the widest possible number of transporters can use containers and it facilitates container and vessel sharing by the shipping lines. The standardization of the container is also an important element of the container leasing business since we can operate one fleet of containers that can be used by all of our major customers.

Maintenance and repair of our containers is performed by independent depots that we retain in major port areas and in-land locations. Such depots also handle and inspect containers that are either picked up or redelivered by lessees, and store containers that are not leased.

Our Leases

Most of our revenues are derived from leasing our fleet of containers to our core shipping line customers. The vast majority of our container leases are structured as operating leases, though we also provide customers with finance leases. Regardless of lease type, we seek to exceed our targeted return on our owned and managed containers over the life of each container by managing container utilization, lease rates, drop-off restrictions and the used container sale process. We lease containers under three different types of operating leases and also under finance leases.

Term leases

Term leases provide a customer with a specified number of containers for a specified period, typically ranging from three to five years, with an associated set of pick-up and drop-off conditions. Our term leases generally require our lessees to maintain all units on lease for the duration of the lease. Such leases provide us with enhanced cash flow certainty due to their extended duration and typically carry lower per diem rates than other lease types. As of June 30, 2007, 62.1% of our total on hire fleet, as measured in TEU, was on term leases.

As of June 30, 2007, our term leases had an average remaining duration of 2.1 years, assuming no leases are renewed. However, we believe that many of our customers will renew leases for containers that are less than sale age at the expiration of the lease. In addition, our containers typically remain on-hire at the contractual per diem rate for an average of an additional 13 months beyond the end of the contractual lease term, for leases that are not extended, due to the logistical requirements our customers face by having to return containers to specific drop-off locations.

The following are the minimum future rentals for our total fleet at June 30, 2007, due under long-term leases (in thousands):

	(unaudited)
2007	$ 78,918
2008	115,666
2009	77,389
2010	42,272
2011 and thereafter	28,798
	$ 343,043

Some of our term leases give our customers Early Termination Options ("ETOs"). If exercised, ETOs allow customers to return containers prior to the expiration of the term lease. However, if an ETO is exercised, the customer is required to pay a penalty per diem rate that is applied retroactively to the beginning of the lease. As a result of this retroactive penalty, ETOs have historically rarely been exercised.

Master leases

Master leases provide a framework of terms and conditions pursuant to which lessees can lease containers on an as-needed basis for unspecified periods of time. Master lease terms and conditions are valid for a set period, typically one year, and provide the lessee with greater flexibility than is typical in term leases. Under our master leases, lessees know in advance their per diem rates and drop-off locations, subject to monthly drop-off port limits. In addition, under these master lease agreements, the lessee is generally not committed to leasing a minimum number of containers from us during the lease term and may generally return the containers to us at any time, subject to certain restrictions. Due to their flexibility and duration, master leases command higher per diem rates than term leases. A subset of master leases is our special leases, which are predominately round-trip Asia leases, allowing customers to return containers at any time but with restrictions on drop-off locations, generally in higher demand locations in Asia. As of June 30, 2007, 29.9% of our total on-hire fleet, as measured in TEU, was on master leases.

Spot leases

Spot leases provide the customer with containers for a relatively short lease period, and fixed pick-up and drop-off locations. Spot leases are generally used to position a container to a desired location for subsequent lease or sale. As of June 30, 2007, 5.4% of our total on hire fleet, as measured in TEU, was on spot leases.

Finance Leases

Finance leases provide our lessees with an alternative method to finance their container acquisitions. Finance leases are long-term in nature, typically ranging from three to eight years, usually the remainder of the container's useful life in marine services, and require relatively little customer service attention. They ordinarily require fixed payments over a defined period and provide lessees with a right to purchase the subject containers for a nominal amount at the end of the lease term. Per diem rates include an element of repayment of capital and, therefore, typically are higher than rates charged under term leases. Finance leases require the container lessee to keep the containers on lease for the entire term of the lease. Finance leases are reflected as "Net investment in direct finance leases" on our balance sheet. As of June 30, 2007, approximately 2.6% of our total on hire fleet, as measured in TEU, was on finance leases with an average remaining term of 1.8 years.

Damage Protection

Under all of our leases, our lessees are generally responsible for loss of or damage to a container beyond ordinary wear and tear, and they are required to purchase insurance to cover any other liabilities. Any damage

must be repaired at the expense of the lessee according to standardized guidelines promulgated by the Institute of International Container Lessors ("IICL"). Lessees are also required to obtain insurance to cover loss of the equipment on lease, public liability and property damage insurance as well as indemnify us from claims related to their usage of the leased containers. In some cases, DPP is provided whereby the lessee pays us (in the form of either a higher per-diem rate or a fixed one-time payment upon the return of a container) to assume a portion of the financial burden of repairs up to a pre-negotiated amount. This DPP does not cover damages from war or war risks, loss of a container, constructive total loss of the container, damages caused by contamination or corrosion from cargo, damages to movable parts and any costs incurred in removing labels, which are all responsibilities of the lessees. DPP is generally cancelable by either party with prior written notice. Maintenance is monitored through inspections at the time that a container is leased out and returned. We also maintain our own insurance to cover our containers when they are not on-hire to lessees or when the lessee fails to have adequate primary coverage, and third-party liability insurance for both on-hire and off-hire containers. In addition, we maintain insurance that would cover loss of revenue as a result of default under all of our leases, as well as the recovery cost or replacement value of all of our containers.

Lease Agreements

In general, our lease agreements consist of two basic elements, a master terms and conditions lease agreement, or a "Master Agreement," and a lease schedule. Lease schedules contain the business terms (including daily rate, term duration and drop-off schedule, among other things) for specific leasing transactions, while Master Agreements outline the general rights and obligations of the lessor and lessee under all of the lease schedules covered by the Master Agreement. For most customers, we have a small number of Master Agreements (often one) and a large number of lease schedules.

Our standard Master Agreements generally require the lessees to pay rentals, depot charges, taxes and other charges when due, to maintain the containers in good condition and repair, to return the containers in good condition in accordance with the return conditions set forth in the Master Agreement, to use the containers in compliance with all laws, and to pay us for the value of the container as determined by us if the container is lost or destroyed. The default clause gives us certain legal remedies in the event that the lessee is in breach of the lease.

Re-leasing, Logistics and Depot Management

We believe that managing the period after termination of our containers' first lease is one of the most important aspects of our business. The container shipping industry is characterized by large regional trade imbalances, with loaded containers generally flowing from export-oriented economies in Asia to North America and Western Europe. Because of these trade imbalances, container shipping lines have an incentive to return leased containers in North America and Western Europe to avoid the cost of shipping empty containers back to Asia. Successful management of the deployment of our containers after they come off their first lease requires disciplined re-leasing capabilities, logistics management, depot management, careful cost control and effective sales of used containers.

Re-leasing

Since our leases allow our lessees to return their containers, we typically lease a container several times during the time that it is part of our fleet. New containers can usually be leased with a limited sales and customer service infrastructure because initial leases for new containers typically cover large volumes of units and are fairly standardized transactions. Used containers, on the other hand, are typically leased in smaller transactions that are structured to accommodate pick-ups and returns in a variety of locations. Our utilization rates depend on our re-leasing capabilities. Factors that affect our ability to re-lease used containers include the size of our lessee base, ability to anticipate lessee needs, our presence in relevant geographic locations and the level of service we provide our lessees. We believe that our global presence and relationships with over 300 container lessees provide us an advantage in re-leasing our containers relative to many of our smaller competitors.

Logistics

Other methods of reducing off-lease risks include:

- *Limiting or prohibiting container returns to low-demand areas*. In order to reduce our repositioning costs, our leases typically include a prohibition on returning containers to specific locations, limitations on the number of containers that may be returned to lower demand locations, drop-off charges for returning containers to lower demand locations or a combination of these provisions.
- *Taking advantage of a robust secondary resale market when available*. In order to optimize the investment return on a container, we have sold containers in our excess inventory when an analysis indicates it is financially more attractive than attempting to re-lease the container.
- *Seeking one-way lease opportunities to move containers from lower demand locations to higher demand locations* . One-way leases may include incentives, such as free days, credits and damage waivers. The cost of offering these incentives is generally less than the cost we would incur if we were to pay to reposition the containers. We also use one way leases to move containers from locations where the market price for selling containers is low to locations with a higher market price for containers, to improve the resale value of the containers.
- *Paying to reposition our containers to higher demand locations* . At locations where our inventories remain high, despite the efforts described above, we will selectively choose to reposition excess containers to locations with higher demand.
- *Consistently purchasing containers in the PRC*. We purchase almost all of our new containers from manufacturers in the PRC. Certain ports in the PRC, including the locations where we purchase containers, are also generally higher demand locations. By consistently purchasing containers in the PRC, we have increased flexibility to reposition our existing containers to other higher demand locations while still maintaining good coverage of the locations in the PRC.
- *Diversifying our customers*. We have sought to diversify our customers and correspondingly, the locations where containers are needed around the world. The U.S. military often requires containers in lower demand areas, which then allows us more flexibility in repositioning our containers.

Depot Management

As of June 30, 2007, we managed our container fleet through more than 300 independent container depot facilities in more than 130 locations. Depot facilities are generally responsible for repairing containers when they are returned by lessees and for storing the containers while they are off-hire. Our operations group is responsible for managing our depot contracts and periodically visiting the depot facilities to conduct quality assurance audits to control costs and ensure repairs meet industry standards. We also supplement our internal operations group with the use of independent inspection agents. Furthermore, depot repair work is periodically audited to prevent over-charging. We are in regular communication with our depot partners through the use of electronic data interchange (“EDI”) and/or e-mail. The electronic exchange of container activity information with each depot is conducted via the internet. As of June 30, 2007, a large majority of our off-lease inventory was located at depots that are able to report notice of container activity and damage detail via EDI. We use the industry standard, ISO 9897 Container Equipment Data Exchange messages, for most EDI reporting.

Most of the depot agency agreements follow a standard form and generally provide that the depot will be liable for loss or damage of containers and, in the event of loss, will pay us the previously agreed loss value of the applicable containers. The agreements require the depots to maintain insurance against container loss or damage and we carry insurance to cover the risk when a depot’s insurance proves insufficient.

Our container repair standards and processes are generally managed in accordance with standards and procedures specified by the IICL. The IICL establishes and documents the acceptable interchange condition for containers and the repair procedures required to return damaged containers to the acceptable interchange

condition. At the time that containers are returned by lessees, the depot arranges an inspection of the containers to assess the repairs required to return the containers to acceptable IICL condition. As part of the inspection process, damages are categorized either as lessee damage or normal wear and tear. Items typically designated as lessee damage include dents in the container and debris left in the container, while items such as rust are typically designated as normal wear and tear. In general, lessees are responsible for the lessee damage portion of the repair costs and we are responsible for normal wear and tear. The lessees are generally billed the lessee damage portion at the time the containers are returned. As discussed above in "Operations—Our Leases," for an additional fee, we sometimes offer our lessees a DPP, pursuant to which we assume financial responsibility for repair costs up to a pre-negotiated amount.

Management Services

As of June 30, 2007, we owned approximately 52% of the containers in our fleet, and managed the rest, equaling 743,178 TEU, on behalf of 12 container investors. We earn acquisition, management and disposal fees on managed containers. Our IT systems track revenues and operating expenses attributable to specific containers and the container investors receive payments based on the net operating income of their own containers. Fees to manage containers typically include acquisition fees of 1to 2% of the purchase price; daily management fees of 8 to 13% of net operating income; and disposal fees of 10% of cash proceeds when containers are sold. We earned combined acquisition, management and disposal fees on our managed fleet of $16,194, $15,472 and $17,942 for the years 2006, 2005 and 2004, respectively, and $10,141 and $6,574 for the six months ended June 30, 2007 and 2006, respectively. If operating expenses were to exceed revenues, the container investors would be obligated to pay the excess or we would deduct the excess, including our management fee, from future net operating income. In some cases, we are compensated for sales through a percentage sharing of sale proceeds over an agreed floor amount. We will typically indemnify the container investors for liabilities or losses arising from negligence, willful misconduct or breach of our obligations in managing the containers. The container investors will indemnify us as the manager against any claims or losses arising with respect to the containers, provided that such claims or losses were not caused by our negligence, willful misconduct or breach of our obligations. Typically, the terms of the management agreements are for the expected remaining useful life in marine services of the containers subject to the agreement.

Resale of Containers

Our Resale Division sells containers from our fleet, at the end of their useful lives in marine service, typically about 12 years, or when it is financially attractive for us to do so, considering the location, sale price, cost of repair, and possible repositioning expenses. In addition, we buy used containers (trading containers) from shipping lines and other third parties that we then lease or resell. Our Resale Division has a global team of 16 container sales and operations specialists in five offices globally that manage the sale process for these used containers as of June 30, 2007. We believe our Resale Division is one of the two largest sellers of used containers among container lessors, selling more than 45,600 containers per year for the last five years. Our Resale Division has become a significant profit center for us. From 2002 through 2006, this division has generated $16.2 million in income before taxes, including $5.5 million in fiscal year 2006. We generally sell to depots, domestic storage companies, freight forwarders (who often use the containers for one-way trips into less developed countries) and other purchasers of used containers. Due to the limited number of containers available for sale in North America and Europe and high new container prices, the container disposal market is currently very strong.

Military

In June 2003, we entered into a contract with the SDDC pursuant to which we serve as a major supplier of leased marine containers to the U.S. military. Compared to our shipping line customers, we provide a much broader level of services to the U.S. military under the SDDC contract. We have developed and currently operate a proprietary information system for the U.S. military which provides the U.S. military real-time access to the status of its leased fleet. Furthermore, unlike our shipping line customers, who pick up from and return containers

to container depots, for the U.S. military we are required to arrange transportation from a container depot to a military facility upon lease out and to pick up a container at a military facility and return it to a container depot when the lease period has ended. This requires us to arrange for movement of the empty containers by truck, rail and/or vessel. The SDDC contract provides added compensation for these services. In addition, since approximately half of these services are required in non-U.S. locations, our expenses for contracting for these services may be incurred in foreign currencies. The SDDC contract contains a foreign currency adjustment feature such that we are protected against many foreign currency risks for the expenses incurred under the SDDC contract.

The SDDC is the only lessee for which we are required, under the SDDC contract, to provide all containers that they request. In the event that containers are not available within our fleet, we fulfill our obligations under the SDDC contract by purchasing new or used containers or subleasing containers and equipment from other leasing companies. This contract also allows the U.S. military to return containers in many locations throughout the world, but the rate of return of containers that we have experienced to date has been very low. Since the inception of the SDDC contract, we have delivered or transitioned more than 86,000 containers and chassis to the U.S. military, of which fewer than 18,200 containers have been returned. The SDDC contract was awarded with a one-year base period, with four one-year extension options, and with a potential for up to five additional one-year "award terms," which award terms will be considered and awarded based on an annual performance review and confirmation. We have been informed that we have been awarded our fourth SDDC contract extension, at this stage extending the term until June 23, 2008. We also received an "Excellent" rating for our performance under the SDDC contract for 2006 (the last period reviewed), pursuant to the annual performance review required thereunder. If we continue to receive such high evaluations, the total contract period under the SDDC contract could extend for the full ten years.

The U.S. military informed us in August 2007 that 26,120 containers that they lease from us are unaccounted for. Of this total, 9,850 are owned containers, 12,094 are managed for third party owners and 4,176 are subleased. Per the terms of our contract with the U.S. military, they will pay a stipulated value for each of these containers. Due to the loss of these containers, future rental income from the U.S. military on these containers will cease, but we expect to record a gain on disposal of the owned portion of these unaccounted for containers during the quarterly period ended September 30, 2007.

Underwriting and Credit Controls

We only lease to container shipping lines and other lessees that meet our credit criteria. Our credit approval process is rigorous and all of our underwriting and credit decisions are controlled by our credit committee, which is made up of senior management from different disciplines and includes our Chief Executive Officer, Chief Financial Officer and Executive Vice Presidents. Our credit committee sets different maximum exposure limits depending on our relationship and previous experience with each customer lessee and container sales customer. Credit criteria may include, but are not limited to, trade route, country, social and political climate, assessments of net worth, asset ownership, bank and trade credit references, credit bureau reports, operational history and financial strength.

Our credit department sets and reviews credit limits for new and existing customer lessees and container sales customers, monitors compliance with those limits on an on-going basis, monitors collections, and deals with customers in default. Our credit department actively maintains a credit watch report on our proprietary information technology systems, which is available to all regional and area offices. This report lists customer lessees and container sales customers at or near their credit limits. New leases of containers by customer lessees on the credit watch report would only be allowed with the approval of our credit department. Similarly, management may decide to stop sales of containers to purchasers whose payments are delinquent. Our underwriting processes are aided by the long payment experience we have with most of our customer lessees and container sales customers, our broad network of relationships in the container shipping industry that provide current information about customer lessees' and container sales customers' market reputations and our focus on collections.

Other factors reducing losses due to default by a lessee or customer include the strong growth in the container shipping industry, effective collection tools, our high recovery rate for containers in default situations and the re-marketability of our container fleet. The strong growth in the container shipping industry helps reduce the risk of customer defaults since the core assets of a poorly performing shipping line, its ships and containers, are generally needed to meet the demand for world containerized trade. As a result, poorly performing shipping lines are often acquired by other shipping lines. In addition, the law in several major port locations is highly favorable to creditors and many of our large customers call on ports that will allow us to arrest, or seize, the customers' ships or fuel storage bunkers, or repossess our containers if the customer is in default under our container leases. Finally, we also purchase insurance for equipment recovery and loss of revenue due to customer defaults, in addition to the insurance that our customers are required to obtain.

During 2004 through 2006, we recovered, on average, approximately 98% of the containers that were the subject of defaulted contracts which had at least 1,000 CEU on lease. We typically incur operating expenses such as repairs and repositioning when containers are recovered after a default. However, all recovery expenses are typically covered under insurance and we are reimbursed above our deductible amount. Due to the above, over the last five years, our write offs of customer receivables have averaged less than 0.6% of our total operating revenue over such period, and we believe that our receivables and days outstanding are low for the container leasing industry.

Marketing and Customer Service

Our global sales and customer service force is responsible for developing and maintaining relationships with senior management staff at our shipping line customers, negotiating lease contracts and maintaining day-to-day coordination with operations staff at our customers. This close customer communication often assists us in negotiating lease contracts that satisfy both our financial return requirements and our customers' operating needs. It also makes us more likely to be aware of our customers' potential equipment shortages and makes our customer more likely to be aware of our available container inventories.

Our senior sales people have been with us for an average of 15 years and we believe that the quality of our customer relationships and the level of communication with our customers represent an important advantage for us. As of June 30, 2007, our global sales and customer service group consisted of approximately 85 people, with 23 in North America, 39 in Asia and Australia, 18 in Europe and five in Africa.

Customers

We believe that our staff, organization and long presence in the business has resulted in very strong relationships with our shipping line customers. Our top 25 customers, as measured by revenue, have leased containers from us for an average of over 21 years and have an average Dynamar credit rating, a common credit report used in the maritime sector, of 2.4. The Dynamar credit rating ranges from 1 to 10, with 1 indicating low credit risk. We have no customer that individually accounted for over 10% of our revenues in 2006, 2005 and 2004. Our top 25 customers include 20 of the 25 largest shipping lines, as measured by container vessel fleet size. We currently have containers on-hire to more than 300 customers. Our customers are mainly international shipping lines, but we also lease containers to freight forwarding companies and the U.S. military. Our five largest customers accounted for approximately 36% of our 2006 leasing revenues. Our top five customers by revenue in 2006 were Evergreen Marine Corp Ltd., the SDDC with the U.S. military, Hapag-Lloyd AG, A.P. Møller - MAERSK A/S, and CMA-CGM. Our largest customer is Evergreen, representing approximately 9% of our 2006 leasing revenues. For the fiscal years ended December 31, 2006, 2005 and 2004, revenue from our 25 largest container lessees by revenue represented 80.7%, 81.2% and 80.8% of total fleet container leasing revenue, respectively, with revenue from our single largest container lessee accounting for $28.9 million, $26.2 million and $22.3 million or 9.0%, 8.8% and 7.6% of container leasing revenue during the respective periods. For the six months ended June 30, 2007 and 2006, revenue from our 25 largest container lessees by revenue represented 80.3% and 81.1% of total fleet container leasing revenue, respectively, with revenue from our single largest

container lessee accounting for $16.7 million and $13.1 million or 9.3% and 9.4% of container leasing revenue during the respective periods. A default by any of these major customers could have a material adverse impact on our business, financial condition and future prospects. In addition, the largest lessees of our owned fleet are often among the largest lessees of our managed fleet. The largest lessees of our managed fleet are responsible for a significant portion of the billings that generate our management fee revenue.

Proprietary Information Technology

We have developed proprietary IT systems that allow us to monitor container status and offer our customers a high level of service. Our systems include internet-based updates regarding container availability and booking status. Changes in container status are entered locally and replicated across the globe within 15 minutes. Our systems record the status of each of our containers individually by container number, provide design specifications for the equipment, track on-hire and off-hire transactions, match each on-hire container to a lease contract and each off-hire container to a depot contract, maintain the major terms for each lease contract, calculate depreciation, calculate the monthly bill for each customer and track and bill for container repairs. We also have the ability to produce complete management reports for each portfolio of equipment we own and manage. This makes us a preferred candidate to quickly assume management of competitors' container fleets. We also maintain proprietary systems in support of our military business .

In addition, our systems allow our business partners to conduct certain businesses with us through our website, *www.textainer.com*. These systems allow customers to check our container inventories, review design specifications, request bookings for container pick-ups and review and approve repair bills. Our website also allows depots to download recent statements for self-billing activity and to check the status of containers.

Suppliers

We have long relationships with all of our major suppliers. We currently purchase all of our containers in the PRC. There are two major manufacturers of dry freight standard and specialized containers. Our operations staff reviews the designs for our containers and periodically audits the production facilities of our suppliers. In addition, we use our Asian operations group and third party inspectors to visit factories when our containers are being produced to provide an extra layer of quality control. Nevertheless, defects in our containers do sometimes occur. We work with the manufacturers to correct these defects, and our manufacturers have generally honored their warranty obligations in such cases.

Competition

According to the latest available data, the top ten container leasing companies control approximately 88%, and the top five container leasing companies control approximately 65%, of the total equipment held by all container lessors. According to this data, we are the world's largest lessor of intermodal containers based on fleet size and we manage approximately 21% of the equipment held by all container leasing companies. The customers for leased containers are primarily international shipping lines.

We compete with approximately ten other large or medium size container leasing companies, many smaller lessors, companies and financial institutions offering finance leases, and promoters of container ownership and leasing as a tax-efficient investment. It is common for our shipping line customers to utilize several leasing companies to meet their container needs.

Other lessors compete with us in many ways, including pricing, lease flexibility and supply reliability, as well as the location, availability, quality and individual characteristics of their containers and customer service. While we are forced to compete aggressively on price, we emphasize our supply reliability and high level of customer service to our customers. We invest heavily in our endeavors to ensure container availability in higher demand locations. We dedicate a large part of our organization to building customer relationships, maintaining

close day-to-day coordination with customers' operating staffs and have developed powerful and user-friendly systems that allow our customers to transact business with us through the internet. We believe that our close customer relationships, experienced staff, reputation for market leadership, scale efficiencies and proprietary systems provide important competitive advantages.

Properties and Facilities

As of June 30, 2007, our employees were located in 14 regional and area offices in 13 different countries. We have two offices in the U.S., including our principal administrative office in San Francisco, California and another office in Hackensack, New Jersey. We have 12 offices outside the U.S. in New Malden, United Kingdom; Hamburg, Germany; Durban, South Africa; Yokohama, Japan; Seoul, South Korea; Taipei, Taiwan; Singapore; Sydney, Australia; Jakarta, Indonesia; Port Kelang, Malaysia; Hong Kong, and Shanghai, China. We lease all of our office space. The lease for our San Francisco office expires in February 2012 and the lease for our Hackensack, New Jersey office expires in April 2012. In addition, we have agents who represent us in India, Pakistan, Sri Lanka, Thailand, and Vietnam. We also maintain a registered office in Bermuda, where we are incorporated.

We believe that our current facilities are adequate to meet current requirements and that additional or substitute space will be available as needed to accommodate our expected growth.

Employees

As of June 30, 2007, we employed 147 people. We believe that our relations with our employees are good and we are not a party to any collective bargaining agreements.

Legal Proceedings

On April 18, 2005, Textainer Equipment Income Fund; Textainer Equipment Income Fund II, L.P.; Textainer Equipment Income Fund III, L.P.; Textainer Equipment Income Fund IV, L.P.; Textainer Equipment Income Fund V, L.P.; and Textainer Equipment Income Fund VI, L.P. (collectively, the "TEIF Partnerships"), sold substantially all of their assets to RFH, Ltd. ("RFH"). At the time of this sale transaction, RFH engaged Textainer Equipment Management Limited, one of the general partners in each of the TEIF Partnerships, to manage the containers RFH bought.

Five lawsuits were filed between March 2005 and March 2007 in California state and federal court, initiated by certain limited partners of the TEIF Partnerships. Those lawsuits have been reduced to one consolidated class action pending in the San Francisco Superior Court. The federal action that was filed in the Northern District of the United States District Court was dismissed and the dismissal was timely appealed to the Ninth Circuit.

In the federal case, plaintiff Stephen L. Craig sued Textainer Equipment Management, Ltd., Textainer Financial Services Corporation., Textainer Capital Corporation., Textainer Limited., Textainer Group Holdings, Ltd. John Maccarone and RFH, Ltd. asserting violations of federal securities laws because proxy statements issued in connection with the sale of assets were allegedly materially false or misleading. The lawsuit sought equitable relief and an unspecified amount of damages, interest, fees and costs. The federal action was dismissed with prejudice on January 10, 2007, and has since been appealed. No decision on the appeal is expected from the Ninth Circuit until next year.

An amended consolidated complaint was filed in the state action on June 7, 2007. The named plaintiffs in the consolidated state action are Leonard Labow, Alan P. Gordon, Michael S. Schwartz (as Trustee of various trusts) and Stephen L. Craig. Plaintiffs sued Textainer Financial Services Corporation, Textainer Equipment Management Limited, Textainer Limited, Textainer Capital Corporation and RFH, Ltd asserting claims for alleged breach of fiduciary duty, and alleged aiding and abetting breach of fiduciary duty. These claims are based

on alleged self dealing and conflicted transactions in entering into the asset sale. The complaint seeks an unspecified amount of damages, equitable relief, interest, fees and costs. While it is not possible to predict or determine the outcome of these lawsuits, we believe that these lawsuits are without merit. We intend to vigorously defend against the lawsuits. In addition, we believe we have insurance coverage of up to $15.0 million under our general insurance policy for these types of claims.

In addition, from time to time we are a party to litigation matters arising in connection with the normal course of our business. While we cannot predict the outcome of these matters, in the opinion of our management, any liability arising from these matters will not have a material adverse effect on our business. Nevertheless, unexpected adverse future events, such as an unforeseen development in our existing proceedings, new claims brought against us or changes in our current insurance arrangements could result in liabilities that have a material adverse impact on our business.

Two of our subsidiaries, Textainer Equipment Management U.S. Limited and Textainer Limited, are currently being audited by the U.S. Internal Revenue Service (the "IRS"). We first received notice from the IRS regarding the audit of Textainer Equipment Management U.S. Limited for the 2004 fiscal year on August 16, 2006 and first received notice regarding the audit of Textainer Limited for the 2004 and 2005 fiscal years on April 12, 2007. We are fully cooperating with the IRS regarding these audits. Currently, any potential additional tax liability due to these audits is not determinable.

Environmental

We are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants to air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We could incur substantial costs, including cleanup costs, fines and third-party claims for property damage and personal injury, as a result of violations of or liabilities under environmental laws and regulations in connection with our or our lessees' current or historical operations or the storage of our containers. Under some environmental laws in the U.S. and certain other countries, the owner or operator of a leased container may be liable for environmental damage, cleanup or other costs in the event of a spill or discharge of material from a container without regard to the fault of the owner or operator. While we maintain certain limited liability insurance coverage as well as require our lessees to provide us with indemnity against certain losses, the insurance coverage is subject to large deductibles, limits on maximum coverage and significant exclusions and may not be sufficient to protect against any or all liabilities and such indemnities may not cover or be sufficient to protect us against losses arising from environmental damage and/or systems or services we may be required to install.

Regulation

We may be subject to regulations promulgated in various countries, including the U.S., seeking to protect the integrity of international commerce and prevent the use of containers for international terrorism or other illicit activities. For example, the Container Security Initiative, the Customs-Trade Partnership Against Terrorism and Operation Safe Commerce are among the programs administered by the U.S. Department of Homeland Security that are designed to enhance security for cargo moving throughout the international transportation system by identifying existing vulnerabilities in the supply chain and developing improved methods for ensuring the security of containerized cargo entering and leaving the U.S. Moreover, the International Convention for Safe Containers, 1972, as amended, adopted by the International Maritime Organization, applies to new and existing containers and seeks to maintain a high level of safety of human life in the transport and handling of containers by providing uniform international safety regulations. As these regulations develop and change, we may incur increased compliance costs due to the acquisition of new, compliant containers and/or the adaptation of existing containers to meet any new requirements imposed by such regulations.

DESCRIPTION OF INDEBTEDNESS

We currently utilize three types of debt financings: (i) issuance of bonds; (ii) borrowings under a revolving credit facility and (iii) borrowings under a secured debt facility. Our revolving credit facility is a bank revolving facility extended to one of our subsidiaries, Textainer Limited, with a commitment of $75.0 million. Our secured debt facility is a conduit facility, which allows for recurring borrowings and repayments, granted to Textainer Marine Containers Limited, a subsidiary of Textainer Limited. Textainer Marine Containers Limited is also the issuer of our bonds.

We have typically funded a significant portion of the purchase price of new containers through borrowings under our revolving and secured debt facilities and intend to continue to do so in the future. Containers are purchased by Textainer Limited using proceeds from the revolving credit facility described below. Textainer Limited then sells these containers at book value to Textainer Marine Containers Limited, which then finances part of the purchase price of the containers with borrowings under our secured debt facility. In 2001 and again in 2005, at such time as the secured debt facility reached an appropriate size, the facility was refinanced through the issuance of bonds to institutional investors. We anticipate a similar refinancing at such time as the secured debt facility reaches a balance of between $300.0 million and, if we are able to increase the commitment under the secured debt facility, $500.0 million. This timing will depend on our level of future purchases of containers for our owned fleet.

Credit Facility

Textainer Limited has a credit agreement with Bank of America, N.A. and certain lenders to provide it with a revolving credit facility in the amount of $75.0 million. The credit agreement also provides for a $25.0 million letter of credit facility included within the $75.0 million commitment (together, the "credit facility"). This credit facility provides for payments of interest only during its term, beginning on its inception date through January 31, 2009, with a provision for the credit facility to convert to a two-year fully amortizing term loan, payable after that date. There is a commitment fee of 0.25% on the unused portion of the credit facility, which is payable in arrears. In addition, there is an agent's fee on the commitment amount, which is payable quarterly in advance.

Under the terms of the credit facility, the total outstanding principal of all of our debt may not exceed an amount calculated pursuant to a formula based on a percentage of the net book value of our containers and our outstanding debt. Any outstanding letter of credit not cash collateralized will reduce the amount available under the credit facility. The credit facility maximum borrowing base was $49.1 million as of June 30, 2007. Textainer Group Holdings Limited and Textainer Limited must also meet certain financial covenants, including a minimum net worth level, a maximum leverage ratio and minimum debt service and interest coverage ratios. Textainer Group Holdings Limited must maintain a minimum consolidated tangible net worth of $180.3 million, plus 40% of consolidated net income in each fiscal quarter after December 31, 2005. We are in the process of negotiating with our lenders to amend this covenant. Textainer Group Holdings Limited and Textainer Limited each must not permit its ratio of consolidated funded debt to consolidated tangible net worth to exceed 3.50 to 1.00 and 5.00 to 1.00, respectively. Textainer Group Holdings Limited must maintain at least a 1.10 to 1.00 ratio of its (x) consolidated net income, minus dividends paid, plus intangibles depreciation and amortization, to (y) current obligations. Textainer Group Holdings Limited must maintain at least a 1.35 to 1.00 ratio of its (A) consolidated net income, plus expenses for income tax, plus interest expense for borrowed money, plus operating lease expense for equipment, to (B) interest expense for borrowed money, plus operating lease expense for equipment. We were in compliance with all such covenants at June 30, 2007.

Principal amortization payments will be made on a quarterly basis, beginning on the last day of the first calendar quarter after the conversion date, which is currently established as January 31, 2009, thus, principal amortization would begin on March 31, 2009. Interest on the borrowings under the credit facility may, at our option, be based on either the U.S. prime rate or LIBOR plus a margin. As of June 30, 2007, $16.0 million was outstanding under the credit facility.

Although no repayment of the principal amount of outstanding borrowings is required until after the conversion date, we may make optional prepayments prior to the conversion date. Mandatory prepayments are required prior to the conversion date if the amount of outstanding loans and letters of credit exceeds the amount of the borrowing base. Any such prepayment will be in the amount required to reduce the amount of outstanding loans and letters of credit to the amount of the borrowing base.

The credit facility is secured by certain container-related assets of Textainer Limited. Textainer Group Holdings Limited acts as a guarantor of the credit facility. The guaranty is secured by shares of Textainer Marine Containers Limited, additional preference shares of Textainer Limited and certain of our other subsidiaries, and cash, assets readily convertible into cash and amounts due to us from our subsidiaries.

We have made certain representations and warranties in the credit agreement and are subject to certain reporting requirements and financial performance and other covenants. We are required to reaffirm certain representations and warranties as a condition to borrowing. If we are not able to do so, the committed borrowing amounts may not be available. The credit agreement restricts, among other things, our ability to consummate mergers, sell and acquire assets, make certain types of payments relating to our share capital, including dividends, incur indebtedness, permit liens on assets, make investments, enter into or amend certain contracts, enter into certain transactions with affiliates or redeem pledged shares in Textainer Marine Containers Limited.

Events of default under the credit agreement include, among others:

- a default in required payment on any indebtedness in excess of $250,000 (other than the credit facility) or the ability of any debt holder to accelerate any such indebtedness;
- a material adverse change of the company;
- unsatisfied judgments against us that could result in a material adverse change or that equal at least $250,000;
- failure of any of the security documents or a default under the guaranty;
- breach by Textainer Limited under any hedging agreement; and
- the occurrence of termination events under pension plans.

Secured Debt Facility

Textainer Marine Containers Limited has a securitization facility ("secured debt facility") pursuant to which it has issued notes with a total commitment of $300.0 million in Floating Rate Asset Backed Notes, Series 2000-1 ("2000-1 Notes") pursuant to the Second Amended and Restated Series 2000-1 Supplement, dated as of June 8, 2006 (the "2000-1 Supplement"), to its Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended as of June 3, 2005 and June 8, 2006, the "Indenture"). Our primary ongoing container financing requirements are funded by commitments under the secured debt facility. The secured debt facility provided a total commitment in the amount of $300.0 million as of June 30, 2007. Of this amount, $92.0 million had been drawn on as of June 30, 2007.

Prior to the conversion date (currently defined as June 6, 2008), each of the 2000-1 Notes is a revolving note with a maximum principal amount equal to the amount of that 2000-1 Note. As a result, the amount funded under such 2000-1 Note may be less than the face amount of that 2000-1 Note. Textainer Marine Containers Limited may request funding under the 2000-1 Notes from time to time prior to the conversion date. Each of the 2000-1 Notes provides for payments of interest only during the period from its inception until its conversion date. Given a conversion date of June 6, 2008, the first principal payment would be on July 15, 2008. However, we have the option of repaying principal of the 2000-1 Notes at any time. After the conversion date, the 2000-1 Notes fully amortize over a payment term that is scheduled to equal 10 years after the conversion date, but shall not exceed a maximum payment term of 15 years thereafter.

Payments of interest on the 2000-1 Notes are due monthly. Interest on the outstanding amounts of the 2000-1 Notes equal LIBOR plus a margin. Overdue payments of principal and interest of the 2000-1 Notes accrue interest at a rate of 2.0% above the interest rate ordinarily applicable to such amounts. There is a commitment fee on the unused portion of the commitments under the 2000-1 Notes, which is payable in arrears. Ultimate repayment of the principal of the 2000-1 Notes has been insured by Ambac Assurance Corporation.

Under the Indenture, Textainer Marine Containers Limited, Textainer Equipment Management Limited and Textainer Group Holdings Limited must maintain certain financial covenants, including a maximum EBIT ratio, maximum funded debt, minimum profits, minimum net worth, and maximum leverage ratio. Textainer Marine Containers Limited must maintain at least a 1.10 to 1.00 ratio of earnings (before interest expense and taxes) to interest expense. Textainer Equipment Management Limited may not incur more than $1,000,000 of consolidated funded debt. Textainer Equipment Management Limited must make at least $2,000,000 in after-tax profits annually and maintain a minimum consolidated tangible net worth of $5,000,000. Textainer Group Holdings Limited must maintain a ratio of consolidated funded debt to consolidated tangible net worth that is no greater than 4.00 to 1.00. We were in compliance with these requirements at June 30, 2007.

Bonds

Textainer Marine Containers Limited has also issued $580.0 million in Floating Rate Asset Backed Notes, Series 2005-1 (“bonds”) pursuant to its Series 2005-1 Supplement, dated as of May 26, 2005, to the Indenture under that securitization facility. The bonds are term notes. The bonds were purchased by various institutional investors.

Payments of principal and interest on the bonds are due monthly, although we may not prepay the bonds before June 15, 2008. The bonds fully amortize on a straight-line basis over a payment term that is scheduled to equal 10 years (with a target final payment date of May 15, 2015), but shall not exceed a maximum payment term of 15 years (with a legal final payment date of May 15, 2020). Under a 10-year amortization schedule, $58.0 million of principal of the bonds will amortize per year. The interest rate applicable to the bonds equals one-month LIBOR plus a margin. Overdue payments of principal and interest of the bonds accrue interest at a rate of 2.0% above the interest rate ordinarily applicable to such amounts. Ultimate repayment of the bonds has been insured by Ambac Assurance Corporation.

The secured debt facility and the bonds are both governed by the Indenture and are secured by a pledge of, among other things, our containers, certain contracts related to our containers and the securitization facility, certain bank accounts, proceeds from the operation of our containers, and all other assets of Textainer Marine Containers Limited to the extent that they relate to the containers. Under the terms of the secured debt facility and the bonds, the total outstanding principal of these two programs may not exceed an amount which is calculated by a formula based on Textainer Marine Containers Limited’s book value of equipment, restricted cash and direct finance leases. The secured debt facility and the bonds also contain restrictive covenants regarding the average age of the securitization entity’s container fleet, ability to incur other obligations and to distribute earnings, and overall asset base minimums, with which the securitization entity and our container management subsidiary were in compliance at June 30, 2007.

We have made certain representations and warranties and are subject to certain reporting requirements and other covenants in connection with the Indenture and the secured debt facility and bonds. In addition, we are required to reaffirm certain representations and warranties as a condition to borrowing. If we are not able to do so, the committed borrowing amounts may not be available. These covenants restrict, among other things, Textainer Marine Containers Limited’s ability to transfer the collateral, permit liens on collateral, engage in activities within the U.S., incur indebtedness, make loans or guarantees, consummate mergers, sell assets, enter into or amend certain contracts, create subsidiaries and make investments. We were in compliance with all such covenants at June 30, 2007.

Events of default under the 2000-1 Notes and the bonds include, among others:

- invalidity of the lien on collateral;
- certain defaults under other documents related to each of the notes;
- the funded notes exceeding the asset base;
- payment on the notes by the insurer thereof;
- Textainer Marine Containers Limited becoming obligated to register as an investment company under the Investment Company Act; and
- the occurrence of certain ERISA events.

MANAGEMENT

Executive Officers, Directors and Key Employees

The following table sets forth information regarding our executive officers and directors as of September 21, 2007. Our board of directors is elected annually and each director holds office until his successor has been duly elected, except in the event of his death, resignation, removal or earlier termination of his office. Our board of directors and shareholders have approved an amendment to our bye-laws, effective immediately prior to the completion of this offering, to provide for, among other things, the election of our board of directors on a staggered basis. The business address of each of our executive officers is c/o Textainer Equipment Management (U.S.) Limited, 650 California Street, 16th Floor, San Francisco, California 94108. The business address for each of our non-management directors is Century House, 16 Par-La-Ville Road, Hamilton HM HX, Bermuda.

Following the adoption of our restated bye-laws, our board of directors will be elected annually on a staggered basis, with each director holding office until his successor has been duly elected, except in the event of his death, resignation, removal or earlier termination of his office. Neil I. Jowell, Cecil Jowell, David M. Nurek and Hendrik R. van der Merwe will be designated Class III directors, to hold office until our 2008 annual general meeting of shareholders, James A. Owens, Isam K. Kabbani and James E. McQueen will be designated Class II directors, to hold office until our 2009 annual general meeting of shareholders, and John A. Maccarone, Dudley R. Cottingham, Hyman Shwiel and James E. Hoelter will be designated Class I directors, to hold office until our 2010 annual general meeting of shareholders. Thereafter, directors in each class shall be elected for three year terms. Directors may be re-elected when their term of office expires.

Trencor, through the Halco Trust and Halco, holds beneficiary interest in approximately 71.7% of our outstanding share capital. See “Business —History and Corporate Structure” for an explanation of the relationship between us and Trencor. As indicated below, six of our directors are also directors of Trencor.

Executive Officers and Directors	Age	Position
Neil I. Jowell(1)(2)(3)(4)	74	Chairman
Dudley R. Cottingham(1)(2)(3)(5)	55	Director, Vice President, Secretary
James E. Hoelter(1)(2)(3)(4)	68	Director
Cecil Jowell(4)	72	Director
Isam K. Kabbani	72	Director
John A. Maccarone	62	Director, President and Chief Executive Officer
James E. McQueen(1)(4)	63	Director
David M. Nurek(2)(3)(4)	57	Director
James A. Owens	67	Director
Hyman Shwiel(1)(2)(3)	63	Director
Hendrik R. van der Merwe(4)	60	Director, First Vice President
Philip K. Brewer	50	Executive Vice President
Robert D. Pedersen	48	Executive Vice President
Ernest J. Furtado	51	First Vice President, Senior Vice President, Chief Financial Officer & Assistant Secretary

(1) Member of the audit committee. Messrs. Cottingham and Shwiel are voting members and Messrs. Hoelter, Neil Jowell and McQueen are non-voting members.

(2) Member of the compensation committee.

(3) Member of the nominating and governance committee.

(4) Director of Trencor, the indirect beneficiary of a majority of our share interest.

(5) Mr. Cottingham has tendered his resignation from all officer and employee positions (excluding, for the avoidance of doubt, the position of director) with us and our subsidiaries, effective upon the listing of our shares on the NYSE, in order to serve on our audit committee as an independent director.

Certain biographical information about each of these individuals is set forth below.

Directors

Dudley R. Cottingham has been a member of our board of directors and our assistant secretary or secretary since December 1993. He has also served in the past as president of certain of our subsidiaries. Mr. Cottingham has over 30 years experience in public accounting for a variety of international and local clients. He is a director of Morris Cottingham Corporate Services, located in the Turks and Caicos Islands, and is a director and the audit committee chairman of Bermuda Press (Holdings) Ltd., a newspaper publishing and commercial printing company listed on the Bermuda Stock Exchange. He has been a partner with Arthur Morris and Company, a provider of audit and accounting services for international clients, since 1982, and has served as vice president and director of Continental Management Ltd., a Bermuda company providing corporate representation, administration and management services, since 1982 and Continental Trust Corporation Ltd., a Bermuda company that provides corporate and individual trust administration services, since 1994. Mr. Cottingham is a chartered accountant.

James E. Hoelter has been a member of our board of directors since December 1993 and was our president and chief executive officer from that time until his retirement in December 1998. Mr. Hoelter is a non-executive member of the board of directors of Trencor and a member of Trencor's audit committee. He is the president of Freightmasters Associates, Inc., a company that provides consulting services for the international freight carrying industry. He is also a member of the board of directors of TrenStar, Inc., a mobile equipment management company based in Denver, Colorado and a subsidiary of Trencor. Mr. Hoelter received a Bachelor of Business Administration degree from the University of Wisconsin and a M.B.A. from the Harvard Business School.

Cecil Jowell has been a member of our board of directors since March 2003. Mr. C. Jowell is also a director and chairman of Mobile Industries, a public company quoted on the JSE. Mr. C. Jowell has been a director of Mobile Industries since 1969 and was appointed chairman in 1973. Mobile Industries holds an approximately 46% interest in Trencor. Mr. C. Jowell is a non-executive director of Trencor and was an executive of Trencor for over 40 years. He has also served as a director and chairman of WACO International Ltd., an international industrial group listed on the JSE. Mr. C. Jowell holds a Bachelor of Commerce and LL.B. degrees from the University of Cape Town and is a graduate of the Institute of Transport.

Neil I. Jowell has served as our director and chairman since December 1993. Mr. N. Jowell also serves on the board of directors of Trencor. He has been a director of Trencor since 1966, and was appointed chairman in 1973. He is also a director of Mobile Industries, and has served on its board of directors since 1969. Mr. N. Jowell has over 50 years experience in the transportation industry. He holds an M.B.A. from Columbia University and Bachelor of Commerce and LL.B. degrees from the University of Cape Town. Mr. Neil I. Jowell and Mr. Cecil Jowell are brothers.

Isam K. Kabbani has been a member of our board of directors since December 1993. Mr. Kabbani is the chairman and principal stockholder of the IKK Group, Jeddah, Saudi Arabia, a manufacturing and trading group active both in Saudi Arabia and internationally. In 1959, Mr. Kabbani joined the Saudi Arabian Ministry of Foreign Affairs, and in 1960 moved to the Ministry of Petroleum for a period of ten years. During this time he was seconded to the Organization of Petroleum Exporting Countries ("OPEC"). After a period as Chief Economist of OPEC, in 1967 he became the Saudi Arabian member of OPEC's Board of Governors. In 1970, he left the Ministry of Petroleum to establish his own business, the National Marketing Group, which has since been his principal business activity. Mr. Kabbani holds a B.A. from Swarthmore College and a M.A. in Economics and International Relations from Columbia University.

John A. Maccarone has served as our president and chief executive officer since January 1999, and has been a member of our board of directors since December 1993. Mr. Maccarone is a member of the board of directors of the Institute of International Container Lessors, a trade association for the container and chassis

leasing industry, and served as its chairman from January 2006 to December 2006. Mr. Maccarone co-founded Intermodal Equipment Associates, a marine container leasing company based in San Francisco, and held a variety of executive positions with the company from 1979 until 1987, when he joined the Textainer Group as president and chief executive officer of Textainer Equipment Management Limited, now a subsidiary of our company. From 1977 through 1978, Mr. Maccarone was director of marketing based in Hong Kong for Trans Ocean Leasing Corporation, a San Francisco-based company. From 1969 to 1976, Mr. Maccarone was a marketing representative for IBM Corporation in Chicago, Illinois. From 1966 to 1968, he served as a Lieutenant in the U.S. Army Corps of Engineers in Thailand and Virginia. Mr. Maccarone holds a B.S. in Engineering Management from Boston University and a M.B.A. from Loyola University of Chicago.

James E. McQueen has been a member of our board of directors since March 2003. Mr. McQueen joined Trencor in June 1976 and has served as financial director of Trencor since April 1984. Mr. McQueen is also a director of a number of Trencor's subsidiaries. Prior to joining Trencor, Mr. McQueen was an accountant in public practice. Mr. McQueen received a Bachelor of Commerce and a Certificate in the Theory of Accounting from the University of Cape Town and is a Chartered Accountant (South Africa).

David M. Nurek has been a member of our board of directors since September 2007. Mr. Nurek was appointed as an alternate director of Trencor in November 1992 and as a non-executive member of its board of directors in July 1995 and is chairman of Trencor's remuneration and nomination committees and a member of its audit committee. Mr. Nurek is an executive of Investec Bank Limited, a subsidiary of Investec Limited which is quoted on the Johannesburg Stock Exchange. Investec Limited has entered into a dual listed company structure with Investec plc, which is quoted on the London Stock Exchange (collectively, the "Investec Group"). He is the regional chairman of Investec Limited's various businesses in the Western Cape, South Africa, and is also the Investec Group's worldwide head of legal risk. Prior to joining Investec Limited in June 2000, Mr. Nurek served as chairman of the South African legal firm Sonnenberg Hoffman & Galombik, which has since changed its name to Edward Nathan Sonnenbergs Inc. Mr. Nurek serves as a non-executive on the boards of directors of various listed and unlisted companies in South Africa and holds a Diploma in Law and a Graduate Diploma in Company Law from the University of Cape Town, and completed a Program of Instruction for Lawyers at Harvard Law School and a Leadership in Professional Services Firms program at Harvard Business School.

James A. C. Owens has served as a member of our board of directors since May 1998. Mr. Owens has served as an insurance broker and director of Foreign Business Indemnity Ltd. since 1988. He has also served as a senior consultant to Heath Lambert Group since November 2006. Mr. Owens has been associated with us (or our predecessor companies and affiliates) since 1980, and for a time represented one of our predecessor companies as a director of the IICL. He has for many years been, and continues to be, actively involved in insurance brokerage companies and captive insurance companies. He is a member of a number of boards of directors of non-U.S. companies, including Ferrosure (Isle of Man) Insurance Company Limited, a captive insurance subsidiary of a large international public company. Mr. Owens holds a Bachelor of Commerce degree from the University of South Africa.

Hyman Shwiel has been a member of our board of directors since September 2007. Mr. Shwiel was a partner in Ernst & Young LLP for 25 years. He served during that period in various roles, including Area Managing Partner and as National Director of Enterprise and Professional Risk. Upon his retirement in 2005, he became a consultant to Ernst & Young until 2007. Mr. Shwiel holds a C.T.A. and an M.B.A. from the University of Cape Town and is a Chartered Accountant (South Africa) and a CPA.

Hendrik Roux van der Merwe has been a member of our board of directors since March 2003. He is managing director of Trencor and a director of TrenStar, Inc. Mr. van der Merwe joined Trencor in 1997 and began serving as a director of Trencor in 1998. From 1991 to 1998, Mr. van der Merwe served as deputy chairman for Waco International Ltd., an international industrial group listed on the JSE with subsidiaries listed on the Sydney and London Stock Exchanges. From 1984 to 1991, he held various senior executive positions in the banking sector in South Africa, lastly as chief executive officer of Senbank, the corporate/merchant banking arm of Bankorp Group Ltd. Prior to entering the business world, Mr. van der Merwe practiced as an attorney at law in Johannesburg, South Africa. Mr. van der Merwe holds Bachelor of Arts and L.L.B degrees in Law from

the University of Stellenbosch in South Africa, and a Master of Law in Tax Law from the University of the Witwatersrand in South Africa.

Executive Officers

For certain biographical information about Dudley R. Cottingham and John A. Maccarone, see "Directors" above. Mr. Cottingham has tendered his resignation from all officer and employee positions (excluding, for the avoidance of doubt, the position of director) with us and our subsidiaries, effective upon the listing of our shares on the NYSE, in order to serve on our audit committee as an independent director.

Philip K. Brewer has served as our executive vice president since January 2006. He is responsible for managing our capital structure and identifying new sources of finance for our company, as well as overseeing the management and coordinating the activities of our risk management, military and logistics, and resale divisions. Mr. Brewer is also a director and treasurer for the National Portable Storage Association, a trade association for companies that rent, sell or lease portable storage containers. Mr. Brewer was senior vice president of our asset management group from 1999 to 2005 and senior vice president of our capital markets group from 1996 to 1998. Prior to joining our company in 1996, Mr. Brewer worked at Bankers Trust starting in 1990 as a vice president and ending as a managing director and president of its Indonesian subsidiary. From 1989 to 1990, he was vice president in corporate finance at Jardine Fleming, a company based in Indonesia. From 1987 to 1989, he was capital markets advisor to the United States Agency for International Development in Indonesia. From 1984 to 1987, he was an associate with Drexel Burnham Lambert, an investment banking firm. Mr. Brewer holds a B.A. in Economics and Political Science from Colgate University and a M.B.A. in Finance from Columbia University.

Ernest J. Furtado has served as our first vice president, senior vice president, chief financial officer and assistant secretary since May 2007, and was our first vice president, senior vice president, chief financial officer and secretary from 1999 to May 2007. Prior to joining our company in 1991, Mr. Furtado was controller for Itel Instant Space, a container leasing company based in San Francisco, California, and manager of accounting for Itel Containers International Corporation, a container leasing company based in San Francisco, California. Mr. Furtado is a Certified Public Accountant and holds a B.S. in Business Administration from the University of California at Berkeley and a M.B.A. in Information Systems from Golden Gate University.

Robert D. Pedersen has served as our executive vice president responsible for worldwide sales and marketing related activities and operations since January 2006. Mr. Pedersen was senior vice president of our leasing group from 1999 to 2005. From 1991 to 1999, Mr. Pedersen held several positions within our company, and from 1978 through 1991, he worked in various capacities for Klinge Cool, a manufacturer of refrigerated container cooling units, XTRA, a container lessor, and Maersk Line, a container shipping line. Mr. Pedersen is a graduate of the A.P. Moller Shipping and Transportation Program and the Merkonom Business School in Copenhagen, where he majored in Company Organization.

Board of Directors

Our board of directors currently consists of eleven members. Our bye-laws provide that our board of directors shall consist of from five to twelve directors, as the board of directors may determine from time to time.

Mr. Maccarone, Mr. Hoelter and Halco are currently parties to a shareholder agreement governing the election of Mr. Maccarone and Mr. Hoelter to the board of directors and granting certain rights to the parties, including rights of first refusal to Halco to purchase the shares beneficially owned by Mr. Maccarone and Mr. Hoelter, and certain co-sale rights and obligations. This shareholder agreement will be terminated upon the completion of this offering.

Corporate Governance Practices

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of Bermuda. Therefore, we are exempt from many of the NYSE's corporate governance practices, other than the establishment

of a formal audit committee satisfying the requirements of Rule 10A-3 under the Exchange Act and notification of non-compliance with NYSE listing requirements. The practices that we follow in lieu of the NYSE's corporate governance rules are described below.

- We do not, and are not required under Bermuda law to, maintain a board of directors with a majority of independent directors. Currently, a majority of our directors are not independent, as that term is defined by the NYSE.
- We are not required by Bermuda law to hold regular meetings of the board of directors at which only independent directors are present.
- Under Bermuda law, compensation of executive officers need not be determined by an independent committee. We have established a compensation committee that reviews and approves the compensation and benefits for our executive officers and other key executives, makes recommendations to the board regarding compensation matters and is responsible for awarding compensation to our executive officers and other employees under our share compensation plans. The committee also has the discretion to interpret and amend the terms of, and take all other actions necessary to administer, the 2007 Share Incentive Plan. However, our compensation committee is not comprised solely of independent directors. The members of our compensation committee are Messrs. Cottingham, Hoelter, Neil Jowell, Nurek and Shwiel. Mr. Hoelter provides consulting services to us, for which he receives payment in addition to the fees he receives as a member of our board of directors. Messrs. Neil Jowell and Nurek are directors of Trencor. Our board of directors has adopted a compensation committee charter, to be effective immediately prior to the effectiveness of this offering.
- In accordance with NYSE rules, we have formed an audit committee responsible for advising the board regarding the selection of independent auditors and evaluating our internal controls. Our audit committee need not have three members and the members need not comply with the NYSE's standards of independence for domestic issuers. Our audit committee has five members, Messrs. Shwiel, Cottingham, Neil Jowell, McQueen and Hoelter. Messrs. Shwiel and Cottingham are voting members of the committee and either are or will be independent as that term is defined in Rule 10A-3 under the Exchange Act upon the listing of our shares with the NYSE. The other three members are representatives of Trencor and have no voting rights. Our board of directors has adopted an audit committee charter, to be effective immediately prior to the effectiveness of this offering.
- We have established a nominating and governance committee, although this committee is not comprised solely of independent directors, as would be required of a domestic issuer. Our board of directors has adopted a nominating and governance committee charter, to be effective immediately prior to the effectiveness of this offering.
- Under Bermuda law, we are not required to obtain shareholder consent prior to issuing securities or adopting share compensation plans. However, we sought and received the approval of our shareholders for our 2007 Share Incentive Plan on September 4, 2007. We are also required under Bermuda law to obtain the consent of the Bermuda Monetary Authority for the issuance of securities in certain circumstances.
- Under Bermuda law, we are not required to adopt corporate governance guidelines or a code of business conduct. However, we have adopted both corporate governance guidelines and a code of business conduct, in each case, to be effective immediately prior to the effectiveness of this offering.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to the NYSE, and we do not expect to provide proxy statements to the NYSE.

Executive Officer and Director Compensation

The aggregate direct compensation we paid to our executive officers as a group (four persons) for the year ended December 31, 2006 was approximately $3.1 million, which included approximately $1.6 million in

bonuses and approximately $18,000 in funds set aside or accrued to provide for life insurance, retirement, or similar benefits. This amount does not include expenses we incurred for other payments, including dues for professional and business associations, business travel and other expenses. We did not pay our officers who also serve as directors any separate compensation for their directorship during 2006, other than reimbursements for travel expenses.

All of our full-time employees, including employees of our direct and indirect subsidiaries and dedicated agents and our executive officers, were eligible to participate in our 2006 Short Term Incentive Plan. Under that plan, all eligible employees received an incentive award based on their respective job classification and our return on equity. In 2006, each of our executive officers received greater than 200% of his target incentive award. For fiscal year 2007, all of our full-time employees, including employees of our direct and indirect subsidiaries and dedicated agents and our executive officers, will be eligible too participate in our 2007 Short Term Incentive Plan. Under that plan, all eligible employees are expected to receive a cash incentive award based upon their respective job classification and our return on equity.

The aggregate direct compensation we paid to our directors who are not officers for their services as directors as a group for the year ended December 31, 2006 was approximately $214,000, including $96,000 paid to Halco as a management fee and consulting fees paid to certain of our directors. Some directors were also reimbursed for expenses incurred in order to attend board or committee meetings.

Employment and Consulting Agreements with Executive Officers and Directors

We have entered into employment agreements with all of our executive officers. Each of these employment agreements contains provisions requiring us to make certain severance payments in case the executive officer is terminated without cause. The agreements terminate upon termination of employment. Employment is at-will for each of our executive officers and they may be terminated at any time for any reason.

Our subsidiary, Textainer Equipment Management Limited, had previously entered into an employment agreement with Dudley R. Cottingham, one of our directors, in connection with his position as president of that subsidiary. Mr. Cottingham has tendered his resignation from all officer and employee positions (excluding, for the avoidance of doubt, the position of director) with us and our subsidiaries, effective upon the listing of our shares on the NYSE.

We have entered into a management agreement with Halco, our majority shareholder, for provision of management services in connection with certain directors acting as representatives of Halco. In addition, in the past we have entered into consulting arrangements with Mr. Hoelter, one of our directors. Other than as disclosed above, none of our directors has service contracts with us or any of our subsidiaries providing for benefits upon termination of employment.

Indemnification Agreements

We have entered into, or expect to enter into immediately prior to the effectiveness of this offering, separate indemnification agreements with our directors and senior management to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the scope of indemnification set forth in our bye-laws, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in our bye-laws. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of their status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

2007 Share Incentive Plan

Our board of directors adopted the 2007 Share Incentive Plan on August 9, 2007, and our shareholders approved the 2007 Share Incentive Plan on September 4, 2007. The maximum number of common shares of Textainer Group Holdings Limited that may be granted pursuant to the 2007 Share Incentive Plan will be 8% of

the number of common shares issued and outstanding forty-five (45) days following this offering, but in no event will the maximum aggregate number of common shares exceed four million shares (and of these four million shares, as many as four million may be available for grants as incentive stock options), subject to adjustments for share splits, share dividends or other similar changes in our common shares or our capital structure. The shares to be issued pursuant to awards under the 2007 Share Incentive Plan may be authorized, but unissued, or reacquired common shares. As of September 5, 2007, we have not granted any awards and therefore the maximum number of common shares under the 2007 Share Incentive Plan remains available for future grant.

The 2007 Share Incentive Plan provides for the grant of share options, restricted shares, restricted share units, share appreciation rights and dividend equivalent rights, collectively referred to as "awards." Share options granted under the 2007 Share Incentive Plan may be either incentive share options under the provisions of Section 422 of the Code, or non-qualified share options. We may grant incentive share options only to our employees or employees of any parent or subsidiary of Textainer Group Holdings Limited. Awards other than incentive share options may be granted to our employees, directors and consultants or the employees, directors and consultants of any parent or subsidiary of Textainer Group Holdings Limited.

Our board of directors or a committee designated by our board of directors, referred to as the "plan administrator," will administer the 2007 Share Incentive Plan, including selecting the award recipients, determining the number of shares to be subject to each award, determining the exercise or purchase price of each award and determining the vesting and exercise periods of each award. Awards under the plan may vest upon the passage of time or upon the attainment of certain performance criteria. The performance criteria established by the plan administrator may be based on any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total shareholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow, (xiii) revenue, (xiv) expenses, (xv) earnings before interest, taxes and depreciation, (xvi) economic value added and (xvii) market share.

The exercise price of all share options granted under the 2007 Share Incentive Plan will be at least equal to 100% of the fair market value of our common shares on the date of grant. If, however, incentive share options are granted to an employee who owns shares possessing more than 10% of the voting power of all classes of our common shares or the shares of any parent or subsidiary, the exercise price of any incentive share option granted must equal at least 110% of the fair market value on the grant date and the maximum term of these incentive share options must not exceed five years. The maximum term of all other awards under the 2007 Share Incentive Plan will be ten years. The base appreciation amount of any share appreciation right and the exercise price or purchase price, if any, of any awards intended to be performance-based compensation (within the meaning of Section 162(m) of the Code) will be at least equal to 100% of the fair market value of our common shares on the date of grant. The plan administrator will determine the term and exercise or purchase price of any other awards granted under the 2007 Share Incentive Plan.

Under the 2007 Share Incentive Plan, incentive share options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised during the lifetime of the participant only by the participant. Other awards shall be transferable by will or by the laws of descent or distribution and to the extent provided in the award agreement. The 2007 Share Incentive Plan permits the designation of beneficiaries by holders of awards, including incentive share options.

In the event a participant in the 2007 Share Incentive Plan terminates employment or is terminated by us (or by our parent or subsidiary) without cause, any options which have become exercisable prior to the time of termination will remain exercisable for three months from the date of termination (unless a shorter or longer period of time is determined by the plan administrator). In the event a participant in the 2007 Share Incentive Plan is terminated by us (or by our parent or subsidiary) for cause, any options which have become exercisable prior to the time of termination will immediately terminate. If termination was caused by death or disability, any options which have become exercisable prior to the time of termination, will remain exercisable for twelve

months from the date of termination (unless a shorter or longer period of time is determined by the plan administrator). Unless an individual award agreement otherwise provides, all vesting of all other awards will generally terminate upon the date of termination.

Following the date that the exemption from application of Section 162(m) of the Code ceases to apply, the maximum number of common shares with respect to which options and share appreciation rights may be granted to a participant in any calendar year will be two million common shares. In connection with a participant's commencement of service with us, a participant may be granted options and share appreciation rights for up to an additional two million common shares that will not count against the foregoing limitation. In addition and also following the date that the exemption from application of Section 162(m) of the Code ceases to apply, for awards of restricted shares and restricted share units that are intended to be "performance-based compensation" (within the meaning of Section 162(m)), the maximum number of common shares with respect to which such awards may be granted to a participant in any calendar year will be two million common shares.

Subject to any required action by our shareholders, the number of common shares covered by outstanding awards, the number of common shares that have been authorized for issuance under the 2007 Share Incentive Plan, the exercise or purchase price of each outstanding award, the maximum number of common shares that may be granted subject to awards to a participant in any calendar year, and the like, shall be proportionally adjusted by the plan administrator in the event of any increase or decrease in the number of issued common shares resulting from certain changes in our capital structure as described in the 2007 Share Incentive Plan.

In the event of a corporate transaction or a change in control of Textainer Group Holdings Limited, all outstanding awards under the 2007 Share Incentive Plan will terminate unless the acquirer assumes or replaces such awards. In addition and except as otherwise provided in an individual award agreement, assumed or replaced awards will automatically become fully vested if a participant is terminated by the acquiror without cause within twelve months after a corporate transaction. In the event of a corporate transaction where the acquirer does not assume or replace awards granted under the 2007 Share Incentive Plan, all of these awards become fully vested immediately prior to the consummation of the corporate transaction. In the event of a change in control and except as otherwise provided in an individual award agreement, outstanding awards will automatically become fully vested if a participant is terminated by the acquiror without cause within twelve months after such change in control.

Under the 2007 Share Incentive Plan, a "corporate transaction" is generally defined as:

- acquisition of 50% or more of the common shares by any individual or entity including by tender offer;
- a reverse merger or amalgamation in which 40% or more of the common shares by an individual or entity is acquired;
- a sale, transfer or other disposition of all or substantially all of the assets of Textainer Group Holdings Limited;
- a merger, amalgamation or consolidation in which Textainer Group Holdings Limited is not the surviving entity; or
- a complete liquidation or dissolution.

Under the 2007 Share Incentive Plan, a "change in control" is generally defined as:

- acquisition of 50% or more of the common shares by any individual or entity which a majority of our board of directors (who have served on the board for at least 12 months) do not recommend that our shareholders accept, or
- a change in the composition of the board of directors as a result of contested elections over a period of 12 months or less.

Unless terminated sooner, the 2007 Share Incentive Plan will automatically terminate in 2017. The board of directors will have authority to amend or terminate the 2007 Share Incentive Plan. To the extent necessary to

comply with applicable provisions of federal securities laws, state corporate and securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to awards granted to residents therein, we will obtain shareholder approval of any such amendment to the 2007 Share Incentive Plan in such a manner and to such a degree as required.

2008 Bonus Plan

On September 21, 2007, our board of directors approved the Textainer Group Holdings Limited 2008 Bonus Plan (the "Bonus Plan"). The Bonus Plan provides for incentive payments to our employees and those of our affiliates, including our dedicated agents and key executives who may be affected by Section 162(m) of the Internal Revenue Code of 1986, as amended ("Code"). Although the Bonus Plan permits the awards to be paid in shares, we expect that the awards will be cash-based. The Bonus Plan is designed to provide incentive awards based on the achievement of goals relating to our performance and the performance of our individual business units, and to qualify certain components of compensation paid to certain of our key executives for the tax deductibility exception under Code Section 162(m) while maintaining a degree of flexibility in the amount of incentive compensation paid to such individuals. Under the Bonus Plan, performance goals may relate to one or more of the following measures, for the company as a whole, a line of business, service or product: increase in share price, earnings per share, total shareholder return, operating margin, gross margin, return on equity, return on assets, return on investment, operating income, net operating income, pre-tax income, cash flow, revenue, expenses, earnings before interest, taxes and depreciation, economic value added, market share, corporate overhead costs, liquidity management, net interest income, net interest income margin, return on capital invested, shareholders' equity, income (before income tax expense), residual earnings after reduction for certain compensation expenses, net income, profitability of an identifiable business unit or product, or performance relative to a peer group of companies on any of the foregoing measures. The Bonus Plan replaces our 2007 Short Term Incentive Plan for the fiscal year beginning in 2008.

Code Section 162(m) generally disallows a Federal income tax deduction to any publicly held corporation for non-performance based compensation paid in excess of $1,000,000 in any taxable year to the chief executive officer or any of the four other most highly compensated executive officers employed on the last day of the taxable year. We intend to structure awards under the Bonus Plan so that compensation resulting therefrom would be qualified "performance based compensation" eligible for continued deductibility. The Bonus Plan will be administered by a committee to be appointed by our board of directors, which will select the employees who will be eligible to receive awards, the target pay-out level and the performance targets. The maximum performance award payable to any individual for any performance period is $2,000,000. Each performance period will be a period of three years or less, as determined by the committee. The committee may establish programs under the Bonus Plan permitting select participants to defer receipt of awards.

RELATED PARTY TRANSACTIONS

We do not have a corporate policy regarding related party transactions, nor are there any provisions in our memorandum of association or bye-laws regarding related party transactions, other than the provision, as permitted by Bermuda law, that we, or one of our subsidiaries, may enter into a contract in which our directors or officers are directly or indirectly interested if the director or officer discloses his interest to our board of directors at the first opportunity at a meeting of directors or in writing.

Loans to Executive Officers

As permitted by Bermuda law, we have in the past, and we expect to continue to, extend loans to our employees in connection with their acquisition of our shares in accordance with our various employees' share schemes. As of August 31, 2007, approximately $641,000 was outstanding on such loans to employees. Since January 1, 2004, the largest amount outstanding under any loans to executive officers was $679,600. Since January 1, 2006, we provided loans of $56,200 to each of Mr. Brewer and Mr. Furtado on each of March 13, 2006 and March 13, 2007 in connection with this program. Since January 1, 2006, Mr. Brewer has owed us up to $453,069 (on March 23, 2006). Mr. Brewer paid off his entire remaining loan balance on July 16, 2007. Since January 1, 2006, Mr. Furtado has owed us up to $155,200 (on March 23, 2006). Mr. Furtado paid off his entire remaining loan balance on March 23, 2007. Currently there are no loans outstanding to our directors or executive officers, and we will not extend loans to our directors or executive officers in the future, in compliance with the requirements of Section 402 of the Sarbanes-Oxley Act of 2002 and Section 13(k) of the Securities Exchange Act of 1934, as amended. The interest rate on these loans to executive officers were calculated annually on or about March 1 of each year at a rate equal to 0.5% per annum above our effective interest rate before tax, which is currently set at 5.7%.

Indemnification of Officers and Directors

We have entered into, or expect to enter into immediately prior to the effectiveness of this offering, indemnification agreements with each of our directors and executive officers to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the scope of indemnification set forth in our bye-laws, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in our bye-laws. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of their status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

Shareholder Agreement

There is currently a Shareholder Agreement in effect between Mr. Maccarone, Mr. Hoelter and Halco governing the election of Mr. Maccarone and Mr. Hoelter to the board of directors and granting certain rights to the parties, including rights of first refusal to Halco to purchase the shares beneficially owned by Mr. Maccarone and Mr. Hoelter, and certain co-sale rights and obligations. The Shareholder Agreement will be terminated upon the completion of this offering.

Agreements with IKK Group

Textainer Equipment Management Limited has entered into a management agreement with IKK Foundation, related to Textainer Equipment Management Limited's management of containers owned by IKK Foundation. Director Isam Kabbani is the beneficial owner of IKK Foundation. In 2006, we managed approximately 10,700 TEU for IKK Foundation and received approximately $221,000 in management fees.

Insurance Services

Through October 2006, director James Owens provided insurance consulting, advisory and brokerage services to us in his capacity as an employee and director of Foreign Business Indemnity Limited ("FBIL"), an

entity effectively wholly owned by Mr. Owens' wife. In October 2006, Heath Lambert Limited purchased a portfolio of insurance broker client accounts from FBIL, which included FBIL's account with us. Following the sale of accounts to Heath Lambert, FBIL entered into a consultancy agreement with Heath Lambert, which provides that Mr. Owens will supply consultancy services to Heath Lambert with respect to such accounts, including services related to our account. Future payments to FBIL under the terms of its agreements with Heath Lambert could be based in part on fees received by Heath Lambert from us. In addition, FBIL continues to provide direct brokerage services to Trencor with respect to its directors' and officers' insurance, which includes coverage for our directors and officers. We are in the process of obtaining our own separate directors' and officers' insurance prior to our initial public offering and once obtained, will no longer be covered by Trencor's policy. FBIL received approximately $155,000 from us for insurance-related services during fiscal year 2006.

Relationships and Agreements with Entities Related to Trencor Limited

Halco is wholly owned by Halco Trust, a discretionary trust with an independent trustee. Trencor and certain of Trencor's subsidiaries are the sole discretionary beneficiaries of Halco Trust. The protectors of the trust are Neil I. Jowell, Cecil Jowell, and James McQueen, all of whom are members of our board of directors and the board of directors of Trencor. In addition, two of our directors, Cecil Jowell and James McQueen, are also members of the board of directors of Halco. For the year ended December 31, 2006, we paid approximately $96,000 to Halco as a management fee for the services of the directors who are representatives of Halco.

We have entered into an agreement with LAPCO, an associate of Halco, related to our management of containers owned by LAPCO. Pursuant to this agreement, LAPCO has the right, but not an obligation, to require us to purchase containers on its behalf, within guidelines specified in the agreement and for as long as the management agreement is in place. In 2006, we received approximately $4.5 million in management fees, $752,000 in sales commissions and $268,000 in acquisition fees from LAPCO. Fees received under the LAPCO agreement accounted for 11.4% of total combined container management and container resale segment revenue and 2.4% of total revenue. LAPCO is free to compete against us with respect to its investment in containers and uses our competitors to manage some of its containers.

On November 28, 2006, Trencor Containers (Proprietary) Limited, a subsidiary of Trencor, Textainer Limited and Textainer Equipment Management Limited entered into a letter agreement related to a settlement with a third party and the sale of a South African container manufacturing plant. This third party owed money to Trencor and had alleged certain claims against Textainer Limited and Textainer Equipment Management Limited. Pursuant to this letter agreement, the third party agreed to return the plant to Trencor in lieu of its liabilities and Textainer Limited and Textainer Equipment Management Limited agreed to cover Trencor's possible losses upon the sale of the plant, if any, up to a limitation of $750,000, in settlement of the alleged third party claims against them. If the proceeds from the sale of the plant were to exceed $3.3 million, Trencor on the one hand, and Textainer Limited and Textainer Equipment Management Limited on the other hand would share equally in the proceeds in excess of that amount. On August 23, 2007, Trencor entered into a sale agreement with a third party to sell the plant for a total of $4.8 million, payable in several installments subject to certain conditions being satisfied. Upon the satisfaction of such conditions and the receipt of funds, we will reverse our previously recorded $750,000 reserve related to this matter and recognize our share of the profits from the sale. We are not a party to the sale agreement.

Halco has indicated to the underwriters its interest in acquiring $30.0 million of our common shares in this offering at the initial offering price. These shares will not be purchased unless the offering to the public is consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180-day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering. The underwriters are not entitled to any discount or commission on these shares. After taking into account this offering, including the full exercise of the over-allotment option by the underwriters, and assuming that Halco purchases $30.0 million of our shares in this offering at the assumed initial public offering price of

$20.00 per share, based upon beneficial ownership of our issued and outstanding common shares as of September 5, 2007, Halco and Trencor will collectively beneficially own approximately 59.6% of our issued and outstanding common shares. The common shares that are purchased by Halco in this offering will not be freely tradable in the public market due to Halco's status as our "affiliate," as such term is defined in Rule 144 under the Securities Act, and due to certain contractual restrictions contained in its lock-up agreement with the underwriters. See "Shares Eligible for Future Sale" for further details on these trading restrictions.

PRINCIPAL SHAREHOLDERS

The following table presents information regarding the beneficial ownership of our shares prior to and immediately after the completion of this offering by:

- each person or entity that we know beneficially owns or will beneficially own, after the completion of this offering, more than 5% of our issued and outstanding shares;
- each director, director nominee and executive officer; and
- all of our directors, director nominees and executive officers as a group.

Beneficial ownership of shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. The percentage of beneficial ownership of our shares owned prior to this offering is based on 38,604,640 common shares issued and outstanding on September 5, 2007. The percentage of beneficial ownership of our shares immediately after the completion of this offering is based on 48,954,640 shares that will be outstanding after taking into account this offering, including the full exercise of the over-allotment option by the underwriters.

	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering	
Holders	Shares	%	Shares	%
5% Shareholders				
Halco Holdings Inc.(1)	27,678,802	71.7%	29,178,802	59.6%(2)
Trencor Limited(1)	27,678,802	71.7%	29,178,802	59.6%(2)
Directors and Executive Officers				
Dudley R. Cottingham	—	*	—	*
James E. Hoelter(3)	29,756,548	77.1%	31,256,548	63.8%(2)
Cecil Jowell(4)	28,275,758	73.2%	29,775,758	60.8%(2)
Neil I. Jowell(5)	28,275,758	73.2%	29,775,758	60.8%(2)
Isam K. Kabbani(6)	799,500	2.0%	799,500	1.6%
John A. Maccarone(7)	2,077,746	5.4%	2,077,746	4.2%
James E. McQueen(8)	27,678,802	71.7%	29,178,802	59.6%(2)
David M. Nurek	—	*	—	*
Hendrik van der Merwe(9)	27,678,802	71.7%	29,178,802	59.6%(2)
James A. C. Owens	—	*	—	*
Hyman Shwiel	—	*	—	*
Ernest J. Furtado(10)	260,000	*	260,000	*
Philip K. Brewer(11)	280,000	*	280,000	*
Robert D. Pedersen	280,000	*	280,000	*
Current directors and executive officers (14 persons) as a group	34,049,750	88.2%	35,549,750	72.6%

* Less than 1%.

(1) Includes 27,678,802 shares held by Halco. Halco is wholly owned by Halco Trust, a discretionary trust with an independent trustee. Trencor and certain of Trencor's subsidiaries are the sole discretionary beneficiaries of Halco Trust. The protectors of the trust are Mr. Neil Jowell, the chairman of both our board of directors and the board of directors of Trencor, and Mr. Cecil Jowell and Mr. McQueen, both members of our board of directors and the board of directors of Trencor. Approximately 7.6 million shares have been pledged as security in connection with the bank debt of LAPCO, an entity associated with Halco.

(2) Includes 1,500,000 common shares which we expect to be sold to Halco, based on an assumed offering price of $20 per share. These shares will not be purchased by Halco unless the offering to the public is

consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180 day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering. The underwriters are not entitled to any discount or commission on these shares.

(3) Includes 27,678,802 shares held by Halco, 113,844 shares held by the James E. Hoelter & Virginia S. Hoelter Trust, 1,086,156 shares held by the JEH-VSH Limited Partnership #1, and 877,746 shares held by the JEH-VSH Limited Partnership #2. The general partners of each of the partnerships are James and Virginia Hoelter. Mr. Hoelter is a director of Trencor. Mr. Hoelter disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco.

(4) Includes 596,956 held by EA Finance, a company owned by a trust in which members of Mr. Cecil Jowell's family are discretionary beneficiaries, and 27,678,802 shares held by Halco. Mr. Cecil Jowell is one of our directors, a director of Halco, a protector of the Halco Trust and a member of the board of directors of Trencor. In addition, Mr. Cecil Jowell has a significant ownership interest in Trencor both directly and indirectly, including indirectly through interests in Mobile Industries, which owns approximately 46% of Trencor. Mr. Cecil Jowell is also the chairman of Mobile Industries. Mr. Cecil Jowell disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by EA Finance and Halco.

(5) Includes 596,956 held by EA Finance, a company owned by a trust in which members of Mr. Neil Jowell's family are discretionary beneficiaries, and 27,678,802 shares held by Halco. Mr. Neil Jowell is one of our directors, a protector of the Halco Trust and a member of the board of directors of Trencor. In addition, Mr. Neil Jowell has a significant ownership interest in Trencor both directly and indirectly, including indirectly through interests in Mobile Industries, which owned approximately 46% of Trencor as of December 31, 2006. Mr. Neil Jowell is also a director of Mobile Industries. Mr. Neil Jowell disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by EA Finance and Halco.

(6) All shares are held by IKK Foundation, an affiliate of Mr. Kabbani.

(7) Includes 2,055,316 shares held by the Maccarone Family Partnership L.P. and 21,430 shares held by the Maccarone Revocable Trust.

(8) All shares are held by Halco. Mr. McQueen is one of our directors, a director of Halco, a protector of the Halco Trust and a member of the board of directors of Trencor. Mr. McQueen disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco.

(9) All shares are held by Halco. Mr. van der Merwe is one of our directors and a member of the board of directors of Trencor. Mr. van der Merwe disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco.

(10) All shares held by Ernest James Furtado and Barbara Ann Pelletreau, Trustees of the Furtado-Pelletreau 2003 Revocable Living Trust UDT dated November 28, 2003.

(11) All shares are held by the Brewer-Sillan Family Trust.

DESCRIPTION OF SHARE CAPITAL

The following description of our share capital summarizes certain provisions of our memorandum of association and our bye-laws that will become effective as of the closing of this offering. Such summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of our memorandum of association and bye-laws, copies of which have been filed as exhibits to the registration statement of which this prospectus forms a part. Prospective investors are urged to read the exhibits for a complete understanding of our memorandum of association and bye-laws.

General

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number EC18896. We were incorporated on December 3, 1993 under the name Textainer Group Holdings Limited. Our registered office is located at 16 Par-La-Ville Road, Hamilton HM HX Bermuda.

Share Capital

As of the date of this prospectus, our authorized share capital consists of 140,000,000 common shares, par value US $0.01 per share, and 10,000,000 preference shares, par value US $0.01 per share. As of the date of this prospectus, there are 38,604,640 common shares and no preference shares issued and outstanding. As of June 30, 2007, 6,230,132 common shares and no preference shares were held in the U.S. by 23 shareholders. After giving effect to the sale of common shares in this offering, we will have a total of 47,604,640 common shares issued and outstanding. As of June 30, 2007, except for 530,000 shares that were issued pursuant to exercises of options whereby we loaned our employees the exercise price, all of our issued and outstanding shares issued prior to completion of this offering are fully paid. All of our common shares to be issued in this offering will be issued fully paid.

Pursuant to our bye-laws, subject to the requirements of the New York Stock Exchange and to any resolution of the shareholders to the contrary, our board of directors is authorized to issue any of our authorized but unissued shares. There are no limitations on the right of non-Bermudians or non-residents of Bermuda to hold or vote our shares.

Common Shares

Holders of common shares have no pre-emptive, redemption, conversion or sinking fund rights. Holders of common shares are entitled to one vote per share on all matters submitted to a vote of holders of common shares. Unless a different majority is required by law or by our bye-laws, resolutions to be approved by holders of common shares require approval by a simple majority of votes cast at a meeting at which a quorum is present.

In the event of our liquidation, dissolution or winding up, the holders of common shares are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

Preference Shares

Pursuant to the Companies Act and our bye-laws, our board of directors by resolution may establish one or more series of preference shares having such number of shares, designations, dividend rates, relative voting rights, conversion or exchange rights, redemption rights, liquidation rights and other relative participation, optional or other special rights, qualifications, limitations or restrictions as may be fixed by the board of directors without any further shareholder approval. Such rights, preferences, powers and limitations as may be established could have the effect of discouraging an attempt to obtain control of us.

Dividend Rights

Under the Companies Act, a company may not declare or pay dividends if there are reasonable grounds for believing either that the company is, or would after the payment be, unable to pay its liabilities as they become due or that the realizable value of its assets would thereby be less than the sum of its liabilities and issued share capital (par value) and share premium accounts (share premium being the amount of consideration paid for the subscription of shares in excess of the par value of those shares). Our credit facility contains restrictions on the payment of dividends. We will not be allowed to pay dividends if we are in default under (or such payment would cause a default under) our revolving credit facility, or if such payment would cause us to breach any of our covenants. These covenants include certain financial covenants, which would be directly affected by the payment of dividends, such as (i) a minimum net worth level (which level would decrease by the amount of any dividend paid), (ii) a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid) and (iii) a minimum ratio of certain income (which amount would decrease by the amount of any dividend paid) to current obligations. Please see "Description of Indebtedness—Credit Facility" for a description of these covenants. There are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

Modification of Shareholder Rights

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided for by the terms of issue of the relevant class, may be varied by us either: (i) with the consent in writing of the holders of 75% of the issued shares of that class; or (ii) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least two persons holding or representing one-third of the issued shares of the relevant class is present. Our bye-laws specify that the creation or issue of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of existing shares, vary the rights attached to existing shares. In addition, the creation or issue of preference shares ranking prior to common shares will not be deemed to vary the rights attached to common shares or, subject to the terms of any other series of preference, to vary the rights attached to any other series of preference shares.

Transfer of Shares

Our board of directors may in its absolute discretion, and without assigning any reason, refuse to register the transfer of a share that is not fully paid. Our board of directors may also refuse to recognize an instrument of transfer of a share unless it is accompanied by the relevant share certificate and such other evidence of the transferor's right to make the transfer as our board of directors shall reasonably require. Subject to these restrictions, a holder of common shares may transfer the title to all or any of his common shares by completing a form of transfer in the form set out in our bye-laws (or as near thereto as circumstances admit) or in such other common form as the board of directors may accept. The instrument of transfer must be signed by the transferor and transferee, although in the case of a fully paid share our board of directors may accept the instrument signed only by the transferor.

Meetings of Shareholders

Our bye-laws and Bermuda law provide that any resolution required or permitted to be passed by our shareholders must be passed at an annual or special general meeting of our shareholders or by the written consent of our shareholders. A written resolution is passed when it is signed by shareholders who at the date the notice of such written resolution is given represent such majority of votes as would be required if the resolution was voted on at a shareholders' meeting at which all shareholders entitled to attend and vote thereat were present and voting. Under Bermuda law, a company is required to convene at least one general meeting of shareholders each calendar year. Bermuda law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the

paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. Our bye-laws provide that our board of directors, the president or the chairman (if any) may convene an annual general meeting or a special general meeting. Under our bye-laws, at least 5 days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting. The quorum required for a general meeting of shareholders is two or more persons present in person at the start of the meeting and representing in person or by proxy in excess of 50% of our issued and outstanding voting shares.

Access to Books and Records and Dissemination of Information

Members of the general public have the right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's memorandum of association, including its objects and powers, and certain alterations to its memorandum of association. The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings of shareholders and the company's audited financial statements, which must be presented at the annual general meeting. The register of members of a company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of shareholders for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act, establish a branch register outside Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

Election and Removal of Directors

Any shareholder wishing to propose for election as a director someone who is not an existing director or is not proposed by our board of directors must give notice of the intention to propose the person for election. Where a person is to be proposed for election as a director at an annual general meeting by a shareholder, that notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not 30 days before or after such anniversary, the notice must be given not later than ten days following the earlier of the date on which notice of the annual general meeting was posted to shareholders or the date on which public disclosure of the date of the annual general meeting was made. Where a director is to be elected at a special general meeting, that notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to members or the date on which public disclosure of the special general meeting was made.

A director may be removed (i) for cause by the affirmative vote of the holders of a majority of the votes cast at a meeting, or (ii) without cause upon the affirmative vote of 66% of the shares then issued and outstanding and entitled to vote on the resolution; in each case provided that notice of the shareholders meeting convened to remove the director is given to the director. The notice must contain a statement of the intention to remove the director and must be served on the director not less than 14 days before the meeting. The director is entitled to attend the meeting and be heard on the motion for his removal.

Proceedings of Board of Directors

Our bye-laws provide that our business is to be managed and conducted by our board of directors. Bermuda law requires that our directors be individuals, but there is no requirement in our bye-laws or Bermuda law that directors hold any of our shares.

The remuneration of our directors is determined by our board, and there is no requirement that a specified number or percentage of "independent" directors must approve any such determination. Our directors may also be paid all travel, hotel and other expenses properly incurred by them in connection with our business or their duties as directors.

Provided a director discloses a direct or indirect interest in any contract or arrangement with us as required by Bermuda law, such director is entitled to vote in respect of any such contract or arrangement in which he or she is interested unless he or she is disqualified from voting by the chairman of the relevant board meeting. Under Bermuda law, a director (including the spouse or children of the director or any company of which such director, spouse or children own or control more than 20% of the capital or loan debt) cannot borrow from us, (except loans made to directors who are bona fide employees or former employees pursuant to an employees' share scheme), unless shareholders holding 90% of the total voting rights have consented to the loan.

Waiver of Claims by Shareholders; Indemnification of Directors and Officers

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule or law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Companies Act.

We have adopted provisions in our bye-laws that provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. Our bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or on behalf of the company, against any of the company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We have purchased and maintain a directors' and officers' liability policy for such a purpose.

We have entered into, or expect to enter into immediately prior to the effectiveness of this offering, separate indemnification agreements with our directors and senior management to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the scope of indemnification set forth in our bye-laws, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in our bye-laws. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of the status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

Amendment of Memorandum of Association and Bye-Laws

Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders. Our bye-laws provide that no bye-law shall be rescinded, altered or amended, and no new bye-law shall be made, unless it shall have been approved by a resolution of our board of directors, including the affirmative vote of not less than 66% of the directors then in office, and by a resolution of the shareholders, including the affirmative vote of not less than 66% of the shares issued and outstanding.

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of a company's issued share capital, or any class thereof, have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda court. An application for an annulment of an amendment of the memorandum of association must be made within twenty-one days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

Amalgamations and Business Combinations

The amalgamation of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders.

Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company. Our bye-laws provide that a merger or an amalgamation (other than with a wholly owned subsidiary or as described below) that has been approved by the board must only be approved by a majority of the votes cast at a general meeting of the shareholders at which the quorum shall be two or more persons present in person and representing in person or by proxy in excess of 50% of all issued and outstanding common voting shares. Any merger or amalgamation or other business combination (as defined in our bye-laws) not approved by our board must be approved by the holders or not less than 66% of our issued and outstanding voting shares.

Under Bermuda law, in the event of an amalgamation of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

Our bye-laws also contain provisions regarding "business combinations" with "interested shareholders." Pursuant to our bye-laws, in addition to any other approval that may be required by applicable law, any business combination with an interested shareholder within a period of three years after the date of the transaction in which the person became an interested shareholder must be approved by our board and authorized at an annual or special general meeting by the affirmative vote of at least 66% of our issued and outstanding voting shares that are not owned by the interested shareholder, unless: (i) prior to the time that the shareholder becoming an interested shareholder, our board of directors approved either the business combination or the transaction that resulted in the shareholder becoming an interested shareholder; or (ii) upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our issued and outstanding voting shares at the time the transaction commenced. For purposes of these provisions, "business combinations" include mergers, amalgamations, consolidations and certain sales, leases, exchanges, mortgages, pledges, transfers and other dispositions of assets, issuances and transfers of shares and other transactions resulting in a financial benefit to an interested shareholder. An "interested shareholder" is a person that beneficially owns 15% or more of our issued and outstanding voting shares and any person affiliated or associated with us that owned 15% or more of our issued and outstanding voting shares at any time three years prior to the relevant time.

Shareholder Suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the

name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

Our bye-laws contain a provision by virtue of which our shareholders waive any claim or right of action that they have, both individually and on our behalf, against any director or officer in relation to any action or failure to take any action by such director or officer, except in respect of any fraud or dishonesty of such director or officer. However, the operation of this provision as a waiver of the right to sue for violations of federal securities laws may not be enforceable in U.S. courts.

Capitalization of Profits and Reserves

Pursuant to our bye-laws, our board of directors may (i) capitalize any part of the amount of our share premium or other reserve accounts or any amount credited to our profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata (except in connection with the conversion of shares) to the shareholders; or (ii) capitalize any sum standing to the credit of a reserve account or sums otherwise available for dividend or distribution by paying up in full partly paid or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

Untraced Shareholders

Our bye-laws provide that our board of directors may treat as forfeited any dividend or other monies payable in respect of any shares that remain unclaimed for five (5) years from the date when such monies became due for payment. In addition, we are entitled to cease sending dividend warrants and checks by mail or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable inquiries have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend warrant or check.

Compulsory Acquisition of Shares Held by Minority Holders

An acquiring party is generally able to acquire compulsorily the common shares of minority holders in the following ways:

(1) By a procedure under the Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme or arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

(2) If the acquiring party is a company, it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the offeror), or any of its subsidiaries. If an offeror has, within four months after the

making of any offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any nontendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, nontendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

(3) Where one or more parties holds not less than 95% of the shares of a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

Certain Provisions of Bermuda Law

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to U.S. residents who are holders of our common shares.

The Bermuda Monetary Authority has given its consent for the issue and free transferability of all of the common shares that are the subject of this offering to and between non-residents of Bermuda for exchange control purposes, provided our shares are and remain listed on an appointed stock exchange, which includes the NYSE. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this prospectus. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

This prospectus will be filed with the Registrar of Companies in Bermuda pursuant to Part III of the Companies Act. In accepting this prospectus for filing, the Registrar of Companies in Bermuda shall not be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this prospectus.

In accordance with Bermuda law, share certificates are only issued in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, we are not bound to investigate or see to the execution of any such trust. We will take no notice of any trust applicable to any of our shares, whether or not we have been notified of such trust.

Transfer Agent and Registrar

A register of holders of the common shares will be maintained by Continental Management Limited in Bermuda and a branch register will be maintained in the United States by Computershare Limited. The transfer agent and branch registrar for our common shares is Computershare Limited, P.O. Box 219045, Kansas City, Missouri 64121-9045.

NYSE Listing

We have applied to list our common shares on the NYSE under the symbol "TGH".

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there has been no public market for our common shares. We cannot predict the effect, if any, that market sales of our common shares by us or by our existing shareholders or the availability of our common shares for sale will have on the market price prevailing from time to time. As we describe below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common shares in the public market after the restrictions lapse, or the perception that those sales may occur, could cause the prevailing market price to decrease or to be lower than it might be in the absence of those sales or perceptions. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of common shares in the public market after the restrictions lapse could adversely affect the prevailing market price for our common shares as well as our ability to raise equity capital in the future.

Upon the closing of this offering, we will have 47,604,640 common shares issued and outstanding. The common shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act. However, if shares are purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, including any shares that may be sold to Halco in this offering, their sales of our common shares will not be freely tradable and will be subject to volume limitations and other restrictions that are described below.

Other than shares to be sold in this offering, the other common shares issued and outstanding upon completion of this offering were issued and sold in reliance on exemptions from the registration requirements of the Securities Act or in transactions outside of the U.S. and not subject to the Securities Act. These securities may be sold in the public market only if they are registered under the Securities Act, or if they qualify for an exemption from registration under Section 4(1) of the Securities Act or Rule 144 thereunder. These rules are summarized below.

Our common shares issued and outstanding upon closing of this offering will be eligible for sale into the public market as follows:

Approximate Number of Shares	Description
7,500,000	After the date of this prospectus, freely tradable shares sold in this offering (after taking into account the 1,500,000 common shares which we expect to be sold to Halco in this offering, based on an assumed offering price of $20.00 per share).
40,104,640	After the expiration of the lock-up period, which will extend for at least 180 days from the date of this prospectus, except as otherwise discussed below, these additional common shares will be saleable, subject, in some cases, to holding periods and volume limitations. However, these shares that are subject to holding periods and volume limitations may be sold earlier if the holders exercise any available registration rights.

Regulation S

Shares offered and sold outside the U.S. without registration under the Securities Act may be resold into the U.S. or to a U.S. person under Section 4(1) of the Securities Act if the holder is not an affiliate of ours or an underwriter or dealer in securities.

Rule 144

In general, under Rule 144 under the Securities Act currently in effect, beginning 90 days after the date of this prospectus, a person who is an affiliate of Textainer or has purchased "restricted securities" and has beneficially owned those common shares for at least one year, would be entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of common shares then issued and outstanding, which will equal approximately 489,546 shares immediately after this offering; or
- the average weekly trading volume of our common shares on the NYSE during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 are also subject to manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 144(k)

Under Rule 144(k) under the Securities Act as in effect on the date of this prospectus, a person who is not deemed to have been one of our affiliates at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner other than an affiliate, is entitled to sell the shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144. No common shares will qualify for resale under Rule 144(k) within 180 days of the date of this prospectus.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers, directors or consultants who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under "Underwriting" and will become eligible for sale at the expiration of those agreements.

Share Incentives

Following completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register the common shares issued or issuable under our 2007 Share Incentive Plan as soon as practicable. We have reserved a maximum of 8% of our issued and outstanding common shares as of forty-five (45) days after the completion of this offering for issuance under our 2007 Share Incentive Plan. The registration statement on Form S-8 is expected to become effective automatically upon filing. As of the date of this prospectus, there are no options outstanding. Common shares issued upon exercise of a share option and registered under the Form S-8 registration statement will, subject to vesting provisions and Rule 144 volume limitations applicable to our affiliates, be available for sale in the public market, immediately following the expiration of or release from the lock-up agreements.

Lock-Up Agreements

We, along with our directors, executive officers and each of our shareholders representing over 5% of our fully diluted share capital, have agreed with the underwriters that for a period of at least 180 days following the date of this prospectus, we or they will not offer, sell, assign, transfer, pledge, contract to sell or otherwise dispose of or hedge any of our common shares or any securities convertible into or exchangeable for common

shares, subject to specified exceptions, including any of our common shares that may be purchased by Halco in this offering. Credit Suisse Securities (USA) LLC on behalf of the underwriters may, in its sole discretion, at any time without prior notice, release all or any portion of the shares from the restrictions in any such agreement. We have been advised by Credit Suisse Securities (USA) LLC that, when determining whether or not to release shares from the lock-up agreements, it will consider, among other factors, the shareholder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time. There are no agreements between Credit Suisse Securities (USA) LLC and any of our shareholders or affiliates releasing them from these lock-up agreements prior to the expiration of the 180-day period. Notwithstanding the foregoing, for the purposes of allowing the underwriters to comply with NASD Rule 2711(f)(4), if, under certain circumstances during the 16-day period beginning on the last day of the lock-up period, we release earnings results or publicly announce other material news or a material event relating to us is publicly announced, the 180 day lock-up period will be extended until 18 days following the date of release of the earnings results or the announcement of the material news or material event, as applicable.

MATERIAL UNITED STATES AND BERMUDA INCOME TAX CONSEQUENCES

The following discussion is a summary of the material Bermuda and U.S. federal income tax consequences of an investment in our common shares. This discussion is not exhaustive of all possible tax considerations. In particular, this discussion does not address the tax consequences under state, local, and other national (e.g., non-Bermuda and non-U.S.) tax laws. Accordingly, we urge you to consult your own tax advisor regarding your particular tax circumstances and the tax consequences under state, local, and other national tax laws. The following discussion is based upon laws and relevant interpretations thereof in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect.

Bermuda Tax Consequences

The following is a summary of the material Bermuda tax consequences of an investment in our common shares. The following discussion is not exhaustive of all possible tax considerations. We urge you to consult your own tax advisor regarding your particular tax circumstances.

Taxation of the Companies

We and our subsidiaries have obtained assurance from the Bermuda Minister of Finance under the Exempted Undertakings Tax Protection Act of 1966 that, if any legislation is enacted in Bermuda imposing any tax computed on profits, income, or any capital asset, gain, or appreciation, or any tax in the nature of estate duty or inheritance tax, then such tax will not until March 28, 2016 be applicable to us or any of our operations, or to any of our shares, debentures, or other obligations, except insofar as such tax applies to persons ordinarily resident in Bermuda or to any taxes payable by us in respect of real property owned or leased by us in Bermuda. Given the limited duration of the Minister of Finance's assurance, we cannot be certain that we will not be subject to any Bermuda tax after March 28, 2016. As an exempted company, we are required to pay to the Bermuda government an annual fee presently not to exceed $29,220, based on our assessable capital.

Taxation of Holders

Currently, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by our shareholders in respect of our common shares. The issue, transfer, or redemption of our common shares is not currently subject to stamp duty.

United States Federal Income Tax Consequences

The following is a summary of the material U.S. federal income tax consequences of an investment in our common shares. The following discussion is not exhaustive of all possible tax considerations. This summary is based upon the Code, regulations promulgated under the Code by the U.S. Treasury Department (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the IRS, and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Such change could materially and adversely affect the tax consequences described below. No assurance can be given that the IRS will not assert, or that a court will not sustain, a position contrary to any of the tax consequences described below.

This summary does not address all aspects of the U.S. federal income taxation that may be important to a particular holder in light of its investment or tax circumstances or to holders subject to special tax rules, such as: banks; financial institutions; insurance companies; dealers in stocks, securities, or currencies; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; tax-exempt organizations; real estate investment trusts; regulated investment companies; qualified retirement plans, individual retirement accounts, and other tax-deferred accounts; expatriates of the U.S.; persons subject to the alternative minimum

tax; persons holding common shares as part of a straddle, hedge, conversion transaction, or other integrated transaction; persons who acquired common shares pursuant to the exercise of any employee share option or otherwise as compensation for services; persons actually or constructively holding 10% or more of our voting shares; and U.S. Holders (as defined below) whose functional currency is other than the U.S. dollar.

This discussion is not a comprehensive description of all of the U.S. federal tax consequences that may be relevant with respect to an investment in common shares. We urge you to consult your own tax advisor regarding your particular circumstances and the U.S. federal income and estate tax consequences to you of owning and disposing of common shares, as well as any tax consequences arising under the laws of any state, local, or foreign or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws.

This summary is directed solely to persons who hold their common shares as capital assets within the meaning of Section 1221 of the Code, which includes property held for investment. For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of common shares that is any of the following:

- a citizen or resident of the U.S. or someone treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source;
- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all substantial decisions of the trust; or
- a trust in existence on August 20, 1996 that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The term "Non-U.S. Holder" means a beneficial owner of common shares that is not a U.S. Holder. As described in "—Taxation of Non-U.S. Holders" below, the tax consequences to a Non-U.S. Holder may differ substantially from the tax consequences to a U.S. Holder.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of common shares, the U.S. federal income tax consequences to a partner in the partnership will depend on the status of the partner and the activities of the partnership. A holder of common shares that is a partnership and the partners in such partnership should consult their own tax advisors regarding the U.S. federal income tax consequences of an investment in common shares.

Taxation of the Companies

Textainer and Non-U.S. Subsidiaries

A non-U.S. corporation deemed to be engaged in a trade or business within the U.S. is subject to U.S. federal income tax on income which is treated as effectively connected with the conduct of that trade or business. Such income tax, if imposed, is based on effectively connected income computed in a manner similar to the manner in which the income of a domestic corporation is computed, except that a foreign corporation will be entitled to deductions and credits for a taxable year only if it timely files a U.S. federal income tax return for that year. In addition, a non-U.S. corporation may be subject to the U.S. federal branch profits tax on the portion of its effectively connected earnings and profits, with certain adjustments, deemed repatriated out of the U.S. Currently, the maximum U.S. federal income tax rates are 35% for a corporation's effectively connected income and 30% for the branch profits tax.

One of our non-U.S. subsidiaries, Textainer Limited, earns income that is effectively connected with its conduct of a trade or business within the U.S., and such effectively connected income is subject to U.S. federal income tax. Textainer Limited files U.S. federal income tax returns.

We believe that we and the rest of our non-U.S. subsidiaries conduct our operations so that we and the rest of our non-U.S. subsidiaries are not engaged in a trade or business within the U.S. and therefore do not earn effectively connected income that would be subject to U.S. federal income tax. However, the determination of whether a person is engaged in a U.S. trade or business is based on a highly factual analysis, there is no direct guidance as to which activities constitute being engaged in a U.S. trade or business, and it is unclear how a court would construe the existing indirect authorities. Accordingly, it is possible that the IRS will conclude that we and the rest of our non-U.S. subsidiaries are engaged in a U.S. trade or business and earn effectively connected income that is subject to U.S. federal income tax. One of our non-U.S. subsidiaries, Textainer Equipment Management Limited, files protective U.S. federal income tax returns in order to preserve the right to claim deductions and credits if it is ever determined that it is engaged in a U.S. trade or business and earns effectively connected income that is subject to U.S. federal income tax.

Regardless of whether we and the rest of our non-U.S. subsidiaries are deemed to be engaged in a U.S. trade or business, we and all of our non-U.S. subsidiaries (including Textainer Limited) are also subject to U.S. federal income tax imposed via 30% withholding on the gross amount of certain "fixed or determinable annual or periodic gains, profits and income" derived from sources within the U.S. (such as dividends and certain interest on investments), to the extent such amounts are not effectively connected income. This 30% U.S. withholding tax is subject to reduction by applicable treaties. Distributions by our U.S. subsidiaries to us and our non-U.S. subsidiaries are expected to be subject to this 30% U.S. withholding tax.

U.S. Subsidiaries

Our U.S. subsidiaries are subject to U.S. federal income tax at regular corporate rates on their worldwide income, regardless of its source, subject to reduction by allowable foreign tax credits.

Furthermore, any of our U.S. subsidiaries could be subject to additional U.S. tax on a portion of its income if it is considered to be a PHC for U.S. federal income tax purposes. A U.S. corporation will be classified as a PHC for U.S. federal income tax purposes in a given taxable year if (i) at any time during the last half of such taxable year, five or fewer individuals (without regard to their citizenship or residency) own or are deemed to own (pursuant to certain constructive ownership rules) more than 50% of the stock of the corporation by value; and (ii) at least 60% of the corporation's adjusted ordinary gross income, as determined for U.S. federal income tax purposes, for such taxable year consists of "personal holding company income." Personal holding company income includes, among other things, dividends, interest, royalties, annuities and, under certain circumstances, rents. The PHC rules do not apply to non-U.S. corporations.

If any of our U.S. subsidiaries are or become a PHC in a given taxable year, such corporation will be subject to an additional 15% tax on its "undistributed personal holding company income," which includes the company's taxable income, subject to certain adjustments. For taxable years beginning after December 31, 2010, the tax rate on "undistributed personal holding company income" is scheduled to increase to the highest marginal rate applicable to the ordinary income of individuals, which is currently 35%.

We believe that none of our U.S. subsidiaries should be considered PHCs. In addition, we intend to cause our U.S. subsidiaries to manage their affairs in a manner that reduces the possibility that they will meet the 60% income threshold. However, because of the lack of complete information regarding our ultimate share ownership (i.e., particularly as determined by constructive ownership rules), we cannot assure you that none of our U.S. subsidiaries will become PHCs following this offering or in the future, or that the amount of U.S. federal income tax that would be imposed would be immaterial.

Transfer Pricing

Under U.S. federal income tax laws, transactions among taxpayers that are owned or controlled directly or indirectly by the same interests generally must be at arm's-length terms. We consider the transactions among our

subsidiaries and us to be at arm's-length terms. However, the IRS may distribute, apportion, or allocate gross income, deductions, credits, or allowances between or among such taxpayers if it determines that such transactions are not at arm's-length terms and that such distribution, apportionment, or allocation is necessary in order to clearly reflect the income of any of such taxpayers. In such a situation, we may incur increased tax liability, possibly materially, thereby reducing our profitability and cash flows.

Taxation of U.S. Holders

The discussion in "—Distributions on Common Shares" and "—Dispositions of Common Shares" below assumes that we will not be treated as a PFIC for U.S. federal income tax purposes. For a discussion of the rules that apply if we are treated as a PFIC, see the discussion in "—Passive Foreign Investment Company" below.

Distributions on Common Shares

General. Subject to the discussion in "—Passive Foreign Investment Company" below, if you actually or constructively receive a distribution on common shares, you must include the distribution in gross income as a taxable dividend on the date of your receipt of the distribution, but only to the extent of our current or accumulated earnings and profits, as calculated under U.S. federal income tax principles. Dividends paid by us are not expected to be eligible for the dividends received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by us may or may not be eligible for preferential rates applicable to qualified dividend income, as described below.

To the extent a distribution exceeds our current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of your adjusted tax basis in the common shares, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to non-corporate U.S. Holders.

We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, you should expect that a distribution will be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Qualified Dividend Income. With respect to non-corporate U.S. Holders (i.e., individuals, trusts, and estates), for taxable years beginning before January 1, 2011, dividends that are treated as qualified dividend income ("QDI") are taxable at a maximum tax rate of 15%. Among other requirements, dividends will be treated as QDI if either (i) our common shares are readily tradable on an established securities market in the U.S., or (ii) we are eligible for the benefits of a comprehensive income tax treaty with the U.S. which includes an information exchange program and which is determined to be satisfactory by the Secretary of the U.S. Treasury. The income tax treaty between the U.S. and Bermuda (the jurisdiction of our incorporation) does not qualify for these purposes. However, it is expected that our common shares will be "readily tradable" as a result of being listed on the NYSE, although there can be no assurance that our common shares will be "readily tradable" or will continue to be "readily tradable" in the future.

In addition, for dividends to be treated as QDI, we must not be a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year. We do not expect that we should be treated as a PFIC for our current taxable year. However, we can be treated as a PFIC. Please see the discussion under "Passive Foreign Investment Company" below. Additionally, in order to qualify for QDI treatment, you generally must have held the common shares for more than 60 days during the 121-day period beginning 60 days prior to the ex-dividend date. However, your holding period will be reduced for any period during which the risk of loss is diminished.

Moreover, a dividend will not be treated as QDI to the extent you are under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. Since the QDI rules are complex, you should consult your own tax advisor regarding the availability of the preferential tax rates for dividends paid on common shares.

In-Kind Distributions. Distributions to you of new common shares or rights to subscribe for new common shares that are received as part of a pro rata distribution to all of our shareholders will not be subject to U.S. federal income tax. The adjusted tax basis of the new common shares or rights so received will be determined by allocating your adjusted tax basis in the old common shares between the old common shares and the new common shares or rights received, based on their relative fair market values on the date of distribution. However, in the case of a distribution of rights to subscribe for common shares, the adjusted tax basis of the rights will be zero if the fair market value of the rights is less than 15% of the fair market value of the old common shares on the date of distribution and you do not make an election to determine the adjusted tax basis of the rights by allocation as described above. Your holding period for the new common shares or rights should include the holding period for the old common shares on which the distribution was made.

Foreign Tax Credits. Subject to certain conditions and limitations, any foreign taxes paid on or withheld from distributions from us and not refundable to you may be credited against your U.S. federal income tax liability or, alternatively, may be deducted from your taxable income. This election is made on a year-by-year basis and applies to all foreign taxes paid by you or withheld from you that year.

Distributions will constitute foreign source income for foreign tax credit limitation purposes. The foreign tax credit limitation is calculated separately with respect to two specific classes of income. For this purpose, distributions characterized as dividends distributed by us are expected to constitute "passive category income" or, in the case of certain U.S. Holders, "general category income." Special limitations may apply if a dividend is treated as QDI (as defined above).

Special rules may apply to electing individuals whose foreign source income during the taxable year consists entirely of "qualified passive income" and whose creditable foreign taxes paid or accrued during the taxable year do not exceed $300 ($600 in the case of a joint return).

Since the rules governing foreign tax credits are complex, you should consult your own tax advisor regarding the availability of foreign tax credits in your particular circumstances.

Dispositions of Common Shares

Subject to the discussion in "—Passive Foreign Investment Company" below, you will recognize taxable gain or loss realized on the sale or other taxable disposition of common shares equal to the difference between the U.S. dollar value of (i) the amount realized on the disposition (i.e., the amount of cash plus the fair market value of any property received), and (ii) your adjusted tax basis in the common shares. Such gain or loss will be capital gain or loss.

If you have held the common shares for more than one year at the time of disposition, such capital gain or loss will be long-term capital gain or loss. Preferential tax rates for long-term capital gain (currently, with a maximum rate of 15% for taxable years beginning before January 1, 2011) will apply to non-corporate U.S. Holders. If you have held the common shares for one year or less, such capital gain or loss will be short-term capital gain or loss taxable as ordinary income at your marginal income tax rate. The deductibility of capital losses is subject to limitations.

Any gain or loss recognized is not expected to give rise to foreign source income for U.S. foreign tax credit purposes.

You should consult your own tax advisor regarding the U.S. federal income tax consequences if you receive currency other than U.S. dollars upon the disposition of common shares.

Passive Foreign Investment Company

We will be a PFIC under Section 1297 of the Code if, for a taxable year, either (a) 75% or more of our gross income for such taxable year is passive income (the "income test") or (b) 50% or more of the average percentage,

generally determined by fair market value, of our assets during such taxable year either produce passive income or are held for the production of passive income (the "asset test"). "Passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Certain "look through" rules apply for purposes of the income and asset tests described above. If we own, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, we will be treated as if we (a) held a proportionate share of the other corporation's assets, and (b) received directly a proportionate share of the other corporation's income. In addition, passive income does not include any interest, dividends, rents, or royalties that are received or accrued by us from a "related person" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to income of such related person that is not passive income.

Under the income and asset tests, whether or not we are a PFIC will be determined annually based upon the composition of our income and the composition and valuation of our assets, all of which are subject to change. In analyzing whether we should be treated as a PFIC, we are relying on our projected revenues and projected capital expenditures, the valuation of our assets, and our expected election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes. If our actual revenues and capital expenditures do not match our projections, we may be a PFIC. For example, if we do not spend enough of the cash (a passive asset) we raise from any financing transactions we may undertake, the relative percentage of our passive assets will increase. In calculating goodwill (an active asset), we have valued our total assets based on our market capitalization, determined using the market price of our common shares. Such market price may fluctuate. If our market capitalization is less than anticipated or subsequently declines, this will decrease the value of our goodwill and we may be a PFIC. Furthermore, we have made a number of assumptions regarding the amount of value allocable to goodwill. We believe our valuation approach is reasonable. However, it is possible that the IRS will challenge the valuation of our goodwill, which may result in our being a PFIC.

We do not expect that we should be treated as a PFIC for our current taxable year and we intend to use reasonable efforts to avoid PFIC status. However, because the PFIC determination is highly fact intensive and made at the end of each taxable year, it is possible that we may be a PFIC for the current or any future taxable year or that the IRS may challenge our determination concerning our PFIC status. If we determine that we are a PFIC, we will take reasonable steps to notify you.

Default PFIC Rules under Section 1291 of the Code . If we are a PFIC, the U.S. federal income tax consequences to a U.S. Holder of an investment in common shares will depend on whether such U.S. Holder makes an election to treat us as a qualified electing fund ("QEF") under Section 1295 of the Code (a "QEF Election") or a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A U.S. Holder owning common shares while we were or are a PFIC that has not made either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder."

If you are a Non-Electing U.S. Holder, you will be subject to the default tax rules of Section 1291 of the Code with respect to:

- any "excess distribution" paid on common shares, which means the excess (if any) of the total distributions received by you during the current taxable year over 125% of the average distributions received by you during the three preceding taxable years (or during the portion of your holding period for the common shares prior to the current taxable year, if shorter); and
- any gain recognized on the sale or other taxable disposition (including a pledge) of common shares.

Under these default tax rules:

- any excess distribution or gain will be allocated ratably over your holding period for the common shares;

- the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which we were a PFIC will be treated as ordinary income in the current year;
- the amount allocated to each of the other years will be treated as ordinary income and taxed at the highest applicable tax rate in effect for that year; and
- the resulting tax liability from any such prior years will be subject to the interest charge applicable to underpayments of tax.

In addition, notwithstanding any election you may make, dividends that you receive from us will not be eligible for the preferential tax rates applicable to QDI (as discussed above in "—Distributions on common shares") if we are a PFIC either in the taxable year of the distribution or the preceding taxable year, but will instead be taxable at rates applicable to ordinary income.

Special rules for Non-Electing U.S. Holders will apply to determine U.S. foreign tax credits with respect to foreign taxes imposed on distributions on common shares.

If we are a PFIC for any taxable year during which you hold common shares, we will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold common shares. You may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the default tax rules of Section 1291 of the Code discussed above) as if your common shares had been sold on the last day of the last taxable year for which we were a PFIC.

If we are a PFIC in any year with respect to you, you will be required to file an annual return on IRS Form 8621 regarding distributions received on common shares and any gain realized on the disposition of common shares.

QEF Election. If you make a QEF Election, you generally will not be subject to the default rules of Section 1291 of the Code discussed above. Instead, you will be subject to current U.S. federal income tax on your pro rata share of our ordinary earnings and net capital gain, regardless of whether such amounts are actually distributed to you by us. However, you can make a QEF Election only if we agree to furnish you annually with certain tax information, and we currently do not intend to prepare or provide such information.

Mark-to-Market Election. U.S. Holders may make a Mark-to-Market Election, but only if the common shares are marketable stock. The common shares will be "marketable stock" as long as they remain listed on the NYSE and are regularly traded. Shares are "regularly traded" for any calendar year during which it is traded (other than in *de minimis* quantities) on at least fifteen days during each calendar quarter. There can be no assurances, however, that our common shares will be treated, or continue to be treated, as regularly traded.

If you make a Mark-to-Market Election, you generally will not be subject to the default rules of Section 1291 of the Code discussed above. Rather, you will be required to recognize ordinary income for any increase in the fair market value of the common shares for each taxable year that we are a PFIC. You will also be allowed to deduct as an ordinary loss any decrease in the fair market value to the extent of net marked-to-market gain previously included in prior years. Your adjusted tax basis in the common shares will be adjusted to reflect the amount included or deducted.

The Mark-to-Market Election will be effective for the taxable year for which the election is made and all subsequent taxable years, unless the common shares cease to be marketable stock or the IRS consents to the revocation of the election. You should consult your own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Since the PFIC rules are complex, you should consult your own tax advisor regarding them and how they may affect the U.S. federal income tax consequences of an investment in common shares.

Information Reporting and Backup Withholding

Information reporting requirements will apply to distributions on common shares or proceeds from the disposition of common shares paid within the U.S. (and, in certain cases, outside the U.S.) to a U.S. Holder unless such U.S. Holder is an exempt recipient, such as a corporation. Furthermore, backup withholding (currently at 28%) may apply to such amounts unless such U.S. Holder (i) is an exempt recipient that, if required, establishes its right to an exemption, or (ii) provides its taxpayer identification number, certifies that it is not currently subject to backup withholding, and complies with other applicable requirements. A U.S. Holder may avoid backup withholding if it furnishes a properly completed IRS Form W-9 and is able to make the required certifications.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your U.S. federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

Taxation of Non-U.S. Holders

Distributions on Common Shares

Subject to the discussion in "—Information Reporting and Backup Withholding" below, as a Non-U.S. Holder, you generally will not be subject to U.S. federal income tax, including withholding tax, on distributions received on common shares, unless the distributions are effectively connected with a trade or business that you conduct in the U.S. and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the U.S.

If distributions are effectively connected with a U.S. trade or business and (if applicable) attributable to a U.S. permanent establishment, you will be subject to tax on such distributions in the same manner as a U.S. Holder, as described in "Taxation of U.S. Holders – Distributions on common shares" above. In addition, any such distributions received by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Dispositions of Common Shares

Subject to the discussion in "—Information Reporting and Backup Withholding" below, as a Non-U.S. Holder, you generally will not be subject to U.S. federal income tax, including withholding tax, on any gain recognized on a sale or other taxable disposition of common shares, unless (i) the gain is effectively connected with a trade or business that you conduct in the U.S. and (if an applicable income tax treaty so requires) attributable to a permanent establishment that you maintain in the U.S., or (ii) you are an individual and are present in the U.S. for at least 183 days in the taxable year of the disposition, and certain other conditions are met.

If you meet the test in clause (i) above, you generally will be subject to tax on any gain that is effectively connected with your conduct of a trade or business in the U.S. in the same manner as a U.S. Holder, as described in "Taxation of U.S. Holders – Dispositions of common shares" above. Effectively connected gain realized by a corporate Non-U.S. Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

If you meet the test in clause (ii) above, you generally will be subject to tax at a 30% rate on the amount by which your U.S. source capital gain exceeds your U.S. source capital loss.

Information Reporting and Backup Withholding

Payments to Non-U.S. Holders of distributions on, or proceeds from the disposition of, common shares are generally exempt from information reporting and backup withholding. However, a Non-U.S. Holder may be required to establish that exemption by providing certification of non-U.S. status on an appropriate IRS Form W-8.

Backup withholding is not an additional tax. Rather, amounts withheld under the backup withholding rules may be credited against your U.S. federal income tax liability. Furthermore, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a Bermuda exempted company. As a result, the rights of holders of our common shares will be governed by Bermuda law and our memorandum of association and bye-laws. The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions. Most of our directors and some of the named experts referred to in this prospectus are not residents of the U.S., and a substantial portion of our assets is located outside the U.S. As a result, it may be difficult for investors to effect service of process on those persons in the U.S. and to enforce in the U.S. judgments obtained in U.S. courts against us or those persons based on the civil liability provisions of the U.S. securities laws. We have been advised by our special Bermuda counsel, Conyers Dill & Pearman, that uncertainty exists as to whether courts in Bermuda will enforce judgments obtained in other jurisdictions (including the U.S.) against us or our directors or officers under the securities laws of those jurisdictions or entertain actions in Bermuda against us or our directors or officers under the securities laws of other jurisdictions.

We have expressly submitted to the jurisdiction of the U.S. federal and California state courts sitting in San Francisco, California for the purpose of any suit, action or proceeding arising out of this offering, and we have appointed our principal administrative office in San Francisco, California to accept service of process in any such action. The Bermuda Monetary Authority has given its consent for the issue and free transferability of all of the common shares that are the subject of this offering to and between non-residents of Bermuda for exchange control purposes, provided our shares are and remain listed on an appointed stock exchange, which includes the NYSE. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such consent or permissions, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this prospectus. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated , 2007, we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC are acting as representatives, the following respective numbers of common shares:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC(1)	
Wachovia Capital Markets, LLC(2) .	
Jefferies & Company, Inc.	
Piper Jaffray & Co.	
Fortis Securities LLC	
Total	9,000,000

(1) 11 Madison Avenue, New York, NY 10010

(2) 375 Park Avenue, New York, NY 10152

The underwriting agreement provides that the underwriters are obligated to purchase all the common shares in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 1,350,000 additional shares from us at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common shares.

The underwriters propose to offer the common shares initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of $ per share. The underwriters and selling group members may allow a discount of $ per share on sales to other broker/dealers. After the initial public offering, the representatives may change the public offering price and concession and discount to broker/dealers.

As described under “Related Party Transactions—Relationships and Agreements with Entities Related to Trencor Limited” as part of this offering, Halco has indicated to the underwriters its interest in acquiring $30.0 million of our common shares in this offering at the initial offering price. The underwriters are not entitled to any discount or commission on these shares. These shares will not be purchased unless the offering to the public is consummated. Halco is not under any obligation to purchase any shares in this offering and its interest in purchasing shares in this offering is not a commitment to do so. These shares, if purchased, will be subject to the 180-day lock-up agreement that Halco signed with the representatives of the underwriters in connection with this offering. After taking into account this offering, including the full exercise of the over-allotment option by the underwriters, and assuming that Halco purchases $30.0 million of our shares in this offering at the assumed initial public offering price of $20.00 per share, based upon beneficial ownership of our issued and outstanding common shares as of September 5, 2007, Halco and Trencor collectively will beneficially own approximately 59.6% of our issued and outstanding common shares.

The following table summarizes the compensation and estimated expenses we will pay. The per share amounts for underwriting discounts and commissions are based only on the shares sold to the public and not on the shares that are expected to be sold to Halco, for which the underwriters will not receive any discounts or commissions:

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting Discounts & Commissions paid by us	$1.34	$1.34	$10,050,000	$11,859,000
Expenses payable by us	$0.33	$0.28	$2,447,555	$ 2,447,555

The underwriters have informed us that they do not expect sales to accounts over which the underwriters have discretionary authority to exceed 5% of the common shares being offered.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any of our common shares or securities convertible into or exchangeable or exercisable for any of our common shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. However, in the event that either (1) during the last 17 days of the "lock-up" period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the "lock-up" period, we announce that we will release earnings results during the 16-day period beginning on the last day of the "lock-up" period, then in either case the expiration of the "lock-up" will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC waive, in writing, such an extension.

Our officers and directors and existing shareholders holding more than 5% of our common shares have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common shares or securities convertible into or exchangeable or exercisable for any of our common shares, including any of our common shares that may be purchased by Halco in this offering enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common shares, whether any of these transactions are to be settled by delivery of our common shares or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC for a period of 180 days after the date of this prospectus. However, in the event that either (1) during the last 17 days of the "lock-up" period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the "lock-up" period, we announce that we will release earnings results during the 16-day period beginning on the last day of the "lock-up" period, then in either case the expiration of the "lock-up" will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless Credit Suisse Securities (USA) LLC and Wachovia Capital Markets, LLC waive, in writing, such an extension.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

We will apply to list the common shares on the NYSE under the symbol "TGH".

Certain of the underwriters and their respective affiliates have from time to time performed, and may in the future perform, various financial advisory, commercial banking and investment banking services for us and for

our affiliates in the ordinary course of business for which they have received and would receive customary compensation. In particular, Wachovia Capital Markets, LLC was an initial purchaser of our bonds. In addition, Fortis Capital Corp., an affiliate of Fortis Securities LLC, acts as a lender under our revolving credit facility and as co-manager and lender under our secured debt facility. Fortis Securities LLC was an initial purchaser of our bond. FB, affiliates of Fortis Securities LLC, holds a 27.7% equity interest in Textainer Marine Containers Limited. Milton J. Anderson and Merijn Zondag, each a director of Textainer Marine Containers Limited, are managers of FB Transportation Capital LLC, an affiliate of Fortis Securities LLC. We have agreed in principle with FB that Textainer Limited will acquire half of their interest in our subsidiary, Textainer Marine Containers Limited at a cash price equal to (i) 25% of the total shareholders' equity of the Class A Shares of Textainer Marine Containers Limited on the day immediately preceding the closing of such acquisition, plus (ii) $18.0 million. In addition, as part of the consideration, at least 50% of the total annual capital expenditures of the company on new containers, as measured under GAAP, will be allocated to the Class A portion of Textainer Marine Containers Limited for a three-year period after the close of this transaction. FB shall hold 25% of all issued and outstanding Class A Shares of Textainer Marine Containers Limited after the close of this transaction.

Prior to the offering, there has been no market for our common shares. The initial public offering price will be determined by negotiation between us and the underwriters and will not necessarily reflect the market price of the common shares following the offering. The principal factors that will be considered in determining the public offering price will include:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of and the prospects for the industry in which we will compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development and our current financial condition;
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies; and
- the general condition of the securities markets at the time of the offering.

We offer no assurances that the initial public offering price will correspond to the price at which the common shares will trade in the public market subsequent to this offering or that an active trading market for the common shares will develop and continue after the offering.

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.
- Syndicate covering transactions involve purchases of the common shares in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of

shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only he closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common shares originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.
- In passive market making, market makers in the common shares who are underwriters or prospective underwriters may, subject to limitations, make bids for or purchases of our common shares until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common shares or preventing or retarding a decline in the market price of the common shares. As a result, the price of our common shares may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the common shares in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of common shares are made. Any resale of the common shares in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the common shares.

Representations of Purchasers

By purchasing common shares in Canada and accepting a purchase confirmation a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the common shares without the benefit of a prospectus qualified under those securities laws,
- where required by law, that the purchaser is purchasing as principal and not as agent,
- the purchaser has reviewed the text above under Resale Restrictions, and
- the purchaser acknowledges and consents to the provision of specified information concerning its purchase of the common shares to the regulatory authority that by law is entitled to collect the information.

Further details concerning the legal authority for this information is available on request.

Rights of Action – Ontario Purchasers Only

Under Ontario securities legislation, certain purchasers who purchase a security offered by this prospectus during the period of distribution will have a statutory right of action for damages, or while still the owner of the common shares, for rescission against us in the event that this prospectus contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the common shares. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the common shares. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us. In no case will the amount recoverable in any action exceed the price at which the common shares were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we will have no liability. In the case of an action for damages, we will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the commons shares as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of the common shares should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common shares in their particular circumstances and about the eligibility of the common shares for investment by the purchaser under relevant Canadian legislation.

LEGAL MATTERS

The validity of the common shares offered in this prospectus and other legal matters relating to Bermuda law will be passed upon for us by Conyers Dill & Pearman, Hamilton, Bermuda, special Bermuda counsel. Various U.S. law matters relating to this offering will be passed upon for us by Morrison & Foerster LLP, San Francisco, California, special U.S. counsel. The underwriters have been represented by Cravath, Swaine & Moore LLP, New York, New York.

EXPERTS

The consolidated financial statements and schedules for Textainer Group Holdings Limited as of December 31, 2006 and 2005 and for each of the years in the three-year period ended December 31, 2006 have been included herein in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing. The audit report covering the December 31, 2006 consolidated financial statements refers to a change in accounting policy for maintenance expense.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act, with respect to the common shares being offered by this prospectus. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to Textainer and the common shares offered by this prospectus, we refer you to the registration statement and its exhibits. You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at http://www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. When the common shares begin trading on the NYSE, copies of reports and other information may also be inspected in the offices of the NYSE, 20 Broad Street, New York, New York 10005.

As a result of this offering, we will become subject to the reporting requirements of the Exchange Act, and will file reports, including annual reports on Form 20-F, and other information with the SEC. However, as a foreign private issuer, we are exempt from the rules under the Exchange Act relating to the furnishing and content of proxy statements and relating to short swing profits reporting and liability. In addition, we are not required to file annual, quarterly or current reports and financial statements as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we will file, as long as we are required to do so, within 180 days after the end of each fiscal year, an annual report on Form 20-F containing consolidated financial statements audited by an independent public accounting firm. We also intend to file quarterly reports on Form 6-K with the SEC.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors
Textainer Group Holdings Limited:

We have audited the accompanying consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2006. In connection with our audits of the consolidated financial statements, we also have audited the related financial statement schedules. These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Textainer Group Holdings Limited and subsidiaries as of December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in Note 1(l) to the consolidated financial statements, effective January 1, 2007 the Company adopted FASB Staff Position AUG AIR-1 (FSP), Accounting for Planned Major Maintenance. The FSP was retrospectively applied adjusting all financial statements presented.

/s/ KPMG LLP
San Francisco, California
September 25, 2007

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets
December 31, 2006 and 2005
(All currency expressed in United States dollars in thousands)

	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	$ 41,163	$ 42,231
Accounts receivable, net of allowance for doubtful accounts of $2,320 and $2,199 in 2006 and 2005, respectively	41,348	42,227
Net investment in direct finance leases	6,182	4,414
Containers held for resale	3,964	4,297
Prepaid expenses	2,009	1,963
Deferred taxes	380	334
Due from affiliates, net	15	51
Total current assets	95,061	95,517
Restricted cash	21,989	13,379
Containers, net	763,612	722,611
Net investment in direct finance leases	36,040	28,597
Fixed assets, net	1,340	1,731
Intangible assets, net	17,960	-
Derivative instruments	3,992	4,566
Other assets	4,239	4,364
Total assets	$ 944,233	$ 870,765
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 4,618	$ 7,771
Accrued expenses	21,079	20,708
Container contracts payable	32,927	2,554
Due to owners, net	6,570	6,011
Bonds payable	58,000	58,000
Total current liabilities	123,194	95,044
Secured debt facility	53,000	-
Bonds payable	430,167	488,167
Deferred taxes	10,656	9,580
Total liabilities	617,017	592,791
Minority interest	85,922	66,423
Shareholders' equity:		
Common shares, $0.01 par value. Authorized 120,000,000 shares; issued and outstanding 38,274,640 and 38,056,516 shares at 2006 and 2005, respectively	383	381
Additional paid-in capital	24,093	23,706
Notes receivable from shareholders	(1,180)	(1,299)
Accumulated other comprehensive income	380	30
Retained earnings	217,618	188,733
Total shareholders' equity	241,294	211,551
Total liabilities and shareholders' equity	$ 944,233	$ 870,765

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Income
Years ended December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands, except per share amounts)

	2006	2005	2004
Revenues:			
Lease rental income	$ 186,093	$ 188,904	$147,152
Management fees	16,194	15,472	17,942
Trading container sales proceeds	14,137	16,046	8,429
Incentive management fees and general partner distributions	—	2,874	1,579
Gain on sale of containers, net	9,558	10,456	4,275
Other	480	648	940
Total revenues	226,462	234,400	180,317
Operating expenses:			
Direct container expense	29,757	24,314	16,431
Cost of trading containers sold	11,480	12,944	6,235
Depreciation expense	54,330	60,792	48,321
Amortization expense	1,023	—	—
General and administrative expense	16,155	16,567	16,807
Incentive compensation expense	4,694	5,140	4,507
Bad debt expense, net	664	91	868
Total operating expenses	118,103	119,848	93,169
Income from operations	108,359	114,552	87,148
Other income (expense):			
Interest expense	(33,083)	(27,491)	(13,434)
Interest income	2,286	1,086	399
Realized and unrealized gains (losses) on derivative instruments, net	2,274	4,535	(889)
Other, net	243	(2,648)	(237)
Net other expense	(28,280)	(24,518)	(14,161)
Income before income tax and minority interest	80,079	90,034	72,987
Income tax expense	(4,299)	(4,662)	(4,011)
Minority interest expense	(19,499)	(22,393)	(15,382)
Net income	$ 56,281	$ 62,979	$ 53,594
Net income per share:			
Basic	$ 1.47	$ 1.65	$ 1.41
Diluted	$ 1.46	$ 1.63	$ 1.39
Weighted average shares outstanding (in thousands):			
Basic	38,186	38,142	38,022
Diluted	38,488	38,598	38,490

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity and Comprehensive Income
Years ended December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands, except share amounts)

	Common shares		Additional paid-in capital	Notes receivable from shareholders	Accumulated other comprehensive income (loss)	Retained earnings	Total shareholders' equity
	Shares	Amount					
Balances, December 31, 2003	37,907,458	$ 379	$21,158	$ (1,640)	$ 13	$ 121,142	$ 141,052
Dividends to shareholders	—	—	—	—	—	(20,913)	(20,913)
Exercise of share options	210,000	2	603	(309)	—	—	296
Repayment of notes receivable from shareholders	—	—	—	461	—	—	461
Repurchase and retirement of common shares	(900)	—	(1)	—	—	(2)	(3)
Comprehensive income:							
Net income	—	—	—	—	—	53,594	53,594
Foreign currency translation adjustments	—	—	—	—	250	—	250
Total comprehensive income							53,844
Balances, December 31, 2004	38,116,558	381	21,760	(1,488)	263	153,821	174,737
Dividends to shareholders	—	—	—	—	—	(26,762)	(26,762)
Exercise of share options	250,000	3	1,029	(566)	—	—	466
Share option plan obligation	—	—	1,391	—	—	—	1,391
Repayment of notes receivable from shareholders	—	—	—	755	—	—	755
Repurchase and retirement of common shares	(310,042)	(3)	(474)	—	—	(1,305)	(1,782)
Comprehensive income:							
Net income	—	—	—	—	—	62,979	62,979
Foreign currency translation adjustments	—	—	—	—	(233)	—	(233)
Total comprehensive income							62,746
Balances, December 31, 2005	38,056,516	381	23,706	(1,299)	30	188,733	211,551
Dividends to shareholders	—	—	—	—	—	(27,311)	(27,311)
Exercise of share options	230,000	2	593	(539)	—	—	56
Share option plan obligation	—	—	(479)	—	—	—	(479)
Share option plan expense	—	—	285	—	—	—	285
Repayment of notes receivable from shareholders	—	—	—	658	—	—	658
Repurchase and retirement of common shares	(11,876)	—	(12)	—	—	(85)	(97)
Comprehensive income:							
Net income	—	—	—	—	—	56,281	56,281
Foreign currency translation adjustments	—	—	—	—	350	—	350
Total comprehensive income							56,631
Balances, December 31, 2006	38,274,640	$ 383	$ 24,093	$ (1,180)	$ 380	$217,618	$ 241,294

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years ended December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

	2006	2005	2004
Cash flows from operating activities:			
Net income	$ 56,281	$ 62,979	$ 53,594
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	54,330	60,792	48,321
Provision for containers held for resale	(1)	26	7
Bad debt expense, net	664	91	868
Unrealized losses (gains) on derivative instruments, net	574	(8,688)	(9,016)
Amortization of debt issuance costs	1,405	3,323	1,423
Amortization of intangible assets	1,023	—	—
Gain on sale of containers, net	(9,558)	(10,456)	(4,275)
Share option plan expense	285	1,391	—
Minority interest expense	19,499	22,393	15,382
Decrease (increase) in:			
Accounts receivable, net	215	3,836	(19,997)
Containers held for resale	334	(3,523)	(281)
Prepaid expenses	1,293	5,539	1,193
Due from affiliates, net	36	372	(14)
Other assets	(1,280)	(5,546)	(1,449)
(Decrease) increase in:			
Accounts payable	(3,153)	3,218	1,666
Accrued expenses	(108)	(754)	9,665
Due to owners, net	559	(5,701)	6,489
Deferred taxes, net	1,030	313	2,267
Total adjustments	67,147	66,626	52,249
Net cash provided by operating activities	123,428	129,605	105,843
Cash flows from investing activities:			
Decrease in investments in affiliates	—	446	106
Purchase of containers and fixed assets	(104,818)	(158,193)	(194,634)
Purchase of intangible assets	(18,983)	—	—
Proceeds from sale of containers and fixed assets	34,142	30,796	15,751
Receipt of principal payments on direct finance leases	6,456	5,333	4,522
Net cash used in investing activities	(83,203)	(121,618)	(174,255)
Cash flows from financing activities:			
Proceeds from revolving credit facility	—	—	(290)
Proceeds from secured debt facility	74,000	301,000	151,000
Principal payments on secured debt facility	(21,000)	(596,969)	(19,000)
Proceeds from bonds payable	—	580,000	—
Principal payments on bonds payable	(58,000)	(241,333)	(30,000)
Increase in restricted cash	(8,610)	(3,078)	(667)
Debt issuance costs	(1,339)	(6,174)	(787)
Issuance of common shares	56	466	296
Repayments of notes receivable from shareholders	658	755	461
Retirement of common shares	(97)	(1,782)	(3)
Dividends paid	(27,311)	(26,762)	(20,913)
Net cash (used in) provided by financing activities	(41,643)	6,123	80,097
Effect of exchange rate changes	350	(233)	250
Net (decrease) increase in cash and cash equivalents	(1,068)	13,877	11,935
Cash and cash equivalents, beginning of the year	42,231	28,354	16,419
Cash and cash equivalents, end of the year	$ 41,163	$ 42,231	$ 28,354

(Continued)

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years ended December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

	2006	2005	2004
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest	$ 28,812	$ 28,518	$ 21,339
Income taxes	$ 981	$ 830	$ 238
Supplemental disclosures of noncash investing activities:			
Increase (decrease) in accrued container purchases	$ 30,373	$(70,902)	$ 69,504
Containers placed in direct finance leases	$15,667	$ 32,602	$ 2,796

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Operations

Textainer Group Holdings Limited (TGH) is incorporated in Bermuda. TGH is the holding company of a group of corporations, Textainer Group Holdings Limited and subsidiaries (the Company), involved in the purchase, management, leasing and resale of a fleet of marine cargo containers. The Company manages and provides administrative support to the affiliated and unaffiliated owners (the Owners) of the containers and structures and manages container leasing investment programs. The Company was the general partner of six limited partnerships (the Partnerships) that were Owners. The Partnerships were terminated on August 22, 2005.

On September 4, 2007, the Company's shareholders approved a one-for-one share split, effected by way of a share dividend or bonus issue, for shareholders of record as of August 8, 2007. All shares and per share data in the consolidated financial statements, have been adjusted to reflect the share split, effected by way of a share dividend or bonus issue.

The Company conducts its business activities in four main areas: container management, container ownership, container resale and military management. These activities are described below (also see Note 8, Segment Information).

Container Management

The Company manages, on a worldwide basis, a fleet of containers for and on behalf of the Owners.

All rental operations are conducted worldwide in the name of the Company who, as agent for the Owners, acquires and sells containers, enters into leasing agreements and depot service agreements, bills and collects lease rentals from the lessees, disburses funds to depots for container handling, and remits net amounts, less management fees and commissions, to the Owners. Revenues, customer accounts receivable, operating expenses, and vendor payables arising from direct container operations of the managed portion of the Owner's fleet have been excluded from the Company's financial statements.

Management fees are typically a percentage of net operating income of each Owner's fleet and consist of fees earned by the Company for services related to management of the containers, and net acquisition fees earned on the acquisition of containers. Expenses related to the provision of management services include general and administrative expense, incentive compensation expense and amortization expense.

Container Ownership

The Company's containers consist primarily of standard dry freight containers, but also include special-purpose containers. These containers are financed through reinvested earnings, a secured debt facility provided by banks, and bonds payable to investors. Expenses related to lease rental income include direct container expenses, depreciation expense and interest expense.

Container Resale

The Company buys and subsequently resells used containers (trading containers) from third parties. Container sales revenue represents the proceeds on the sale of containers purchased for resale. Cost of containers sold represents only the cost of equipment purchased for resale that was sold as well as the related selling costs. The Company earns sales commissions related to sale of the containers that it manages.

Military Management

In June 2003, the Company entered into a management agreement to provide a management information system and source containers and related equipment for the U.S. military. In the event that containers are not available within the managed fleet, the Company will fulfill its obligations to this customer by subleasing containers and equipment from shipping lines and other leasing companies. The contract is renewable annually. Management fees earned from this contract for the years ended December 31, 2006, 2005 and 2004 were $1,680, $1,632 and $1,584, respectively.

(b) Principles of Consolidation

The consolidated financial statements of the Company include TGH and all its subsidiaries. All material intercompany balances have been eliminated in consolidated.

The majority of the container equipment included in the accompanying consolidated financial statements is owned by an entity (Textainer Marine Containers Limited or TMCL) which is 72.63% and 76.41% owned by the Company as of December 31, 2006 and 2005, respectively. The Company manages the equipment and controls the day to day operations of this entity. Under the terms of the ownership agreement certain voting matters are based on ownership interest and others are shared equally between the Company and the minority shareholders. The amounts attributable to the minority shareholders are reflected as minority interest in the accompanying financial statements.

(c) Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(d) Investments in Partnerships

Investments in the Partnerships were recognized using the cost method of accounting. General partner distributions from the Partnerships were recorded as income in the month in which the distributions were made by the Partnerships.

On April 18, 2005, the Partnerships sold substantially all of their assets. On August 18, 2005, the Company received the last of two final general partner distributions which represented a return of investment capital and income, and the Partnerships were subsequently terminated.

(e) Intangible Assets

On July 1, 2006, the Company assumed management of a competitor's fleet of approximately 211,000 containers by purchasing the management contracts for $18,983. The purchase price will be fully amortized over the expected 11-year life of the contract on a pro-rata basis to the expected management fees. The assets will be evaluated for impairment by applying the recognition and measurement provisions of FAS 144, Accounting for Impairment or Disposal of Long-Lived Assets, and an impairment loss shall be recognized if the carrying amount is not recoverable and its carrying amount exceeds its fair value. Amortization expense for the year ended December 31, 2006 was

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

$1,023. The following is a schedule, by year, of future amortization of intangible assets as of December 31, 2006:

Year ending December 31:	
2007	$ 2,141
2008	2,160
2009	2,323
2010	2,798
2011	3,616
2012 and thereafter	4,922
Total future amortization of intangible assets	$17,960

(f) Lease Rental Income

Leasing income arises principally from the renting of containers owned by the Company to various international shipping lines. Revenue is recorded when earned according to the terms of the container rental contracts. These contracts are typically for terms of five years or less and are generally classified as operating leases.

Under long-term lease agreements, containers are usually leased from the Company for periods of three to five years. Such leases are generally cancelable with a penalty at the end of each 12-month period. Under master lease agreements, the lessee is not committed to leasing a minimum number of containers from the Company during the lease term and may generally return the containers to the Company at any time, subject to certain restrictions in the lease agreement. Under long-term lease and master lease agreements, revenue is earned and recognized evenly over the period that the equipment is on lease. Under direct finance leases, the containers are usually leased from the Company for the remainder of the container's useful life with a bargain purchase option at the end of the lease term. Revenue is earned and recognized on direct finance leases over the lease terms so as to produce a constant periodic rate of return on the net investment in the lease.

Container leases do not include step rent provisions or lease concessions, nor do they depend on indices or rates.

The following is a schedule, by year, of future minimum lease payments receivable under the long-term leases as of December 31, 2006:

Year ending December 31:	
2007	$ 80,234
2008	57,016
2009	38,861
2010	20,184
2011 and thereafter	14,306
Total future minimum lease payments receivable	$210,601

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its lessees to make required payments. These allowances are based on management's current assessment of the financial condition of the Company's lessees and their ability to make their required payments. If the financial condition of the Company's lessees were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(g) Direct Container Expense

Direct container expense represents the operating costs arising from the containers owned by the Company and includes storage, handling, maintenance, DPP, agent and insurance expense.

(h) Containers Held for Resale

The Company, through one or more of its subsidiaries, buys trading containers for resale, which are valued at the lower of cost or market value. The cost of trading containers sold is specifically identified.

(i) Foreign Currencies

A functional currency is determined for each of the entities within the Company based on the currency of the primary economic environment in which the entity operates. The Company's functional currency is the U.S. dollar. Assets and liabilities denominated in a currency other than the entity's functional currency are remeasured into its functional currency at the balance sheet date with a gain or loss recognized in current year net income. Foreign currency exchange gains and losses that arise from exchange rate changes on transactions denominated in a foreign currency are recognized in net income as incurred. Foreign currency exchange gains (losses), reported in Other, net in the Consolidated Statement of Income were ($189), $132, and ($85) for the years ended December 31, 2006, 2005 and 2004, respectively. For consolidation purposes, the financial statements are then translated into U.S. dollars using the current exchange rate for the assets and liabilities and a weighted average exchange rate for the revenues and expenses recorded during the year with any translation adjustment shown as an element of accumulated other comprehensive income (loss).

(j) Containers and Fixed Assets

Capitalized container costs include the container cost payable to the manufacturer (Invoice) and the associated transportation costs incurred in moving the containers from the manufacturer to the containers' first destined port (Initial Repo). Containers purchased new are depreciated using the straight-line method over their estimated useful lives of 12 years to an estimated dollar residual value. Containers purchased used are depreciated based upon their remaining useful lives at the date of acquisition to an estimated dollar residual value. The Company evaluates the estimated residual values and remaining estimated useful lives on an ongoing basis. During the last few years, the Company experienced a significant increase in resale prices, as a result of both higher utilization decreasing the number of containers available for sale and the increased cost of new containers. Based on this extended period of higher realized residual values and an expectation that new equipment prices will remain near current levels the Company increased the estimated future residual values during 2006. The increase in residual values during 2006 caused a decrease in depreciation expense of $5.6 million and assuming no change in equipment cost balances the change would result in a decrease in depreciation expense of $16.8 million per year. Depreciation expense may fluctuate in future periods based on fluctuations in these estimates. During the years ended December 31, 2006, 2005 and 2004, the Company recorded an impairment of $183, $496 and $902, which is included in depreciation expense in the accompanying consolidated statements of income, to write down the value of 989, 2,594 and 2,738 containers identified for sale, respectively, to their estimated fair value. The fair value was estimated based on recent gross sales proceeds. When containers are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

Fixed assets are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, ranging from three to seven years.

The Company reviews its containers and fixed assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The Company compares the carrying value of the containers to expected future undiscounted cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying value exceeds expected future undiscounted cash flows, the assets are reduced to fair value. In addition, containers identified as being available for sale are valued at the lower of carrying value or fair value, less costs to sell.

The Company has evaluated the recoverability of the recorded amount of container rental equipment at December 31, 2006 and 2005, and determined that a reduction in the carrying values of containers held for continued use was not required, but a write-down in the value of certain containers identified for sale was required.

At December 31, 2006 and 2005, the carrying value of 864 and 1,111 containers identified for sale included impairment charges of $166 and $269, respectively. The carrying value of these containers identified for sale amounted to $719 and $984 as of December 31, 2006 and 2005, respectively, and is included in containers, net on the consolidated balance sheets.

During the years ended December 31, 2006, 2005 and 2004, the Company recorded the following net gain on sales of containers:

	2006		2005		2004	
	Units	Amount	Units	Amount	Units	Amount
Gain on sales of previously written down containers, net	1,359	$ 1,594	1,604	$ 1,453	2,699	$ 1,711
Gain on sales of containers not written down, net	26,206	7,964	21,930	9,003	10,446	2,564
Gain on sales of containers, net	27,565	$9,558	23,534	$10,456	13,145	$ 4,275

If other containers are subsequently identified as available for sale, the Company may incur additional write-downs or may incur losses on the sale of these containers if they are sold. The Company will continue to evaluate the recoverability of recorded amounts of containers and cautions that a write-down of certain containers held for continued use and/or an increase in its depreciation rate may be required in future periods for some or all containers.

(k) Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when the realization of a deferred tax asset is unlikely.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

(l) Damage Protection Plan Repair Cost Reserve

Our leases require the lessee to pay for any damage to the container beyond normal wear and tear at the end of the lease term. The Company offers a Damage Protection Plan (the Plan) to certain lessees of its containers. Under the terms of the Plan, the Company charges lessees an additional amount primarily on a daily basis and the lessees are no longer obligated for certain future repair costs for containers subject to the Plan. It is the Company's policy to recognize these revenues as earned on a daily basis over the related term of its lease. The Company has not recognized revenue and related expense for customers who are billed at the end of the lease term under the Plan or for other lessees who do not participate in the Plan. Based on past history, there is uncertainty as to collectibility of revenue from lessees who are billed at the end of the lease term because the amounts due under the Plan are typically re-negotiated at the end of the lease term or the lease term is extended.

On September 8, 2006, the FASB posted the Staff Position (FSP), *Accounting for Planned Major Maintenance Activities* . The FSP amends certain provisions in the AICPA Industry Audit Guide, Audits of Airlines, and APB Opinion No. 28, *Interim Financial Reporting*. FSP AUG AIR-1 prohibits the use of the currently allowed accrue-in-advance method of accounting for planned major maintenance activities in annual and interim financial statements. This guidance is effective for the first fiscal period beginning after December 15, 2006, and shall be applied retrospectively for all financial statements presented, unless impracticable to do so.

For containers not subject to a DPP and for containers where DPP is billed upon drop off, we previously accrued for repairs once we had made the decision to repair the container, which is made in advance of us incurring the repair obligations, however, these accruals have typically been insignificant. For containers covered by per diem DPP, we previously provided a reserve sufficient to cover the Company's estimated future container repair costs at the end of the container's lease term.

The Company adopted FSP AUG AIR-1 effective January 1, 2007. Accordingly, we have retroactively adjusted all financial statements presented to reflect the direct expense method of accounting for maintenance, a method permitted under this Staff Position. The effect of adopting this standard on our previously reported financial statements are as follows:

	Years ended December 31		
	2006	2005	2004
Increase (decrease) in:			
Consolidated statements of income:			
Direct container expense	$ (406)	$(1,903)	$(2,255)
Total operating expense	$ (406)	$(1,903)	$(2,255)
Income from operations	$ 406	$ 1,903	$ 2,255
Income before income tax and minority interest	$ 406	$ 1,903	$ 2,255
Minority interest expense	$ 445	$ 753	$ 877
Net income	$ (39)	$ 1,150	$ 1,378
Basic and diluted earnings per share	$(0.00)	$ 0.03	$ 0.04

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	December 31,		January 1
	2006	2005	2004
Increase (decrease) in:			
Consolidated balance sheets:			
Damage protection plan repair cost reserve	$(8,648)	$(8,242)	(6,338)
Total current liabilities	$(8,648)	$(8,242)	(6,338)
Total liabilities	$(8,648)	$(8,242)	(6,338)
Minority interest	$ 3,081	$2,636	1,882
Retained earnings	$5,567	$5,606	4,456
Total shareholders' equity	$5,567	$5,606	4,456

(m) Concentrations

Although substantially all of the Company's income from operations is derived from assets employed in foreign concentrations, virtually all of this income is denominated in U.S. dollars. The Company does pay some of its expenses in various foreign currencies. For the years ended December 31, 2006, 2005 and 2004, $12,377 or 41%, $8,977 or 34% and $6,639 or 36%, respectively, of the Company's direct container expenses were paid in 15 different foreign currencies. The Company does not hedge these container expenses as there are no significant payments made in any one foreign currency and the Company's contract with the U.S. military contains a provision to protect it from fluctuations in exchange rates for payments made in foreign currencies.

The Company's customers are international shipping lines, which transport goods on international trade routes. Once the containers are on hire with a lessee, the Company does not track their location. The domicile of the lessee is not indicative of where the lessee is transporting the containers. The Company's business risk in its foreign concentrations lies with the creditworthiness of the lessees rather than the geographic location of the containers or the domicile of the lessees. Revenue from one lessee amounted to $20,100, $20,027 and $16,836 or 11% of the Company's lease rental income for the three years ended December 31, 2006, 2005 and 2004, respectively. No single lessee accounted for more than 10% of the accounts receivable, net as of December 31, 2006 and 2005.

(n) Fair Value of Financial Instruments

In accordance with Statement of Financial Accounting Standards No. 107, *Disclosures about Fair Value of Financial Instruments*, the Company calculates the fair value of financial instruments and includes this additional information in the notes to the consolidated financial statements when the fair value is different from the book value of those financial instruments. At December 31, 2006 and 2005, the fair value of the Company's financial instruments approximates the related book value of such instruments.

(o) Derivative Instruments

The Company has entered into various interest rate cap and swap agreements to mitigate its exposure associated with its variable rate debt. The swap agreements involve payments by the Company to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate (LIBOR). The differentials between the fixed and variable rate payments under these agreements are recognized in realized and unrealized gains (losses) on derivative instruments, net in the consolidated statement of income.

As of the balance sheet dates, none of the derivative instruments the Company has entered into qualify for hedge accounting in accordance with Statement of Financial Accounting Standard No. 133, *Accounting for Derivative Instruments and Hedging Activities* , as amended (SFAS 133). The fair value of the derivative instruments is measured at each balance sheet date and the change in fair value is recorded in the consolidated statements of income as realized and unrealized gains (losses) on derivative instruments, net.

The Company's interest rate swap agreements have expiration dates between February 2007 and December 2010. The cumulative fair value of these agreements was $3,992 and $4,566 as of December 31, 2006 and 2005, respectively.

The Company's interest rate cap agreements have expiration dates between June 2007 and November 2015.

(p) Share Options

Under Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), and Statement of Financial Accounting Standards No. 148, *Accounting for Stock-Based Compensation—Transition and Disclosure—an amendment of* SFAS 123, prior to January 1, 2006, the Company had an alternative of recognizing related compensation expense by adopting the fair value method or to continue to measure compensation using the intrinsic value approach under Accounting Principles Board (APB) Opinion No. 25, as amended. Prior to January 1, 2006, the Company used the measurement prescribed by APB Opinion No. 25 and followed the disclosure requirements of SFAS 123 to account for share options, and accordingly, recognized no compensation cost associated with the share option plans if the share option price approximated fair market value at the time of grant. No compensation costs were recognized for the 1997 Plan and 1998 Plan using this accounting method during the years ended December 31, 2005 and 2004. The 2001 Plan was an equity classified plan, with its grants accounted for as variable awards in accordance with EITF 00-23, *Issues Related to the Accounting for Stock Compensation* , under APB Opinion 25 and FASB Interpretations No. 44 due to the book value payment option at the employees' discretion included in the plan. Compensation expense for the 2001 Plan is computed based upon a formula value until the Put Option is exercised or expires. Compensation expense associated with the Plans, which was part of general and administrative expense, for the years ended December 31, 2005 and 2004, were $210 and $717, respectively.

Effective January 1, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123(R), *Share-Based Payment* (SFAS 123R) using the modified prospective application transition method and consequently has not retroactively adjusted results from prior periods. SFAS 123R requires measurement of all employee stock-based compensation awards at the grant date using a fair-value method and recording of such expense in the consolidated financial statements over the requisite service period. The Company accounts for the 2001 Plan as a tandem award. As such the Company continued to classify the options in equity under the provisions of SFAS 123R but records a liability for the fair-value of the put feature for all vested and unvested awards. The liability will be remeasured each reporting period until the put is exercised or cancelled with the change recorded as compensation expense. For the options that vested prior to the adoption date, which includes the options under all plans, excluding the 2001 plan, no further accounting is required under the modified transition provision, except for accounting for the put options as discussed above. Under this transition method, compensation cost associated with share options includes amortization related to remaining unvested portion of all share option awards granted prior to January 1, 2006, based on the grant date fair value estimated in accordance with the original provision

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of SFAS 123. For the year ended December 31, 2006, the Company recorded share-based compensation expense of $285 under the fair-value provisions of SFAS 123R. The Company determined that the put feature had no value throughout the year and there was no cumulative effect adjustment as of January 1, 2006.

(q) Comprehensive Income (Loss)

In accordance with Statement of Financial Accounting Standards No. 130, *Reporting Comprehensive Income* (SFAS 130), the Company reports changes in equity from all sources. The effect of SFAS 130 is limited to the form and content of the Company's disclosures of its foreign currency translation adjustment as a component of other comprehensive income (loss).

(r) Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management evaluates its estimates on an ongoing basis, including those related to the container rental equipment, accounts receivable, and accruals.

These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities. Actual results could differ from those estimates under different assumptions or conditions.

(s) Reclassifications

Certain reclassifications of 2005 and 2004 amounts have been made in order to conform with the 2006 financial statement presentation.

(t) Net income per share

Basic net income per share is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted income per share reflects the potential dilution that could occur if all outstanding share options were exercised or converted into common shares. For the years ended December 31, 2006, 2005 and 2004, all share options to acquire common shares were dilutive. A reconciliation of the numerator and denominator of basic EPS with that of diluted EPS is presented as follows:

	2006	2005	2004
Numerator			
Net income — basic and diluted EPS	$56,281	$62,979	$ 53,594
Denominator			
Weighted average common shares outstanding — basic	38,186	38,142	38,022
Dilutive stock options	302	456	468
Weighted average common shares outstanding — diluted	38,488	38,598	38,490
Earnings per common share			
Basic	$ 1.47	$ 1.65	$ 1.41
Diluted	$ 1.46	$ 1.63	$ 1.39

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(u) Recently Issued Accounting Standards

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). The purpose of SFAS 157 is to define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. The measurement and disclosure requirements are effective for periods beginning after November 15, 2007. We are currently evaluating the effect that the adoption of SFAS 157 will have on our financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115.* Under this pronouncement, companies may elect to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reporting earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. However, SFAS No. 159 specifically includes financial assets and financial liabilities recognized under leases (as defined in SFAS No. 13, *Accounting for Leases*), as among those items not eligible for the fair value measurement option except contingent obligations for cancelled leases and guarantees of third-party lease obligations. This statement is effective for fiscal years that begin after November 15, 2007. We do not expect the adoption of SFAS No. 159 to have a material effect on our consolidated financial position or results of operations.

In June 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes*. This Interpretation defines the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 is effective for fiscal years beginning after December 15, 2006. We have evaluated the effect of adoption of FIN 48 on our financial position and results of operations and concluded it will not be material.

(2) Transactions with Affiliates and Owners

Amounts due from affiliates, net generally result from cash advances and the payment of affiliated companies' administrative expenses by the Company on behalf of such affiliates. Balances are generally paid within 30 days.

Management fees, including acquisition fees and sales commissions for the years ended December 31, 2006, 2005 and 2004 were as follows:

	2006	2005	2004
Fees from affiliated Owner	$ 5,628	$ 5,985	$ 10,420
Fees from unaffiliated Owners	8,886	7,855	5,938
Fees from Owners	14,514	13,840	16,358
Other fees	1,680	1,632	1,584
Total management fees	$16,194	$15,472	$17,942

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Incentive management fees and general partner distributions were earned in connection with management of the Partnerships. These amounts for the years ended December 31, 2006, 2005 and 2004 were $0, $2,874 and $1,579, respectively. On August 18, 2005, the Company received the last of two final general partner distributions which represented a return of investment capital and income.

Due to Owners, net represents lease rentals collected on behalf of and payable to Owners, net of direct expenses and management fees receivable. Due to Owners, net at December 31, 2006 and 2005 consisted of the following:

	2006	2005
Affiliated Owner	$ 765	$1,811
Unaffiliated Owners	5,805	4,200
Total due to Owners, net	$6,570	$6,011

(3) Direct Finance Leases

The Company leases containers under several direct finance leases. The Company had 19,746 and 16,328 containers under direct finance leases as of December 31, 2006 and 2005, respectively.

The components of the net investment in direct finance leases as of December 31, 2006 and 2005 were as follows:

	2006	2005
Future minimum lease payments receivable	$ 54,253	$ 48,490
Less unearned income	(12,031)	(15,479)
Net investment in direct finance leases	$ 42,222	$ 33,011
Amounts due within one year	$ 6,182	$ 4,414
Amounts due beyond one year	36,040	28,597
Net investment in direct finance leases	$ 42,222	$ 33,011

The following is a schedule by year of future minimum lease payments receivable under these direct finance leases as of December 31, 2006:

Year ending December 31:	
2007	$ 8,753
2008	7,245
2009	6,640
2010	6,018
2011 and thereafter	25,597
Total future minimum lease payments receivable	$ 54,253

Lease rental income includes income earned from direct finance leases in the amount of $3,587, $3,158 and $1,099 for the years ended December 31, 2006, 2005 and 2004, respectively.

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(4) Containers and Fixed Assets

Containers, net at December 31, 2006 and 2005 consisted of the following:

	2006	2005
Containers	$1,078,916	$1,005,956
Less accumulated depreciation	(315,304)	(283,345)
Containers, net	$ 763,612	$ 722,611

All owned containers are pledged as collateral for debt as of December 31, 2006 and 2005.

Fixed assets, net at December 31, 2006 and 2005 consisted of the following:

	2006	2005
Computer equipment and software	$ 5,865	$ 6,343
Office furniture and equipment	1,848	1,830
Automobiles	191	180
Leasehold improvements	1,112	1,062
	9,016	9,415
Less accumulated depreciation	(7,676)	(7,684)
Fixed assets, net	$ 1,340	$ 1,731

(5) Accrued Expenses

Accrued expenses at December 31, 2006 and 2005 consisted of the following:

	2006	2005
Interest payable	$ 1,423	$ 1,406
Accrued compensation	4,966	5,327
Direct container expense	2,500	3,153
Other	12,190	10,822
Total accrued expenses	$21,079	$ 20,708

(6) Income Taxes

The Company is not subject to taxation in its country of incorporation; however, the Company is subject to taxation in certain other jurisdictions due to the nature of the Company's operations. The Company estimates its tax liability based upon its understanding of the tax laws of the various countries in which it operates. Current and deferred income taxes reflect temporary differences attributable to various jurisdictions at different statutory rates. Income tax expense attributable to income from continuing operations for the years ended December 31, 2006, 2005 and 2004 consisted of the following:

	2006	2005	2004
Current			
Bermuda	$ —	$ —	$ —
Foreign	3,269	4,349	1,744
	3,269	4,349	1,744
Deferred			
Bermuda	—	—	—
Foreign	1,030	313	2,267
	1,030	313	2,267
	$4,299	$4,662	$ 4,011

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The components of income before income taxes and minority interest were as follows:

	2006	2005	2004
Bermuda sources	$ —	$ —	$ —
Foreign sources	80,079	90,034	72,987
	$80,079	$90,034	$72,987

Reconciliations of the statutory Bermuda income tax rate to the consolidated effective income tax rate for each fiscal year were as follows:

	2006	2005	2004
Bermuda tax rate	0.00%	0.00%	0.00%
Income taxable in foreign jurisdictions	5.37%	5.18%	5.50%
	5.37%	5.18%	5.50%

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2006 and 2005 are presented below:

	2006	2005
Deferred tax assets:		
Net operating loss	$ 1,439	$ 2,518
Other	1,795	1,876
Deferred tax assets	3,234	4,394
Deferred tax liabilities:		
Containers	12,209	11,965
Other	1,301	1,675
Deferred tax liabilities	13,510	13,640
Net deferred tax liability	$10,276	$ 9,246

In assessing the realizability of deferred tax assets, the Company's management considers whether it is more likely than not that the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company's management considers the projected future taxable income for making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, the Company's management believes it is more likely than not the Company will realize the benefits of these deductible differences noted above. The Company has net operating loss carryforwards of $4,232 that will begin to expire from 2009 through 2023 if not utilized.

The Company's foreign tax returns, including the United States, are subject to routine compliance reviews by the various tax authorities. The Company accrues for foreign tax contingencies based upon its best estimate of the additional taxes, interest and penalties expected to be paid. These estimates are updated over time as more definitive information becomes available from taxing authorities, completion of tax audits, expiration of statue of limitations, or upon occurrence of other events. An audit by the IRS in the United States is currently ongoing and to date no matters have arisen to alter the Company's accounting for income taxes.

The accompanying consolidated financial statements do not reflect the income taxes that would be payable to foreign taxing jurisdictions if the earnings of a group of corporations operating in those jurisdictions were to be transferred out of such jurisdictions, because such earnings are intended to be permanently reinvested in those countries. At December 31, 2006, cumulative earnings of approximately $24,857 would be subject to income taxes of approximately $6,404 if such earnings of foreign corporations were transferred out of such jurisdictions in the form of dividends.

(7) Revolving Credit Facility, Bonds Payable and Secured Debt Facility, and Derivative Instruments

Revolving Credit Facility

The Company has a credit agreement, as amended on December 22, 2006 (Credit Agreement), with a group of banks (Bank Group) to provide a revolving credit facility (Credit Facility) in the amount of $45 million. The Credit Agreement also provides a $25 million letter of Credit Facility included within the $45 million commitment. This Credit Facility provides for payments of interest only during its term beginning on its inception date through January 31, 2007 (Conversion Date), with a provision for the Credit Facility to convert to a two-year fully amortizing note payable after the Conversion Date. Principal amortization will be on a quarterly basis, beginning on the last day of the first calendar quarter of the Conversion Date. Given the existing Conversion Date of January 31, 2007, principal amortization would begin on March 31, 2007. Interest on the outstanding amount due under this Credit Facility can be based either on the U.S. prime rate or LIBOR plus 1.75%. The Company has no outstanding principal under its Credit Facility as of December 31, 2006 and 2005. The Company had one outstanding $3,812 letter of credit as of December 31, 2006.

Although the Credit Facility is not secured by the Company's containers, under the terms of the Credit Facility the total outstanding principal of all the Company's debt may not exceed the lesser of the commitment amount or a formula based on the Company's net book value of containers and outstanding debt. The Credit Facility Maximum was $45 million as of December 31, 2006.

TGH acts as a guarantor of this Credit Facility. The Credit Facility contains restrictive covenants regarding limitations on certain obligations, investments, and leverage. In addition, the Credit Facility contains certain restrictive covenants on TGH net worth, leverage, debt service, and interest coverage. The Company are in compliance with all such covenants at December 31, 2006. There is a commitment fee of 0.375% on the unused portion of the Credit Facility, which is payable in arrears. In addition, there is an agent's fee of 0.125% on the commitment amount, which is payable quarterly in advance.

Bonds Payable and Secured Debt Facility

The Company has a securitization agreement (Securitization Agreement) with several banks (Banks) that provided for the issuance of $300 million in variable rate amortizing bonds (2001-1 Bonds) and a secured debt facility (Secured Debt Facility). The Securitization Agreement, originally dated August 11, 2000, was amended and restated on November 29, 2001, to provide for the 2001-1 Bonds in addition to the Secured Debt Facility.

The Securitization Agreement was amended and restated on May 26, 2005 for the issuance of $580 million in variable rate amortizing bonds (2005-1 Bonds). The 2005-1 Bonds were purchased by various institutional investors. The proceeds of the 2005-1 Bonds were used primarily to pay off the 2001-1 Bonds and to refinance certain principal outstanding under the Company's Secured Debt Facility. All unamortized debt issuance costs related to the 2001-1 Bonds of $1,909 were charged to expense.

The $580 million in 2005-1 Bonds represent fully amortizing notes payable on a straight-line basis over a scheduled payment term of 10 years, but not to exceed the maximum payment term of 15 years. Under a

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10-year amortization schedule, $58 million in 2005-1 Bond principal will amortize per year. Under the terms of the 2005-1 Bonds, both principal and interest incurred are payable monthly. The Company is not permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2005-1 Bonds prior to the payment date occurring in June 2008. Ultimate payment of the 2005-1 Bond principal has been insured by Ambac Assurance Corporation and the cost, 0.275% on the outstanding principal balance, of this insurance coverage is recognized as incurred on a monthly basis.

The interest rate for the outstanding principal balance of the 2005-1 Bonds equals one-month LIBOR plus 0.25%. The target final payment date and legal final payment date are May 15, 2015 and May 15, 2020, respectively.

The Company's primary ongoing container financing requirements are funded by the Secured Debt Facility. The Secured Debt Facility provided a total commitment in the amount of $300 million and $400 million as of December 31, 2006 and 2005, respectively. The Secured Debt Facility provides for payments of interest only during the period from its inception until its Conversion Date as defined within the Securitization Agreement, with a provision for the Secured Debt Facility to then convert to a 10-year, but not to exceed the maximum term of 15-year, fully amortizing note payable on the Conversion Date. Under the Secured Debt Facility terms of the Securitization Agreement, as amended on June 8, 2006, the Conversion Date is defined as June 6, 2008. Given a Conversion Date of June 6, 2008, first principal payment would be on July 15, 2008. Interest on the outstanding amount due under this Secured Debt Facility, both prior and subsequent to the Conversion Date, equals LIBOR plus 0.32%. There is a commitment fee of 0.10% on the unused portion of the Secured Debt Facility, which is payable in arrears. Effective on June 8, 2006, ultimate payment of the Secured Debt Facility principal has been insured by Ambac Assurance Corporation. The cost, 0.26% on the outstanding principal balance plus 0.09% on the unused portion of the Secured Debt Facility, of this insurance coverage is recognized as incurred on a monthly basis.

Under the terms of the 2005-1 Bonds and Secured Debt Facility, the total outstanding principal of these two programs may not exceed an amount (Asset Base) which is calculated by a formula based on TMCL's book value of equipment, restricted cash and direct finance leases. The total obligations under the 2005-1 Bonds and the Secured Debt Facility are collateralized by a pledge of the securitization entity's assets. TMCL's total assets amounted to $860,665 as of December 31, 2006. The 2005-1 Bonds and the Secured Debt Facility also contain restrictive covenants regarding the average age of the securitization entity's container fleet, certain earnings ratios, ability to incur other obligations and to distribute earnings, TGH's container management subsidiary net income and debt levels, and overall Asset Base minimums, in which the securitization entity and TGH's container management subsidiary were in compliance at December 31, 2006.

The debt covenants noted above for the Credit Facility, Secured Debt Facility and 2005-1 Bonds restrict the ability of subsidiaries to dividend or loan cash to TGH and at December 31, 2006 the amount of restricted net assets was $79,078.

The following represents the Company's debt obligations as of December 31, 2006 and 2005:

Bonds Payable and Secured Debt Facility	2006	2005
2005-1 Bonds, interest at 5.60% and 4.62%, at December 31, 2006 and 2005, respectively	$ 488,167	$546,167
Secured Debt Facility, weighted average interest at 5.67% and 0%, at December 31, 2006 and 2005, respectively	53,000	—
Total debt obligations	$541,167	$546,167
Amount due within one year	$ 58,000	$ 58,000
Amounts due beyond one year	$ 483,167	$ 488,167

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The following is a schedule by year, of future scheduled repayments, as of December 31, 2006:

	Secured Debt Facility	2005-1 Bonds
Year ending December 31:		
2007	$ —	$ 58,000
2008	2,650	58,000
2009	5,300	58,000
2010	5,300	58,000
2011 and thereafter	39,750	256,167
	$ 53,000	$ 488,167

Derivative Instruments

The Company has entered into several interest rate cap and swap agreements with several banks to reduce the impact of changes in interest rates associated with its Bonds Payable and Secured Debt Facility. The following is a summary of the Company's derivative instruments as of December 31, 2006:

Derivative instruments	Notional amount
Interest rate cap contracts with several banks which cap one-month LIBOR rates fixed between 8.05% and 8.40% per annum, nonamortizing notional amounts, with termination dates through November 2007	$ 105,000
Interest rate swap contracts with several banks, with one-month LIBOR rates fixed between 3.35% and 5.43% per annum, amortizing notional amounts, with termination dates through December 2010	319,080
Total notional amount as of December 31, 2006	$ 424,080

During January 2007, the Company entered into an interest rate swap contract with a bank, with one-month LIBOR rate fixed at 5.106% per annum, in amortizing notional amount with initial notional amount of $25,000 and a term from January 17, 2007 through July 15, 2009.

During February 2007, the Company entered into an interest rate swap contract with a bank, with one-month LIBOR rate fixed at 5.095% per annum, in amortizing notional amount with initial notional amount of $20,000 and a term from February 15, 2007 through August 15, 2009.

The Company's interest rate swap agreements had a cumulative fair asset value of $3,992 and $4,566 as of December 31, 2006 and 2005, respectively. The change in fair value was recorded in the consolidated statement of income as part of realized and unrealized gains (losses) on derivative instruments, net.

Realized and unrealized gains (losses) on derivative instruments, net were comprised of the following for the years ended December 31, 2006, 2005 and 2004, respectively:

	2006	2005	2004
Realized gains (losses) on derivative instruments	$2,848	$(4,153)	$(9,905)
Unrealized (losses) gains on derivative instruments	(574)	8,688	9,016
Realized and unrealized gains (losses) on derivative instruments, net	$2,274	$ 4,535	$ (889)

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(8) Segment Information

As described in Note 1(a) Nature of Operations, the Company operates in four reportable segments: container management, container ownership, container resale and military management. The following tables show segment information for the years ended December 31, 2006, 2005 and 2004, reconciled to the Company's income before taxes as shown in its consolidated statements of income:

2006	Container Management	Container Ownership	Container Resale	Military Management	Other	Eliminations	Totals
Lease rental income	$ —	$ 181,481	$ —	$ 4,612	$ —	$ —	$ 186,093
Management fees	29,161	—	4,946	1,680	—	(19,593)	16,194
Trading container sales proceeds	—	—	14,137	—	—	—	14,137
Gain on sale of containers, net	(2)	9,560	—	—	—	—	9,558
Other revenue	71	—	—	—	409	—	480
Total revenue	$ 29,230	$ 191,041	$ 19,083	$ 6,292	$ 409	$(19,593)	$ 226,462
Depreciation expense	$ 611	$ 54,574	$ —	$ 88	$ —	$ (943)	$ 54,330
Interest expense	$ —	$ 33,083	$ —	$ —	$ —	$ —	$ 33,083
Segment income before taxes	$ 11,523	$ 42,949	$ 5,458	$ 1,172	$ 119	$ (641)	$ 60,580
Total assets	$ 49,058	$ 960,780	$ 5,299	$ 1,276	$(53,073)	$ (19,107)	$ 944,233
Purchases of long-lived assets	$ 19,293	$ 104,508	$ —	$ —	$ —	$ —	$ 123,801
2005							
Lease rental income	$ —	$ 183,737	$ —	$ 5,167	$ —	$ —	$ 188,904
Management fees	29,497	—	4,284	1,632	—	(19,941)	15,472
Trading container sales proceeds	—	—	16,046	—	—	—	16,046
Incentive management fees and general partner distributions	305	2,006	—	—	563	—	2,874
Gain on sale of containers, net	(2)	10,458	—	—	—	—	10,456
Other revenue	102	—	—	—	546	—	648
Total revenue	$ 29,902	$ 196,201	$ 20,330	$ 6,799	$ 1,109	$ (19,941)	$ 234,400
Depreciation expense	$ 837	$ 60,701	$ —	$ 99	$ —	$ (845)	$ 60,792
Interest expense	$ —	$ 27,491	$ —	$ —	$ —	$ —	$ 27,491
Segment income before taxes	$ 13,761	$ 47,397	$ 5,447	$ 738	$ 92	$ 206	$ 67,641
Total assets	$ 29,646	$ 867,472	$ 8,082	$ 1,331	$(17,401)	$ (18,365)	$ 870,765
Purchases of long-lived assets	$ 516	$ 157,677	$ —	$ —	$ —	$ —	$ 158,193
2004							
Lease rental income	$ —	$ 143,885	$ —	$ 3,267	$ —	$ —	$ 147,152
Management fees	33,013	—	2,278	1,584	—	(18,933)	17,942
Trading container sales proceeds	—	—	8,429	—	—	—	8,429
Incentive management fees and general partner distributions	474	269	—	—	836	—	1,579
Gain on sale of containers, net	(3)	4,278	—	—	—	—	4,275
Other revenue	215	—	—	—	725	—	940
Total revenue	$ 33,699	$ 148,432	$ 10,707	$ 4,851	$ 1,561	$ (18,933)	$ 180,317
Depreciation expense	$ 803	$ 47,903	$ —	$ 99	$ —	$ (484)	$ 48,321
Interest expense	$ —	$ 13,434	$ —	$ —	$ —	$ —	$ 13,434
Segment income before taxes	$ 17,604	$ 38,601	$ 2,731	$ 740	$ (152)	$ (1,919)	$ 57,605
Total assets	$ 32,126	$ 817,108	$ 2,430	$ 2,120	$ (1,208)	$ (5,997)	$ 846,579
Purchases of long-lived assets	$ 1,261	$ 193,373	$ —	$ —	$ —	$ —	$ 194,634

(All currency expressed in United States dollars in thousands)

Amounts reported in the "Other" column represent activity related to management of the Partnership business and a small start up business that was discontinued and neither is related to the remaining active business segments. Amounts reported in the "Eliminations" column represent inter-segment management fees between the Container Management and Container Ownership segments.

Geographic Segment Information

The Company's container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from international carriers when the containers are in use and carrying cargo around the world. Substantially all of the Company's leasing related revenue are denominated in U.S. dollars. As all of the Company's containers are used internationally, where no one container is domiciled in one particular place for a prolonged period of time, all of the Company's long-lived assets are considered to be international with no single country of use.

(9) Commitments and Contingencies

(a) Leases

The Company has entered into several operating leases for office space. Rent expense amounted to $1,396, $1,330 and $1,309 for the years ended December 31, 2006, 2005 and 2004, respectively.

Future minimum lease payment obligations under the Company's noncancelable operating leases at December 31, 2006 were as follows:

	Operating leasing
Year ending December 31:	
2007	$ 1,287
2008	1,303
2009	1,310
2010	1,217
2011 and thereafter	1,429
Total	$6,546

(b) Restricted Cash

The Company had $4,436 and $0 of restricted interest-bearing cash account as additional collateral for outstanding borrowings under the Company's Credit Facility as of December 31, 2006 and 2005, respectively.

Restricted interest-bearing cash accounts were established by the Company as additional collateral for outstanding borrowings under the Company's Secured Debt Facility and 2005-1 Bonds. The total balance of these restricted cash accounts was $17,553 and $13,379 as of December 31, 2006 and 2005, respectively.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

(c) Trading Container Purchase Commitment

The Company entered into an agreement in December 2006 with a shipping line to purchase up to $4,357 of containers to be resold. The agreement expires at the earlier of December 2007 or when all the equipment has been delivered.

(d) Container Commitments

At December 31, 2006, the Company had placed orders with manufacturers for containers to be delivered subsequent to December 31, 2006 in the total amount of $18,033.

(e) Legal Proceedings

In 2005 the Company reserved $2.5 million to resolve a dispute with a container manufacturer. The Company paid $1.3 million pursuant to a court order. On November 28, 2006, the Company and its parent company, Trencor Limited, entered into a letter agreement related to a settlement with this container manufacturer and the sale of a South African container manufacturing plant. This container manufacturer owed money to Trencor and had claims against the Company. Pursuant to this letter agreement, the container manufacturer agreed to return the plant to Trencor in lieu of its liabilities and the Company agreed to cover Trencor's losses upon the sale of the plant, up to a limit of $750, in settlement of the container manufacturer's claims against them. The $450 reduction in the reserve was released to income in 2006. On August 23, 2007, Trencor entered into a sale agreement with a third party to sell the plant for an amount that would not result in any loss being recorded. This sale is subject to certain conditions being satisfied and the Company will reduce its reserve at such time as the conditions have been satisfied and the funds have been received from the buyer of the plant.

(f) Legal Proceedings on the Sale of the Partnerships' Assets

On April 18, 2005, the Partnerships sold substantially all of their assets to RFH Ltd, an unaffiliated entity. As part of this sale transaction, RFH engaged the Company, one of the general partners, to manage the containers RFH bought.

Five lawsuits were filed between March 2005 and March 2007 in state and federal court, initiated by certain limited partners. The limited partners in the state and federal actions allege that the Company breached its fiduciary duty by engaging in self-dealing and conflicted transactions in entering into the Asset Sale. In the federal case, there is an additional allegation that the Company violated federal securities laws because proxy statements issued in connection with the sale of assets were materially false or misleading. The lawsuits seek certain remedies from the Partnerships and the Company. On January 10, 2007, the federal case was dismissed, with prejudice, and has since been timely appealed. Discovery is ongoing in the state case. While it is not possible to predict or determine the outcome of these lawsuits, the Company believes that these lawsuits are without merit. The Company intends to vigorously defend against the lawsuits. At this time, an estimate of the range of loss resulting from these proceedings cannot be made.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2006, 2005 and 2004
(All currency expressed in United States dollars in thousands)

(10) Share Option Plans

Through five share option plans, the "1994 Plan," the "1996 Plan," the "1997 Plan," the "1998 Plan," and the "2001 Plan," the Company has granted share options to certain employees to purchase shares of its common shares. The share option plan details are as follows:

	Shares authorized	Shares granted	Exercise price
1994 Plan	1,080,000	1,080,000	$ 1.32
1996 Plan	100,000	100,000	$ 2.01
1997 Plan	1,040,000	1,040,000	$ 2.17
1998 Plan	80,000	80,000	$ 2.42
2001 Plan	800,000	750,000	$ 2.81
	3,100,000	3,050,000	

Options are granted at exercise prices equal to fair market value which management believes approximates the fully diluted per share net book value of the Company's common shares at the calendar year end subsequent to the date of adoption. The Company's common shares typically only trades between the Company and the employees. Each employee's options vest in increments of 20% per year beginning approximately one year after an option's grant date. Unless terminated pursuant to certain provisions within the share option plans, including discontinuance of employment with the Company, all unexercised options expire between December 31, 2007 and 2011. The Company has committed to repurchase any shares exercised under the plans (the Put Option) from any employees who terminate their employment during a three-month put period that begins 12 months after the employee's termination, at the Company's fully diluted per share net book value as of the end of the calendar year immediately preceding the put period.

The following is a summary of activity in the Company's share option plans for the years ended December 31, 2006, 2005 and 2004:

	Share options (common share equivalents)			Weighted average	
	Unvested	Vested	Total	Exercise Price	Expiration Year
Balances, December 31, 2003	450,000	570,000	1,020,000	$ 2.61	2010
Options exercised during the year	—	(210,000)	(210,000)	$ 2.57	2009
Options vested on December 31, 2004	(150,000)	150,000	—	$ 2.81	2011
Balances, December 31, 2004	300,000	510,000	810,000	$ 2.62	2010
Options exercised during the year	—	(250,000)	(250,000)	$ 2.61	2010
Options vested on December 31, 2005	(150,000)	150,000	—	$ 2.81	2011
Balances, December 31, 2005	150,000	410,000	560,000	$ 2.63	2010
Options exercised during the year	—	(230,000)	(230,000)	$ 2.59	2010
Options vested on December 31, 2006	(150,000)	150,000	—	$ 2.81	2011
Balances, December 31, 2006	—	330,000	330,000	$ 2.66	2010

All options granted under the 1996 Plan, 1997 Plan and 1998 Plan vested prior to 2004. The fair value of each option granted under the 2001 Plan was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: (i) a risk-free interest rate, 4.7%, is based on the

implied yield on a U.S. Treasury zero-coupon issue with a remaining term equal to the expected term of the option life of 6 years, (ii) the expected stock price volatility, 35%, is based on the historical volatility of the Company's share value as evaluated by an external company, and (iii) the dividend yield of 10.7% reflects the yield on the date of grant. The fair values of the share options granted under the 2001 Plan were not significant. The intrinsic value per share for the options outstanding as of December 31, 2006 was approximately $6.50 per share.

The Company's board of directors had approved guidelines as described in the 2001 Plan to allow all share option plan participants to exercise their share options and defer payment of the exercise price through execution of a participant's promissory note (the Notes). The Notes, which are payable to the Company, are secured by a pledge of all option shares being purchased. The value of the Notes shall equal the portion of the unpaid exercised price. Interest is accrued as a current asset at 6.02% per annum, which is 0.5% above the Company's current effective interest rate before tax as of December 31, 2006. Interest is payable annually no later than the end of April of the subsequent year. Interest receivable as of December 31, 2006 is $72. All cash dividends or distributions paid in respect of the option shares secured by the Notes shall be applied to accrued interest. The principal amount of the Notes is due upon the earlier of (1) sale of the shares to a buyer other than the Company, (2) termination of employment, or (3) the initial public offering of the Company's shares. As of December 31, 2006 and 2005, total notes receivable of $1,180 and $1,299, respectively, were recorded as a contra-equity item in the Company's shareholders' equity.

In 2005, the Company reclassified the share option plan obligation for the 2001 Plan from a liability to additional paid-in capital. The $479 amount represents a true-up to the additional paid in capital account to correct amounts recorded in prior periods. The Company considered the magnitude of the error and concluded it was immaterial to the financial statements.

(11) Subsequent Events

Container Contracts Payable

Container contracts payable of $32,927 as of December 31, 2006 represent amounts payable to container manufacturers as of December 31, 2006 for containers acquired during 2006. This amount was financed primarily with available cash during the first quarter of 2007.

Revolving Credit Facility

The Company's Credit Facility was amended on January 31, 2007 (note 7). The total commitment was increased to $75 million with the Conversion Date defined as January 31, 2009.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets
June 30, 2007 and December 31, 2006
(Unaudited)
(All currency expressed in United States dollars in thousands)

	2007	2006
Assets		
Current assets:		
Cash and cash equivalents	$ 35,900	$ 41,163
Accounts receivable, net of allowance for doubtful accounts of $3,004 and $2,320 in 2007 and 2006, respectively	46,846	41,348
Net investment in direct finance leases	7,232	6,182
Containers held for resale	2,599	3,964
Prepaid expenses	2,670	2,009
Deferred taxes	738	380
Due from affiliates, net	10	15
Total current assets	95,995	95,061
Restricted cash	18,514	21,989
Containers, net	821,221	763,612
Net investment in direct finance leases	39,183	36,040
Fixed assets, net	1,294	1,340
Intangible assets, net	16,890	17,960
Derivative instruments	3,770	3,992
Other assets	3,734	4,239
Total assets	$1,000,601	$ 944,233
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 7,877	$ 4,618
Accrued expenses	19,787	21,079
Container contracts payable	44,597	32,927
Due to owners, net	6,387	6,570
Bonds payable	58,000	58,000
Total current liabilities	136,648	123,194
Revolving credit facility	16,000	—
Secured debt facility	92,000	53,000
Bonds payable	401,167	430,167
Deferred taxes	11,209	10,656
Total liabilities	657,024	617,017
Minority interest	95,071	85,922
Shareholders' equity:		
Common shares, $0.01 par value. Authorized 120,000,000 shares; issued and outstanding 38,604,640 and 38,274,640 shares at 2007 and 2006, respectively	386	383
Additional paid-in capital	24,945	24,093
Notes receivable from shareholders	(792)	(1,180)
Accumulated other comprehensive income	374	380
Retained earnings	223,593	217,618
Total shareholders' equity	248,506	241,294
Total liabilities and shareholders' equity	$1,000,601	$ 944,233

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Income
Six Months Ended June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands, except per share amounts)

	Six Months Ended June 30,	
	2007	2006
Revenues:		
Lease rental income	$ 96,649	$ 90,679
Management fees	10,141	6,574
Trading container sales proceeds	7,162	9,287
Gain on sale of containers, net	5,611	4,186
Other	286	182
Total revenues	119,849	110,908
Operating expenses:		
Direct container expense	18,427	15,715
Cost of trading containers sold	5,779	7,708
Depreciation expense	23,391	29,625
Amortization expense	1,070	—
General and administrative expense	8,407	8,133
Incentive compensation expense	2,178	1,720
Bad debt expense, net	996	502
Total operating expenses	60,248	63,403
Income from operations	59,601	47,505
Other income (expense):		
Interest expense	(17,251)	(15,385)
Interest income	1,377	1,021
Realized and unrealized gains on derivative instruments, net	1,519	4,607
Other, net	(7)	(145)
Net other expense	(14,362)	(9,902)
Income before income tax and minority interest	45,239	37,603
Income tax expense	(2,775)	(2,061)
Minority interest expense	(9,150)	(10,277)
Net income	$ 33,314	$ 25,265
Net income per share:		
Basic	$ 0.87	$ 0.66
Diluted	$ 0.86	$ 0.66
Weighted average shares outstanding (in thousands):		
Basic	38,494	38,136
Diluted	38,574	38,480

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity and Comprehensive Income
Six months ended June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands, except share amounts)

	Common shares		Additional paid-in capital	Notes receivable from shareholders	Accumulated other comprehensive income (loss)	Retained earnings	Total shareholders' equity
	Shares	Amount					
Balances, December 31, 2005	38,056,516	$ 381	$ 23,706	$ (1,299)	$ 30	$ 188,733	$211,551
Dividends to shareholders	—	—	—	—	—	(19,088)	(19,088)
Exercise of share options	120,000	1	337	(338)	—	—	—
Share option plan obligation	—	—	(223)	—	—	—	(223)
Share option plan expense	—	—	142	—	—	—	142
Repayment of notes receivable from shareholders	—	—	—	512	—	—	512
Repurchase and retirement of common shares	(1,876)	—	(2)	—	—	(13)	(15)
Comprehensive income:							
Net income	—	—	—	—	—	25,265	25,265
Foreign currency translation adjustments	—	—	—	—	208	—	208
Total comprehensive income							25,473
Balances, June 30, 2006	38,174,640	$ 382	$23,960	$ (1,125)	$ 238	$194,897	$ 218,352
Balances, December 31, 2006	38,274,640	$ 383	$ 24,093	$ (1,180)	$ 380	$217,618	$ 241,294
Cumulative effect from FIN 48 implementation	—	—	—	—	—	1,035	1,035
Dividends to shareholders	—	—	—	—	—	(28,374)	(28,374)
Exercise of share options	330,000	3	872	(875)	—	—	—
Share option plan expense	—	—	(20)	—	—	—	(20)
Repayment of notes receivable from shareholders	—	—	—	1,263	—	—	1,263
Comprehensive income:							
Net income	—	—	—	—	—	33,314	33,314
Foreign currency translation adjustments	—	—	—	—	(6)	—	(6)
Total comprehensive income							33,308
Balances, June 30, 2007	38,604,640	$ 386	$24,945	$ (792)	$ 374	$223,593	$ 248,506

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Six months ended June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands)

	2007	2006
Cash flows from operating activities:		
Net income	$ 33,314	$ 25,265
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	23,391	29,625
Provision for containers held for resale	13	(6)
Bad debt expense, net	996	502
Unrealized losses (gains) on derivative instruments, net	222	(3,615)
Amortization of debt issuance costs	661	689
Amortization of intangible assets	1,070	—
Gain on sale of containers, net	(5,611)	(4,186)
Share option plan benefit	(20)	(81)
Minority interest expense	9,150	10,277
Decrease (increase) in:		
Accounts receivable, net	(6,494)	3,211
Containers held for resale	1,352	1,689
Prepaid expenses	(393)	756
Due from affiliates, net	5	51
Other assets	(156)	(757)
(Decrease) increase in:		
Accounts payable	3,259	(2,536)
Accrued expenses	(598)	(4,223)
Due to owners, net	(183)	(1,418)
Deferred taxes, net	535	484
Total adjustments	27,199	30,462
Net cash provided by operating activities	60,513	55,727
Cash flows from investing activities:		
Purchase of containers and fixed assets	(93,710)	(24,165)
Purchase of intangible assets	—	(9,000)
Proceeds from sale of containers and fixed assets	22,874	14,842
Receipt of principal payments on direct finance leases	2,970	3,462
Net cash used in investing activities	(67,866)	(14,861)
Cash flows from financing activities:		
Proceeds from revolving credit facility	34,000	—
Principal payments on revolving credit facility	(18,000)	—
Proceeds from secured debt facility	75,000	—
Principal payments on secured debt facility	(36,000)	—
Principal payments on bonds payable	(29,000)	(29,000)
Decrease (increase) in restricted cash	3,475	(5,978)
Debt issuance costs	(268)	(895)
Repayments of notes receivable from shareholders	1,263	512
Retirement of common shares	—	(15)
Dividends paid	(28,374)	(19,088)
Net cash provided by (used in) financing activities	2,096	(54,464)
Effect of exchange rate changes	(6)	208
Net decrease in cash and cash equivalents	(5,263)	(13,390)
Cash and cash equivalents, beginning of the period	41,163	42,231
Cash and cash equivalents, end of the period	$ 35,900	$ 28,841

(Continued)

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Six months ended June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands)

	2007	2006
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$14,695	$ 13,846
Income taxes	$ 569	$ 565
Supplemental disclosures of noncash investing activities:		
Increase in accrued container purchases	$ 11,670	$ 37,355
Containers placed in direct finance leases	$ 7,163	$16,536

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands)

(1) Nature of Business

Textainer Group Holdings Limited (TGH) is incorporated in Bermuda. TGH is the holding company of a group of corporations, Textainer Group Holdings Limited and subsidiaries (the Company), involved in the purchase, management, leasing and resale of a fleet of marine cargo containers. The Company manages and provides administrative support to the affiliated and unaffiliated owners (the Owners) of the containers and structures and manages container leasing investment programs.

On September 4, 2007, the Company's shareholders approved a one-for-one share split, effected by way of a share dividend or bonus issue, for shareholders of record as of August 8, 2007. All shares and per share data in the consolidated financial statements, have been adjusted to reflect the share split, effected by way of a share dividend or bonus issue.

The Company conducts its business activities in four main areas: container management, container ownership, container resale and military management.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting and Principles of Consolidation

The Company utilizes the accrual method of accounting.

Certain information and footnote disclosure normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The accompanying unaudited interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the fiscal years ended December 31, 2006 and 2005.

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal and recurring adjustments) necessary to present fairly our financial position as of June 30, 2007, and the results of our operations and cash flows for the six months ended June 30, 2007 and 2006. These financial statements are not necessarily indicative of the results of operations or cash flows which may be reported for the remainder of 2007.

(b) Principles of Consolidation

The consolidated financial statements of the Company include TGH and all its subsidiaries. All material intercompany balances have been eliminated in consolidation.

The majority of the container equipment included in the accompanying consolidated financial statements is owned by an entity (Textainer Marine Containers Limited or TMCL) which is 72.29% and 72.63% owned by the Company as of June 30, 2007 and December 31, 2006, respectively. The Company manages the equipment and controls the day-to-day operations of this entity. Under the terms of the ownership agreement certain voting matters are based on ownership interest and others are shared equally between the Company and the minority shareholders. The amounts attributable to the minority shareholder are reflected as minority interest in the accompanying financial statements.

(c) Intangible Assets

On July 1, 2006, the Company assumed management of a competitor's fleet of approximately 211,000 containers by purchasing the management contracts for $18,983. The purchase price will be fully amortized over the expected 11-year life of the contract on a pro-rata basis to the expected management fees. Amortization expense for the six months ended June 30, 2007 was $1,070.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands)

(d) Lease Rental Income

Leasing income arises principally from the renting of containers owned by the Company to various international shipping lines. Revenue is recorded when earned according to the terms of the container rental contracts. These contracts are typically for terms of five years or less and are generally classified as operating leases.

Under long-term lease agreements, containers are usually leased from the Company for periods of three to five years. Such leases are generally cancelable with a penalty at the end of each 12-month period. Under master lease agreements, the lessee is not committed to leasing a minimum number of containers from the Company during the lease term and may generally return the containers to the Company at any time, subject to certain restrictions in the lease agreement. Under long-term lease and master lease agreements, revenue is earned and recognized evenly over the period that the equipment is on lease. Under direct finance leases, the containers are usually leased from the Company for the remainder of the container's useful life with a bargain purchase option at the end of the lease term. Revenue is earned and recognized on direct finance leases over the lease terms so as to produce a constant periodic rate of return on the net investment in the lease.

Container leases do not include step-rent provisions or lease concessions, nor do they depend on indices or rates.

The following is a schedule, by year, of future minimum lease payments receivable under the long-term leases as of June 30, 2007 (unaudited):

Twelve months ending June 30:	
2008	$ 81,533
2009	55,210
2010	36,581
2011	20,832
2012 and thereafter	9,875
Total future minimum lease payments receivable	$204,031

The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its lessees to make required payments. These allowances are based on management's current assessment of the financial condition of the Company's lessees and their ability to make their required payments. If the financial condition of the Company's lessees were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

(e) Containers and Fixed Assets

Capitalized container costs include the container cost payable to the manufacturer (Invoice) and the associated transportation costs incurred in moving the containers from the manufacturer to the containers' first destined port (Initial Repo). Containers purchased new are depreciated using the straight-line method over their estimated useful lives of 12 years to an estimated dollar residual value. Containers purchased used are depreciated based upon their remaining useful lives at the date of acquisition to an estimated dollar residual value. The Company evaluates the estimated residual values and remaining estimated useful lives on an ongoing basis. During the last few years, the Company experienced a significant increase in resale prices, as a result of both higher utilization decreasing the number of containers available for sale and the increased cost of new containers. Based on this extended period of higher realized residual values and an expectation that new equipment prices will

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
June 30, 2007 and 2006
(Unaudited)
(All currency expressed in United States dollars in thousands)

remain near current levels the Company increased the estimated future residual values during the third quarter of 2006. Assuming no change in equipment cost balances, the increase would result in a decrease in depreciation expense of $4.2 million per quarter. Depreciation expense may fluctuate in future periods based on fluctuations in these estimates. During the six months ended June 30, 2007 and 2006, the Company recorded additional depreciation expense in the accompanying consolidated statements of income, to write down the value of these containers identified for sale, respectively, to their estimated fair value as follows:

	Six months ended June 30,			
	2007		2006	
	Units	Amount	Units	Amount
Depreciation expense	782	$ 143	915	$ 162

(f) Income Taxes

The Company uses the asset and liability method to account for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in the tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded when the realization of a deferred tax asset is unlikely.

On January 1, 2007, the Company adopted FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*. FIN 48 clarifies the accounting for uncertainty in income taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FIN 48 requires that the Company recognize in the financial statements the impact of a tax position, if that position is more likely than not being sustained on audit, based on the technical merits of the position. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods and disclosure. On January 1, 2007, the Company adopted FIN 48. The Company has elected to record penalties and interest within income tax expense. The implementation of FIN 48 resulted in a cumulative effect adjustment to increase retained earnings of approximately $1,035. At January 1, 2007, the Company has recorded tax liabilities for uncertain tax positions of approximately $7,912, including accrued interest and penalties of $574. For the six months ended June 30, 2007, an additional income tax expense of approximately $1,543 was recorded for uncertainties in income taxes. The Company does not believe the total amount of unrecognized benefit as of January 1, 2007 will increase or decrease significantly in the next twelve months. At June 30, 2007, the tax years 2000 to 2006 remain open to review in the United States.

The Company's foreign tax returns, including the United States, are subject to routine compliance review by the various tax authorities. The Company accrues for foreign tax contingencies based upon its best estimate of the additional taxes, interest and penalties expected to be paid. These estimates are updated over time as more definitive information becomes available from taxing authorities, completion of tax audits, expiration of statue of limitations, or upon occurrence of other events. An audit by the IRS in the United States is currently ongoing and to date, no matters have arisen to alter the Company's accounting for income taxes.

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(g) Damage Protection Plan Repair Cost Reserve and Maintenance Expense

Our leases require the lessee to pay for any damage to the container beyond normal wear and tear at the end of the lease term. The Company offers a Damage Protection Plan (the Plan) to certain lessees of its containers. Under the terms of the Plan, the Company charges lessees an additional amount primarily on a daily basis and the lessees are no longer obligated for certain future repair costs for containers subject to the Plan. It is the Company's policy to recognize these revenues as earned on a daily basis over the related term of its lease. The Company has not recognized revenue and related expense for customers who are billed at the end of the lease term under the Plan or for other lessees who do not participate in the Plan. Based on past history, there is uncertainty as to collectibility of these amounts from lessees who are billed at the end of the lease term because the amounts due under the Plan are typically re-negotiated at the end of the lease term or the lease term is extended.

On September 8, 2006, the FASB posted the Staff Position (FSP), *Accounting for Planned Major Maintenance Activities* . The FSP amends certain provisions in the AICPA Industry Audit Guide, Audits of Airlines, and APB Opinion No. 28, *Interim Financial Reporting*. FSP AUG AIR-1 prohibits the use of the accrue-in-advance method of accounting for planned major maintenance activities in annual and interim financial statements.

For containers not subject to a DPP and for containers where DPP is billed upon drop off, we previously accrued for repairs once we had made the decision to repair the container, which is made in advance of us incurring the repair obligations, however the accruals have typically been insignificant. For containers covered by per diem DPP, the Company historically accounted for periodic maintenance and repairs on an accrual basis.

The Company adopted FSP AUG AIR-1 effective January 1, 2007. Accordingly, we have retroactively adjusted all financial statements presented to reflect the direct expense method of accounting for maintenance, a method permitted under this Staff Position. The effects of adopting this standard on the financial statements for the six months ended June 30, 2007 and 2006 (both unaudited) were not material.

(h) Concentrations

Although substantially all of the Company's income from operations is derived from assets employed in foreign concentrations, virtually all of this income is denominated in U.S. dollars. The Company does pay some of its expenses in various foreign currencies. For the six months ended June 30, 2007 and 2006, $7,051 or 38% and $6,429 or 41%, respectively, of the Company's direct container expenses were paid in 15 different foreign currencies. The Company does not hedge these container expenses as there are no significant payments made in any one foreign currency and the Company's contract with the U.S. military contains a provision to protect it from fluctuations in exchange rates for payments made in foreign currencies.

The Company's customers are international shipping lines, which transport goods on international trade routes. Once the containers are on hire with a lessee, the Company does not track their location. The domicile of the lessee is not indicative of where the lessee is transporting the containers. The Company's business risk in its foreign concentrations lies with the creditworthiness of the lessees rather than the geographic location of the containers or the domicile of the lessees. For the six months ended June 30, 2007 and 2006, revenue from one lessee amounted to $10,278 or 11% and $10,021 or 11%, respectively, of the Company's lease rental income. Accounts receivable from one lessee accounted for $5,564 or 12% of the Company's accounts receivable, net at June 30, 2007. No single lessee accounted for more than 10% of the accounts receivable, net as of December 31, 2006.

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(i) Derivative Instruments

The Company has entered into various interest rate cap and swap agreements to mitigate its exposure associated with its variable rate debt. The swap agreements involve payments by the Company to counterparties at fixed rates in return for receipts based upon variable rates indexed to the London Inter Bank Offered Rate (LIBOR). The differentials between the fixed and variable rate payments under these agreements are recognized in realized and unrealized gains (losses) on derivative instruments, net in the consolidated statement of income.

As of the balance sheet dates, none of the derivative instruments the Company has entered into qualify for hedge accounting in accordance with Statement of Financial Accounting Standard No. 133, *Accounting for Derivative Instruments and Hedging Activities* , as amended (SFAS 133). The fair value of the derivative instruments is measured at each balance sheet date and the change in fair value is recorded in the consolidated statements of income as realized and unrealized gains (losses) on derivative instruments, net.

The Company's interest rate swap agreements have expiration dates between September 2007 and December 2010. The cumulative fair value of these agreements were assets of $3,770 and $3,992 as of June 30, 2007 and December 31, 2006, respectively.

The Company's interest rate cap agreements have expiration dates between August 2007 and November 2015.

(j) Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management evaluates its estimates on an ongoing basis, including those related to the container rental equipment, accounts receivable, and accruals.

These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities. Actual results could differ from those estimates under different assumptions or conditions.

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(k) Net income per share

Basic net income per share is computed by dividing net income by the weighted average number of shares outstanding during the period. Diluted income per share reflects the potential dilution that could occur if all outstanding share options were exercised or converted into common shares. For the six months ended June 30, 2007 and 2006, all share options to acquire common shares were dilutive. A reconciliation of the numerator and denominator of basic EPS with that of diluted EPS is presented as follows:

	Six months ended June 30,	
	2007	2006
Numerator		
Net income — basic and diluted EPS	$ 33,314	$ 25,265
Denominator (in thousands)		
Weighted average common shares outstanding — basic	38,494	38,136
Dilutive stock options	80	344
Weighted average common shares outstanding — diluted	38,574	38,480
Earnings per common share		
Basic	$ 0.87	$ 0.66
Diluted	$ 0.86	$ 0.66

(l) Recently Issued Accounting Standards

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). The purpose of SFAS 157 is to define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. The measurement and disclosure requirements are effective for periods beginning after November 15, 2007. We are currently evaluating the effect that the adoption of SFAS 157 will have on our financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115.* Under this pronouncement, companies may elect to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reporting earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. However, SFAS No. 159 specifically includes financial assets and financial liabilities recognized under leases (as defined in SFAS No. 13, *Accounting for Leases*), as among those items not eligible for the fair value measurement option except contingent obligations for cancelled leases and guarantees of third-party lease obligations. This statement is effective for fiscal years that begin after November 15, 2007. We do not expect the adoption of SFAS No. 159 to have a material effect on our consolidated financial position or results of operations.

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(3) Transactions with Affiliates and Owners

Amounts due from affiliates, net generally result from cash advances and the payment of affiliated companies' administrative expenses by the Company on behalf of such affiliates. Balances are generally paid within 30 days.

Management fees, including acquisition fees and sales commissions for the six months ended June 30, 2007 and 2006 were as follows:

	Six months ended June 30,	
	2007	2006
Fees from affiliated Owners	$ 3,258	$2,637
Fees from unaffiliated Owners	6,031	3,109
Fees from Owners	9,289	5,746
Other fees	852	828
Total management fees	$10,141	$6,574

Due to Owners, net represents lease rentals collected on behalf of and payable to Owners, net of direct expenses and management fees receivable. Due to Owners, net at June 30, 2007 and December 31, 2006 consisted of the following:

	2007	2006
Affiliated Owner	$ 798	$ 765
Unaffiliated Owners	5,589	5,805
Total to Owners, net	$ 6,387	$6,570

(4) Revolving Credit Facility, Bonds Payable and Secured Debt Facility, and Derivative Instruments

Revolving Credit Facility

The Company has a credit agreement, as amended on January 31, 2007 (Credit Agreement), with a group of banks (Bank Group) to provide a revolving credit facility (Credit Facility) in the amount of $75 million. The Credit Agreement also provides a $25 million letter of Credit Facility included within the $75 million commitment. This Credit Facility provides for payments of interest only during its term beginning on its inception date through January 31, 2009 (Conversion Date), with a provision for the Credit Facility to convert to a two-year fully amortizing note payable after the Conversion Date. Principal amortization will be on a quarterly basis, beginning on the last day of the first calendar quarter of the Conversion Date. Given the existing Conversion Date of January 31, 2009, principal amortization would begin on March 31, 2009. Interest on the outstanding amount due under this Credit Facility at June 30, 2007 can be based either on the U.S. prime rate or LIBOR plus 1.50%. Total outstanding principal under the Credit Facility was $16 million and $0 as of June 30, 2007 and December 31, 2006, respectively. The Company had no outstanding letters of credit as of June 30, 2007 and one outstanding $3,812 letter of credit as of and December 31, 2006.

Although the Credit Facility is not secured by the Company's containers, under the terms of the Credit Facility the total outstanding principal of all the Company's debt may not exceed the lesser of the

commitment amount or a formula based on the Company's net book value of containers and outstanding debt. The Credit Facility Maximum was $75 million and $45 million as of June 30, 2007 and December 31, 2006.

TGH acts as a guarantor of this Credit Facility. The Credit Facility contains restrictive covenants regarding limitations on certain obligations, investments, and leverage. In addition, the Credit Facility contains certain restrictive covenants on TGH net worth, leverage, debt service, and interest coverage. The Company is in compliance with all such covenants at June 30, 2007. There is a commitment fee of 0.25% on the unused portion of the Credit Facility, which is payable in arrears. In addition, there is an agent's fee of 0.125% on the commitment amount, which is payable quarterly in advance.

Bonds Payable and Secured Debt Facility

In 2005, the Company issued $580 million in variable rate amortizing bonds (2005-1 Bonds) to institutional investors. The $580 million in 2005-1 Bonds represent fully amortizing notes payable on a straight-line basis over a scheduled payment term of 10 years, but not to exceed the maximum payment term of 15 years. Under a 10-year amortization schedule, $58 million in 2005-1 Bond principal will amortize per year. Under the terms of the 2005-1 Bonds, both principal and interest incurred are payable monthly. The Company is not permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2005-1 Bonds prior to the payment date occurring in June 2008. Ultimate payment of the 2005-1 Bond principal has been insured by Ambac Assurance Corporation and the cost, 0.275% on the outstanding principal balance, of this insurance coverage is recognized as incurred on a monthly basis.

The interest rate for the outstanding principal balance of the 2005-1 Bonds equals one-month LIBOR plus 0.25%. The target final payment date and legal final payment date are May 15, 2015 and May 15, 2020, respectively.

The Company's primary ongoing container financing requirements are funded by the Secured Debt Facility. The Secured Debt Facility provided a total commitment in the amount of $300 million as of June 30, 2007. The Secured Debt Facility provides for payments of interest only during the period from its inception until its Conversion Date as defined within the Securitization Agreement, with a provision for the Secured Debt Facility to then convert to a 10-year, but not to exceed the maximum term of 15-year, fully amortizing note payable on the Conversion Date. Under the Secured Debt Facility terms of the Securitization Agreement, as amended on June 8, 2006, the Conversion Date is defined as June 6, 2008. Given a Conversion Date of June 6, 2008, first principal payment would be on July 15, 2008. Interest on the outstanding amount due under this Secured Debt Facility, both prior and subsequent to the Conversion Date, equals LIBOR plus 0.32%. There is a commitment fee of 0.10% on the unused portion of the Secured Debt Facility, which is payable in arrears. Effective on June 8, 2006, ultimate payment of the Secured Debt Facility principal has been insured by Ambac Assurance Corporation. The cost, 0.26% on the outstanding principal balance plus 0.09% on the unused portion of the Secured Debt Facility, of this insurance coverage is recognized as incurred on a monthly basis.

Under the terms of the 2005-1 Bonds and Secured Debt Facility, the total outstanding principal of these two programs may not exceed an amount (Asset Base) which is calculated by a formula based on TMCL's book value of equipment, restricted cash and direct finance leases. The total obligations under the 2005-1 Bonds and the Secured Debt Facility are collateralized by a pledge of the securitization entity's assets. TMCL's total assets amounted to $902,572 as of June 30, 2007. The 2005-1 Bonds and the Secured Debt Facility also contain restrictive covenants regarding the average age of the securitization entity's container

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fleet, certain earnings ratios, ability to incur other obligations and to distribute earnings, TGH's container management subsidiary net income and debt levels, and overall Asset Base minimums, in which the securitization entity and TGH's container management subsidiary were in compliance at June 30, 2007.

The following represents the Company's debt obligations as of June 30, 2007 and December 31, 2006:

Revolving Credit Facility; Bonds Payable and Secured Debt Facility	2007	2006
Revolving Credit Facility, weighted average interest at 7.43% at June 30, 2007	$ 16,000	$ —
2005-1 Bonds, interest at 5.57% and 5.60%, at June 30, 2007 and December 31, 2006, respectively	459,167	488,167
Secured Debt Facility, weighted average interest at 5.65% and 5.67%, at June 30, 2007 and December 31, 2006, respectively	92,000	53,000
Total debt obligations	$567,167	$541,167
Amount due within one year	$ 58,000	$ 58,000
Total due beyond one year	$ 509,167	$ 483,167

The following is a schedule by year, of future scheduled repayments, as of June 30, 2007:

Twelve months ending June 30:	Revolving Credit Facility	Secured Debt Facility	2005-1 Bonds
2008	$ —	$ —	$ 58,000
2009	2,000	9,200	58,000
2010	4,000	9,200	58,000
2011	10,000	9,200	58,000
2012 and thereafter	—	64,400	227,167
	$16,000	$92,000	$459,167

The future repayments schedule for the Secured Debt Facility is based on the event that the facility is not extended on the Conversion Date of June 6, 2008 and is then converted into a 10 year fully amortizing note payable.

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Derivative Instruments

The Company has entered into several interest rate cap and swap agreements with several banks to reduce the impact of changes in interest rates associated with its bonds payable and Secured Debt Facility. The following is a summary of the Company's derivative instruments as of June 30, 2007:

Derivative instruments	Notional amount
Interest rate cap contracts with several banks which cap one-month LIBOR rates fixed between 8.32% and 8.40% per annum, nonamortizing notional amounts, with termination dates through November 2007	$ 95,000
Interest rate swap contracts with several banks, with one-month LIBOR rates fixed between 3.35% and 5.32% per annum, amortizing notional amounts, with termination dates through December 2010	347,960
Total notional amount as of June 30, 2007	$ 442,960

The Company's interest rate swap agreements had a cumulative fair asset value of $3,770 and $3,992 as of June 30, 2007 and December 31, 2006, respectively. The change in fair value was recorded in the consolidated statement of income as part of realized and unrealized gains (losses) on derivative instruments, net.

Realized and unrealized gains (losses) on derivative instruments, net were comprised of the following for the six months ended June 30, 2007 and 2006, respectively:

	Six months ended June 30,	
	2007	2006
Realized gains on derivative instruments	$ 1,741	$ 992
Unrealized (losses) gains on derivative instruments	(222)	3,615
Realized and unrealized gains on derivative instruments, net	$1,519	$ 4,607

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(5) Segment Information

As described in Note 1, Nature of Business, the Company operates in four reportable segments: container management, container ownership, container resale and military management. The following tables show segment information for the six months ended June 30, 2007 and 2006, reconciled to the Company's income before taxes as shown in its consolidated statements of income:

Six months ended June 30, 2007	Container Management	Container Ownership	Container Resale	Military Management	Other	Eliminations	Totals
Lease rental income	$ —	$ 94,163	$ —	$ 2,486	$ —	$ —	$ 96,649
Management fees	18,060	—	3,440	852	—	(12,211)	10,141
Trading container sales proceeds	—	—	7,162	—	—	—	7,162
Gain on sale of containers, net	(1)	5,612	—	—	—	—	5,611
Other revenue	19	—	—	—	267	—	286
Total revenue	$ 18,078	$ 99,775	$ 10,602	$ 3,338	$ 267	$ (12,211)	$ 119,849
Depreciation expense	$ 290	$ 23,621	$ —	$ 36	$ —	$ (556)	$ 23,391
Interest expense	$ —	$ 17,251	$ —	$ —	$ —	$ —	$ 17,251
Segment income before taxes	$ 8,825	$ 23,882	$ 3,595	$ 1,066	$ 64	$ (1,343)	$ 36,089
Total assets	$ 45,872	$ 1,040,617	$ 4,123	$ 1,885	$ (72,919)	$ (18,977)	$ 1,000,601
Purchases of long-lived assets	$ 279	$ 93,429	$ —	$ 2	$ —	$ —	$ 93,710

Six months ended June 30, 2006	Container Management	Container Ownership	Container Resale	Military Management	Other	Eliminations	Totals
Lease rental income	$ —	$ 87,978	$ —	$ 2,701	$ —	$ —	$ 90,679
Management fees	13,027	—	2,181	828	—	(9,462)	6,574
Trading container sales proceeds	—	—	9,287	—	—	—	9,287
Gain on sale of containers, net	(1)	4,187	—	—	—	—	4,186
Other revenue	37	—	—	—	145	—	182
Total revenue	$ 13,063	$ 92,165	$ 11,468	$ 3,529	$ 145	$ (9,462)	$ 110,908
Depreciation expense	$ 307	$ 29,722	$ —	$ 48	$ —	$ (452)	$ 29,625
Interest expense	$ —	$ 15,385	$ —	$ —	$ —	$ —	$ 15,385
Segment income before taxes	$ 5,143	$ 19,260	$ 2,725	$ 675	$ (6)	$ (471)	$ 27,326
Total assets	$ 35,349	$ 906,189	$ 4,615	$ 2,054	$ (41,042)	$ (18,614)	$ 888,551
Purchases of long-lived assets	$ 9,108	$ 24,057	$ —	$ —	$ —	$ —	$ 33,165

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Amounts reported in the "Other" column represent activity related to management of the Partnership business and a small start-up business that was discontinued and neither is related to the remaining active business segments. Amounts reported in the "Eliminations" column represent inter-segment management fees between the Container Management and Container ownership segments.

Geographic Segment Information

The Company's container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from international carriers when the containers are in use and carrying cargo around the world. Substantially all of the Company's leasing related revenue are denominated in U.S. dollars. As all of the Company's containers are used internationally, where no one container is domiciled in one particular place for a prolonged period of time, all of the Company's long-lived assets are considered to be international with no single country of use.

(6) Commitments and Contingencies

(a) Leases

The Company has entered into several operating leases for office space. Rent expense amounted to $714 and $689 for the six months ended June 30, 2007 and 2006, respectively.

Future minimum lease payment obligations under the Company's noncancelable operating leases at June 30, 2007 (unaudited) were as follows:

	Operating leasing
Twelve months ending June 30:	
2008	$ 1,460
2009	1,526
2010	1,438
2011	1,331
2012 and thereafter	905
Total	$6,660

(b) Restricted Cash

The Company had $18,514 and $21,989 of restricted interest-bearing cash account as additional collateral for the Company's outstanding debt obligations as of June 30, 2007 and December 31, 2006, respectively.

(c) Trading Container Purchase Commitment

The Company entered into an agreement in December 2006 with a shipping line to purchase up to $4,357 of containers to be resold. The agreement expires at the earlier of December 2007 or when all the equipment has been delivered and at June 30, 2007, $2,274 of containers remain to be purchased.

(d) Container Commitments

At June 30, 2007, the Company had placed orders with manufacturers for containers to be delivered subsequent to June 30, 2007 in the total amount of $13,178.

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(e) Legal Proceedings

In 2005 the Company reserved $2.5 million to resolve a dispute with a container manufacturer. The Company paid $1.3 million pursuant to a court order. On November 28, 2006, the Company and its parent company, Trencor Limited, entered into a letter agreement related to a settlement with this container manufacturer and the sale of a South African container manufacturing plant. This container manufacturer owed money to Trencor and had claims against the Company. Pursuant to this letter agreement, the container manufacturer agreed to return the plant to Trencor in lieu of its liabilities and the Company agreed to cover Trencor's losses upon the sale of the plant, up to a limit of $750, in settlement of the container manufacturer's claims against them. The $450 reduction in the reserve was released to income in the fourth quarter of 2006. There was no change in the status or accounting for this dispute in the six months ended June 30, 2007.

On August 23, 2007, Trencor entered into a sale agreement with a third party to sell the plant for an amount that would not result in any loss being recorded. This sale is subject to certain conditions being satisfied and the Company will reduce its reserve at such time as the conditions have been satisfied and the funds have been received from the buyer of the plant.

(f) Legal Proceedings on the Sale of the Partnerships' Assets

On April 18, 2005, the Partnerships sold substantially all of their assets to RFH, Ltd. (RFH). As part of this sale transaction, RFH engaged the Company, one of the general partners, to manage the containers RFH bought.

Five lawsuits were filed between March 2005 and March 2007 in state and federal court, initiated by certain limited partners. The limited partners in the state and federal actions allege that the Company breached its fiduciary duty by engaging in self-dealing and conflicted transactions in entering into the Asset Sale. In the federal case, there is an additional allegation that the Company violated federal securities laws because proxy statements issued in connection with the sale of assets were materially false or misleading. The lawsuits seek certain remedies from the Partnership and the Company. On January 10, 2007, the federal case was dismissed, with prejudice, and has since been timely appealed. Discovery is ongoing in the state case. While it is not possible to predict or determine the outcome of these lawsuits, the Company believes that these lawsuits are without merit. The Company intends to vigorously defend against the lawsuits.

(7) Subsequent Event

On July 23, 2007, the Company purchased for $56.0 million the exclusive rights to manage the container fleet of Capital Lease Limited, Hong Kong ("Capital") from Green Eagle Investments N.V., an investment vehicle of DVB Bank America N.V., which had concurrently purchased all of the outstanding capital shares of Capital. The Company began managing the Capital fleet on September 1, 2007.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I - CONDENSED BALANCE SHEETS
December 31, 2006 and 2005
(Parent Company Information - See Notes to Consolidated Financial Statements)
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	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	$ 815	$ 100
Prepaid expenses	81	88
Total current assets	896	188
Investments in affiliates	295,650	230,697
Total assets	$296,546	$ 230,885
Liabilities and Shareholders' Equity		
Current liabilities:		
Due to affiliates, net	$ 55,149	$ 19,327
Accrued expenses	103	7
Total current liabilities	55,252	19,334
Shareholders' equity:		
Common shares	383	381
Additional paid-in capital	24,093	23,706
Notes receivable from shareholders	(1,180)	(1,299)
Accumulated other comprehensive income	380	30
Retained earnings	217,618	188,733
Total shareholders' equity	241,294	211,551
Total liabilities and shareholders' equity	$296,546	$ 230,885

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I - CONDENSED STATEMENTS OF INCOME
Years Ended December 31, 2006, 2005 and 2004
(Parent Company Information - See Notes to Consolidated Financial Statements)
(All currency expressed in United States dollars in thousands)

	2006	2005	2004
Operating expenses:			
General and administrative expense	$ 348	$ 363	$ 364
Total operating expenses	348	363	364
Loss from operations	(348)	(363)	(364)
Other income (expense):			
Equity in net income of subsidiaries	56,501	63,192	53,900
Interest income	106	150	98
Other income (expense)	22	—	(40)
Net other income	56,629	63,342	53,958
Net income	$ 56,281	$62,979	$ 53,594

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SCHEDULE I - CONDENSED STATEMENTS OF CASH FLOWS
Years ended December 31, 2006, 2005 and 2004
(Parent Company Information - See Notes to Consolidated Financial Statements)
(All currency expressed in United States dollars in thousands)

	2006	2005	2004
Cash flows from operating activities:			
Net income	$ 56,281	$ 62,979	$ 53,594
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of subsidiaries	(56,501)	(63,192)	(53,900)
Share option plan expense	285	1,391	—
Decrease (increase) in:			
Prepaid expenses	7	17	(25)
Increase (decrease) in:			
Accrued expenses	(383)	(464)	625
Total adjustments	(56,592)	(62,248)	(53,300)
Net cash (used in) provided by operating activities	(311)	731	294
Cash flows from investing activities:			
Increase in investments in affiliates, net	(19,252)	(11,412)	(9,209)
Distributions received from subsidiaries	10,800	21,500	25,500
Net cash (used in) provided by investing activities	(8,452)	10,088	16,291
Cash flows from financing activities:			
Issuance of common shares	56	466	296
Repayments of notes receivable from shareholders	658	755	461
Retirement of common shares	(97)	(1,782)	(3)
Dividends paid	(27,311)	(26,762)	(20,913)
Due to affiliates, net	35,822	16,304	3,827
Net cash used in financing activities	9,128	(11,019)	(16,332)
Net increase (decrease) in cash and cash equivalents	365	(200)	253
Effect of exchange rate changes	350	(233)	250
Cash and cash equivalents, beginning of the year	100	533	30
Cash and cash equivalents, end of the year	$ 815	$ 100	$ 533

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Schedule II - Valuation Accounts
Years ended December 31, 2006, 2005 and 2004 and Six months ended June 30, 2007 (unaudited)
(All currency expressed in United States dollars in thousands)

	Balance at Beginning of Period	Additions Charged to Expense	Additions/ (Deductions)	Balance at End of Period
December 31, 2004				
Accounts receivable, allowance for doubtful accounts	$ 2,247	$ 868	$ 1,223	$ 4,338
December 31, 2005				
Accounts receivable, allowance for doubtful accounts	$ 4,338	$ 91	$ (2,230)	$2,199
December 31, 2006				
Accounts receivable, allowance for doubtful accounts	$2,199	$ 664	$ (543)	$ 2,320
June 30, 2007 (unaudited)				
Accounts receivable, allowance for doubtful accounts	$ 2,320	$ 996	$ (312)	$ 3,004


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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Other Expenses of Issuance and Distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of the common shares being registered. All amounts shown are estimates except for the SEC registration fee, the NASD filing fee and the NYSE filing fee.

	Amount to be Paid
SEC registration fee	$ 6,355
NASD filing fee	21,200
NYSE filing fee	150,000
Printing and engraving expenses	150,000
Legal fees and expenses	1,000,000
Accounting fees and expenses	1,000,000
Transfer agent and registrar fees and expenses	20,000
Miscellaneous expenses	100,000
Total	$ 2,447,555

Item 6. Indemnification of Directors and Officers.

Indemnification by Textainer Group Holdings Limited and Bermuda Subsidiaries

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceeding, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Companies Act.

We have adopted provisions in our bye-laws and the bye-laws of our Bermuda subsidiaries that provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. Our bye-laws provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the company's directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98 of the Companies Act permits us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We have purchased and maintain a directors' and officers' liability policy for such a purpose.

Indemnification by Textainer Equipment Management (U.S.) Limited

Our wholly-owned subsidiary, Textainer Equipment Management (U.S.) Limited, is incorporated under the laws of the State of Delaware. All of our executive officers are also executive officers of Textainer Equipment Management (U.S.) Limited, and two of our executive officers serve as its sole directors.

Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any persons who are, or are threatened to be made, parties to any threatened, pending or completed action, suit or

proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was an officer, director, employee or agent of such corporation, or is or was serving at the request of such person as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses which such officer or director has actually and reasonably incurred.

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its shareholders.

The certificate of incorporation and bylaws of Textainer Equipment Management (U.S.) Limited provide for the indemnification of its directors and officers to the fullest extent permitted under the Delaware General Corporation Law. Expenses incurred by any officer or director of Textainer Equipment Management (U.S.) Limited in defending any such action, suit or proceeding in advance of its final disposition shall be paid by Textainer Equipment Management (U.S.) Limited upon delivery to it, if required under Delaware General Corporation Law, of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by us.

Indemnification Agreements

We have entered into, or expect to enter into immediately prior to the effectiveness of this offering, indemnification agreements with each of our directors and senior management to give such directors and officers, as well as their immediate family members, additional contractual assurances regarding the scope of indemnification set forth in our bye-laws and the organizational documents of our subsidiaries, and to provide additional procedural protections which may, in some cases, be broader than the specific indemnification provisions contained in those documents. The indemnification agreements may require us, among other things, to indemnify such directors and officers, as well as their immediate family members, against liabilities that may arise by reason of the status or service as directors or officers and to advance expenses as a result of any proceeding against them as to which they could be indemnified.

Item 7. Recent Sales of Unregistered Securities.

Since June 30, 2004, we issued the following securities without registration under the Securities Act:

- From June 30, 2004 to December 31, 2004, we issued 40,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 2001 Amended

and Restated Stock Option Plan (the "2001 Plan") at an exercise price of $2.81 per share and 80,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the Amended and Restated 1997 Nonqualified Stock Option Plan (the "1997 Plan") at an exercise price of $2.17 per share, for total proceeds to us of $285,600.

- In 2005, we issued 170,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 2001 Plan at an exercise price of $2.81 per share and 80,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 1997 Plan at an exercise price of $2.17 per share, for total proceeds to us of $650,900.
- In 2006, we issued 150,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 2001 Plan at an exercise price of $2.81 per share and 80,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 1997 Plan at an exercise price of $2.17 per share, for total proceeds to us of $594,700.
- From January 1, 2007 through June 30, 2007, we issued 250,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 2001 Plan at an exercise price of $2.81 per share and 80,000 common shares in connection with the exercise of options to purchase our common shares previously granted pursuant to the 1997 Plan at an exercise price of $2.17 per share, for total proceeds to us of $875,700.

The offers, sales and issuances of the securities described in paragraphs above are deemed to be exempt from registration under the Securities Act in reliance on Rule 701 because the transactions were under compensatory benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of such securities were our or our subsidiaries' employees, directors or bona fide consultants and received the securities under our 1997 Plan and 2001 Plan. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

Item 8. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Document
1.1†	Form of Underwriting Agreement
3.1	Memorandum of Association of Textainer Group Holdings Limited
3.2	Bye-laws of Textainer Group Holdings Limited
4.1	Form of Common Share Certificate
5.1†	Form of Legal Opinion of Conyers Dill & Pearman, Hamilton, Bermuda
10.1	Office Lease, dated August 8, 2001, by and between Pivotal 650 California St., LLA, and Textainer Equipment Management (U.S.) Limited
10.2*	Employment Agreement dated as of January 1, 2007 by and between Textainer Equipment Management (U.S.) Limited and John A. Maccarone
10.3*	Employment Agreement dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Ernest J. Furtado
10.4*	Employment Agreement dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Philip K. Brewer
10.5*	Employment Agreement dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Robert D. Pedersen
10.6*	2007 Short-Term Incentive Plan effective January 1, 2007
10.7*	2007 Share Incentive Plan
10.8*	2008 Bonus Plan
10.9*	Form of Indemnification Agreement
10.10	Second Amended and Restated Indenture, dated as of May 26, 2005
10.11	Amendment Number 1 dated as of June 3, 2005 to Second Amended and Restated Indenture dated as of May 26, 2005
10.12	Amendment Number 2 dated as of June 8, 2006 to Second Amended and Restated Indenture dated as of May 26, 2005
10.13	Textainer Marine Containers Limited Second Amended and Restated Series 2000-1 Supplement dated as of June 8, 2006
10.14	Textainer Marine Containers Limited Series 2005-1 Supplement dated as of May 26, 2005
10.15†	Third Amended and Restated Credit Agreement dated as of January 31, 2007
10.16	Letter Agreement dated November 28, 2006 by and between Trencor Containers (Proprietary) Limited and Textainer Limited and Textainer Equipment Management Limited
10.17**	Fourth Amended and Restated Equipment Management Services Agreement, dated as of June 1, 2002, by and between Textainer Equipment Management Limited and Leased Assets Pool Company Limited
10.18	Amendment to Fourth Amended and Restated Equipment Management Services Agreement, dated as of September 12, 2007, by and between Textainer Equipment Management Limited and Leased Asset Pool Company Limited.
10.19**	Container Management Services Agreement (revised), dated as of September 1, 1990, by and between Isam K. Kabbani and Textainer Equipment Management N.V., as amended.

Exhibit Number	Description of Document
10.20	Form of Management Services Agreement, dated July 23, 2007, by and between Green Eagle Investments N.V., and Textainer Equipment Management Limited, for the management of the container fleet of Capital Lease Limited.
21.1	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP
23.2†	Consent of Conyers Dill & Pearman, Hamilton, Bermuda
24.1	Power of Attorney (included in signature page to this Registration Statement).

† To be filed by amendment.

* Indicates management contract or compensatory plan.

** Confidential treatment requested for certain portions of this exhibit, which portions are omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules.

Schedule I—Parent Company Information

Schedule II—Valuation Accounts

Item 9. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

For the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the registrant undertakes that in a primary offering of securities of the registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

1. any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
2. any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
3. the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
4. any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on the 25th day of September 2007.

Textainer Group Holdings Limited

By: /S/ JOHN A. MACCARONE

John A. Maccarone
Chief Executive Officer

KNOW ALL BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints John A. Maccarone and Ernest Furtado, and each of them, as his true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him and in his name, place or stead, in any and all capacities, to sign any and all amendments to this Registration Statement (including post-effective amendments), and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective upon filing pursuant to Rule 462 promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with exhibits thereto and other documents in connection therewith, with the SEC and/or with the Registrar of Companies in Bermuda, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John A. Maccarone **John A. Maccarone**	Chief Executive Officer, President and Member of the Board of Directors (*Principal Executive Officer)*	September 25, 2007
/s/ Ernest Furtado **Ernest Furtado**	Senior Vice President, Chief Financial Officer and Secretary *(Principal Financial and Accounting Officer)*	September 24, 2007
/s/ Neil I. Jowell **Neil I. Jowell**	Chairman of the Board of Directors	September 25, 2007
/s/ Dudley R. Cottingham **Dudley R. Cottingham**	Member of the Board of Directors	September 24, 2007
/s/ James E. Hoelter **James E. Hoelter**	Member of the Board of Directors	September 24, 2007
/s/ Cecil Jowell **Cecil Jowell**	Member of the Board of Directors	September 25, 2007
/s/ Isam K. Kabbani **Isam K. Kabbani**	Member of the Board of Directors	September 25, 2007

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Signature	Title	Date
/s/ James E. McQueen **James E. McQueen**	Member of the Board of Directors	September 25, 2007
/s/ David M. Nurek **David M. Nurek**	Member of the Board of Directors	September 23, 2007
/s/ James A. Owens **James A. Owens**	Member of the Board of Directors	September 25, 2007
/s/ Hyman Shwiel **Hyman Shwiel**	Member of the Board of Directors	September 25, 2007
/s/ Hendrik R. van der Merwe **Hendrik R. van der Merwe**	Member of the Board of Directors	September 25, 2007
/s/ Ernest Furtado **Ernest Furtado**	Authorized Representative in the U.S.	September 24, 2007

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23.1	Consent of KPMG LLP
23.2†	Consent of Conyers Dill & Pearman, Hamilton, Bermuda
24.1	Power of Attorney (included in signature page to this Registration Statement).

† To be filed by amendment.
* Indicates management contract or compensatory plan.
** Confidential treatment requested for certain portions of this exhibit, which portions are omitted and filed separately with the Securities and Exchange Commission.

Exhibit 3.1

BERMUDA

THE COMPANIES ACT 1981

MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES
(Section 7(1) and (2))

MEMORANDUM OF ASSOCIATION

OF

TEXTAINER GROUP HOLDINGS LIMITED
(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

NAME ADDRESS	BERMUDIAN STATUS	NATIONALITY	NUMBER OF SHARES SUBSCRIBED
MICHAEL JOSEPH MELLO [ADDRESS OMITTED]	Yes	British	1
DAVID WILLIAM PETER COOKE [ADDRESS OMITTED]	Yes	British	1
SHELLEY RENEE HARVEY [ADDRESS OMITTED]	Yes	British	1

do hereby respectively agree to take such number of shares as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be an exempted Company as defined by the Companies Act 1981.

4. The Company shall not have power to hold land situated in Bermuda.

5. The authorised share capital of the Company is US$600,000.00 divided into shares of $0.01 each. The minimum subscribed share capital of the Company is US$186,708.04.

6. The objects for which the Company is formed and incorporated are -

(1) To act and to perform all the functions of a holding company in all its branches and to coordinate and manage the policy, administration, planning, research, trading and any and all other activities of, and to act as technical and financial advisors and provide financing to:

(a) any company which is in any manner controlled directly or indirectly by the Company or which is a holding company, affiliated company or subsidiary of the Company, as such relationships are defined by Section 86 of the Companies Act 1981, (hereinafter called a "Related Company");

(b) any group of companies of which the Company or any Related Company is a member; and

(c) any company, partnership, entity or person incorporated, formed, established, operating or resident outside Bermuda

(together hereinafter called "Approved Persons").

(2) To act and to perform all the functions of an investment company on its own behalf and on behalf of any Approved Persons and for that purpose to acquire and hold upon any terms and either in the name of the Company or that of a nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities issued or guaranteed by any company or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called upon or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and generally to manage, develop, sell or dispose of the same, and to invest and deal with the moneys of the Company and any Approved Persons upon such securities and in such manner as may be from time to time determined.

(3) To purchase, own, manage, operate, lease and sell any equipment used in the transportation industry including, without limitation, dry cargo containers, refridgerated containers, open-top containers, tank containers, bulk containers, flat-rack containers, storage containers, container chassis, other special purpose

containers, railroad rolling stock, cranes, marine vessels, straddle carriers and other container-related equipment (including tractors, trailors, forklifts and other types of handling equipment), and to engage in any and all general business activities related and incidental thereto.

(4) To carry on the business of manufacturers, dealers, importers and exporters of goods and property of all types, whether as principal or agent.

(5) To participate and acquire any interests in other enterprises, partnerships and companies including, without limitation, acting as a general partner and/or a managing general partner in any limited partnerships, and to coordinate and manage any activities of any such enterprises, partnerships and companies.

(6) As set forth in Paragraphs (b) to (n) and (p) to (u) inclusive of the Second Schedule of the Companies Act 1981.

7. The Company shall have the additional powers set out below:

(a) To borrow and raise money in any currency or currencies and to secure or discharge any debt or obligation in any matter and in particular by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.

(b) To accept, draw, make, create, issue, execute, discount, endorse, negotiate bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.

(c) To sell, exchange, mortgage, charge, let or rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular for any securities.

(d) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.

(e) To grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish

or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments toward insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its members, and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly to further the interests of the Company or of its members or for any national, charitable, benevolent, educational, social, public, general or useful object.

(f) To issue preference shares redeemable at the option of the holder pursuant to Section 42 of the Companies Act 1981.

(g) To purchase its own shares, pursuant to Section 42A of the Companies Act 1981.

8. Interpretation

In this Memorandum unless there be something in the context inconsistent therewith

(i) the word "company" shall (except where referring to the Company) include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, resident or domiciled in Bermuda or elsewhere;

(ii) "securities" shall include any fully, partly or nil paid or no par value share, stock, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation;

(iii) "and" and "or" shall mean "and/or";

(iv) the words "other" and "otherwise" shall not be construed *ejusdem generis* with any foregoing words where a wide construction is possible and the words "including" and "in particular" shall be construed as being by way of illustration or emphasis only and shall not limit or prejudice the generality of any foregoing words.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof -

/s/ Michael J. Mello	/s/ Charnita Howes
MICHAEL J. MELLO	
/s/ David W.P. Cooke	/s/ Charnita Howes
DAVID W.P. COOKE	
/s/ Shelley R. Harvey	/s/ Charnita Howes
SHELLEY R. HARVEY	
(Subscribers)	(Witnesses)

SUBSCRIBED this 17th day of November, 1993.

THE COMPANIES ACT 1981

(Section 11(2))

A company limited by shares may amongst its objects by reference include in its memorandum any of the objects set out in the Second Schedule.

SECOND SCHEDULE

A company may by reference include in its memorandum any of the following objects that is to say the business of -

(a) packaging of goods of all kinds;

(b) buying, selling and dealing in goods of all kinds;

(c) designing and manufacturing of goods of all kinds;

(d) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;

(e) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;

(f) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;

(g) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;

(h) ships and aircraft owners, managers, operators, agents, builders and repairers;

(i) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;

(j) travel agents, freight contractors and forwarding agents;

(k) dock owners, wharfingers, warehousemen;

(l) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;

(m) all forms of engineering;

(n) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;

(o) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;

(p) buying, selling, hiring, letting and dealing in conveyances of any sort; and

(q) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, directors, engineers and experts or specialists of any kind.

(r) to acquire by purchase or otherwise and hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated.

(s) to enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence.

Exhibit 3.2

BYE-LAWS OF

TEXTAINER GROUP HOLDINGS LIMITED

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INTERPRETATION

1. Definitions

1.1 In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

Act	the Companies Act 1981 as amended from time to time;
Alternate Director	an alternate director appointed in accordance with these Bye-laws;
Auditor	includes an individual or partnership;
Board	the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Act and these Bye-laws or the directors present at a meeting of directors at which there is a quorum;
Company	the company for which these Bye-laws are approved and confirmed;
Director	a director of the Company and shall include an Alternate Director;
Group	the Company and every company and other entity which is for the time being controlled by or under common control with the Company (for these purposes, "control" means the power to direct management or policies of the person in question, whether by means of an ownership interest or otherwise);
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in

	the Register of Members as one of such joint holders or all of such persons, as the context so requires;
notice	written notice as further provided in these Bye-laws unless otherwise specifically stated;
Officer	any person appointed by the Board to hold an office in the Company;
Register of Directors and Officers	the register of directors and officers referred to in these Bye-laws;
Register of Members	the register of members referred to in these Bye-laws;
Resident Representative	any person appointed to act as resident representative and includes any deputy or assistant resident representative;
Secretary	the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary; and
Treasury Share	a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

1.2 In these Bye-laws, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) the words:

(i) "may" shall be construed as permissive; and

(ii) "shall" shall be construed as imperative; and

(e) unless otherwise provided herein, words or expressions defined in the Act shall bear the same meaning in these Bye-laws.

1.3 In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

1.4 Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

SHARES

2. Power to Issue Shares

2.1 Subject to these Bye-laws and to any resolution of the Members to the contrary, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine.

2.2 Without limitation to the provisions of Bye-law 4, subject to the Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion).

3. Power of the Company to Purchase its Shares

3.1 The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit.

3.2 The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Act.

4. Rights Attaching to Shares

4.1 At the date these Bye-laws are adopted, the share capital of the Company is divided into two classes: (i) 140,000,000 common shares of par value $0.01 each (the "Common Shares") and (ii) 10,000,000 preference shares of par value $0.01 each (the "Preference Shares").

4.2 The holders of Common Shares shall, subject to these Bye-laws (including, without limitation, the rights attaching to Preference Shares):

(a) be entitled to one vote per share;

(b) be entitled to such dividends as the Board may from time to time declare;

(c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to share equally and ratably in the Company's assets, if any, remaining after the payment of all of the Company's debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares; and

(d) generally be entitled to enjoy all of the rights attaching to shares.

4.3 The Board is authorised to provide for the issuance of the Preference Shares in one or more series, and to establish from time to time the number of shares to be included in each such series, and to fix the terms, including designation, powers, preferences, rights, qualifications, limitations and restrictions of the shares of each such series (and, for the avoidance of doubt, such matters and the issuance of such Preference Shares shall not be deemed to vary the rights attached to the Common Shares or, subject to the terms of any other series of Preference Shares, to vary the rights attached to any other series of Preference Shares). The authority of the Board with respect to each series shall include, but not be limited to, determination of the following:

(a) the number of shares constituting that series and the distinctive designation of that series;

(b) the dividend rate on the shares of that series, whether dividends shall be cumulative and, if so, from which date or dates, and the relative rights of priority, if any, of the payment of dividends on shares of that series;

(c) whether that series shall have voting rights, in addition to the voting rights provided by law, and if so, the terms of such voting rights;

(d) whether that series shall have conversion or exchange privileges (including, without limitation, conversion into Common Shares), and, if so, the terms and conditions of such conversion or exchange, including provision for adjustment of the conversion or exchange rate in such events as the Board shall determine;

(e) whether or not the shares of that series shall be redeemable or repurchaseable, and, if so, the terms and conditions of such redemption or repurchase, including the manner of selecting shares for redemption or repurchase if less than all shares are to be redeemed or repurchased, the date or dates upon or after which they shall be redeemable or repurchaseable, and the amount per share payable in case of redemption or repurchase, which amount may vary under different conditions and at different redemption or repurchase dates;

(f) whether that series shall have a sinking fund for the redemption or repurchase of shares of that series, and, if so, the terms and amount of such sinking fund;

(g) the right of the shares of that series to the benefit of conditions and restrictions upon the creation of indebtedness of the Company or any subsidiary, upon the issue of any additional shares (including additional shares of such series or any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Company or any subsidiary of any issued shares of the Company;

(h) the rights of the shares of that series in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company, and the relative rights of priority, if any, of payment in respect of shares of that series; and

(i) any other relative participating, optional or other special rights, qualifications, limitations or restrictions of that series.

4.4 Any Preference Shares of any series which have been redeemed (whether through the operation of a sinking fund or otherwise) or which, if convertible or exchangeable, have been converted into or exchanged for shares of any other class or classes shall have the status of authorised and unissued Preference Shares of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preference Shares to be created by resolution or resolutions of the Board or as part of any other series of Preference Shares, all subject to the conditions and the restrictions on issuance set forth in the resolution or resolutions adopted by the Board providing for the issue of any series of Preference Shares.

4.5 At the discretion of the Board, whether or not in connection with the issuance and sale of any shares or other securities of the Company, the Company may issue securities, contracts, warrants or other instruments evidencing any shares, option rights, securities having conversion or option rights, or obligations on such terms, conditions and other provisions as are fixed by the Board, including, without limiting the generality of this authority, conditions that preclude or limit any person or persons owning or offering to acquire a specified number or percentage of the issued Common Shares, other shares, option rights, securities having conversion or option rights, or obligations of the Company or transferee of the person or persons from exercising, converting, transferring or receiving the shares, option rights, securities having conversion or option rights, or obligations.

4.6 All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

5. Calls on Shares

5.1 The Board may make such calls as it thinks fit upon the Members in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Members (and not made payable at fixed times by the terms and conditions of issue) and, if a call is not paid on or before the day appointed for payment thereof, the Member may at the discretion of the Board be liable to pay the Company

interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

5.2 Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to forfeiture, payment of interest, costs and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a duly made and notified call.

5.3 The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

5.4 The Company may accept from any Member the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up or become payable.

6. Prohibition on Financial Assistance

The Company shall not give, whether directly or indirectly, whether by means of loan, guarantee, provision of security or otherwise, any financial assistance for the purpose of the acquisition or proposed acquisition by any person of any shares in the Company, but nothing in this Bye-law shall prohibit transactions permitted under the Act.

7. Forfeiture of Shares

7.1 If any Member fails to pay, on the day appointed for payment thereof, any call in respect of any share allotted to or held by such Member, the Board may, at any time thereafter during such time as the call remains unpaid, direct the Secretary to forward such Member a notice in writing in the form, or as near thereto as circumstances admit, of the following:

Notice of Liability to Forfeiture for Non-Payment of Call
Textainer Group Holdings Limited (the "Company")

You have failed to pay the call of [amount of call] made on the [ ] day of [ ], 200[ ], in respect of the [number] share(s) [number in figures] standing in your name in the Register of Members of the Company, on the [ ] day of [ ], 200[ ], the day appointed for payment of such call. You are hereby notified that unless you pay such call together with interest thereon at the rate of [ ] per annum computed from the said [ ] day of [ ], 200[ ] at the registered office of the Company the share(s) will be liable to be forfeited.

Dated this [ ] day of [ ], 200[ ]

[Signature of Secretary] By Order of the Board

7.2 If the requirements of such notice are not complied with, any such share may at any time thereafter before the payment of such call and the interest due in respect thereof be forfeited by a resolution of the Board to that effect, and such share shall thereupon become the property of the Company and may be disposed of as the Board shall determine.

7.3 A Member whose share or shares have been so forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls owing on such share or shares at the time of the forfeiture, together with all interest due thereon and any costs and expenses incurred by the Company in connection therewith.

7.4 The Board may accept the surrender of any shares which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

8. Share Certificates

8.1 Every Member shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or Secretary or a person expressly authorized to sign specifying the number and, where appropriate, the class of shares held by such Member and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine,

either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

8.2 The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the shares have been allotted.

8.3 If any share certificate shall be proved to the satisfaction of the Board to have been worn out, lost, mislaid, stolen or destroyed the Board may cause a new certificate to be issued and request an indemnity for the lost certificate if it sees fit.

8.4 Notwithstanding any provisions of these Bye-laws:

(a) the Directors shall, subject always to the Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares and to the extent such arrangements are so implemented, no provision of these Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer of shares in uncertificated form; and

(b) unless otherwise determined by the Directors and as permitted by the Act and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument.

9. Fractional Shares

The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTRATION OF SHARES

10. Register of Members

10.1 The Board shall cause to be kept in one or more books a Register of Members and shall enter therein the particulars required by the Act.

10.2 The Register of Members shall be open to inspection without charge at the registered office of the Company on every business day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each business day be allowed for inspection. The Register of Members may, after notice has been given in accordance with the Act, be closed for any time or times not exceeding in the whole thirty days in each year.

11. Registered Holder Absolute Owner

The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

12. Transfer of Registered Shares

12.1 An instrument of transfer shall be in writing in the form of the following, or as near thereto as circumstances admit, or in such other form as the Board may accept:

Transfer of a Share or Shares
Textainer Group Holdings Limited (the "Company")

FOR VALUE RECEIVED……. [amount], I, [name of transferor] hereby sell, assign and transfer unto [transferee] of [address], [number] of shares of the Company.

DATED this [ ] day of [ ], 200[ ]

Signed by:	In the presence of:
_____	_____
Transferor	Witness
_____	_____
Transferee	Witness

12.2 Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid up share, the Board may accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed

to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Members.

12.3 The Board may refuse to recognise any instrument of transfer unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

12.4 The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Member may transfer any such share to the executors or administrators of such deceased Member.

12.5 The Board may in its absolute discretion and without assigning any reason therefor refuse to register the transfer of a share which is not fully paid up. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

12.6 Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Act.

13. Transmission of Registered Shares

13.1 In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member.

13.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may be registered as a Member upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall execute in favour of such nominee an instrument of transfer in writing in the form, or as near thereto as circumstances admit, of the following:

Transfer by a Person Becoming Entitled on Death/Bankruptcy of a Member

Textainer Group Holdings Limited (the "Company")

I/We, having become entitled in consequence of the [death/bankruptcy] of [name and address of deceased/bankrupt Member] to [number] share(s) standing in the Register of Members of the Company in the name of the said [name of deceased/bankrupt Member] instead of being registered myself/ourselves, elect to have [name of transferee] (the "Transferee") registered as a transferee of such share(s) and I/we do hereby accordingly transfer the said share(s) to the Transferee to hold the same unto the Transferee, his or her executors, administrators and assigns, subject to the conditions on which the same were held at the time of the execution hereof; and the Transferee does hereby agree to take the said share(s) subject to the same conditions.

DATED this [ ] day of [ ], 200[ ]

Signed by:	In the presence of:
_____	_____
Transferor	Witness
_____	_____
Transferee	Witness

13.3 On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Member. Notwithstanding the foregoing, the Board shall, in any case, have the same right to decline or suspend registration as it would have had in the case of a transfer of the share by that Member before such Member's death or bankruptcy, as the case may be.

13.4 Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

ALTERATION OF SHARE CAPITAL

14. Power to Alter Capital

14.1 The Company may if authorised by resolution of the Members increase, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Act.

14.2 Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

15. Variation of Rights Attaching to Shares

If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied by the Company with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

DIVIDENDS AND CAPITALISATION

16. Dividends

16.1 The Board may, subject to these Bye-laws and in accordance with the Act, declare a dividend to be paid to the Members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the

Board may fix the value for distribution in specie of any assets. No unpaid dividend shall bear interest as against the Company.

16.2 The Board may fix any date as the record date for determining the Members entitled to receive any dividend.

16.3 The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

16.4 The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

17. Power to Set Aside Profits

The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

18. Method of Payment

18.1 Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent through the post directed to the address of the Member in the Register of Members (in the case of joint Members, the senior joint holder, seniority being determined by the order in which the names stand in the Register of Members), or by direct transfer to such bank account as such Member may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the Member may direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If two or more persons are registered as joint holders of any shares any one of them can give an effectual receipt for any dividend paid in respect of such shares.

18.2 The Board may deduct from the dividends or distributions payable to any Member all moneys due from such Member to the Company on account of calls or otherwise.

18.3 Any dividend and or other moneys payable in respect of a share which has remained unclaimed for 5 years from the date when it became due for payment shall, if the Board

so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

18.4 The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Member if those instruments have been returned undelivered to, or left uncashed by, that Member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Member's new address. The entitlement conferred on the Company by this Bye-law 18.4 in respect of any Member shall cease if the Member claims a dividend or cashes a dividend cheque or warrant.

19. Capitalisation

19.1 The Board may capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid up bonus shares pro-rata (except in connection with the conversion of shares of one class to shares of another class) to the Members.

19.2 The Board may capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid up shares of those Members who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

MEETINGS OF MEMBERS

20. Annual General Meetings

The annual general meeting of the Company shall be held in each year (other than the year of incorporation) at such time and place as the President or the Chairman (if any) or the Board shall appoint.

21. Special General Meetings

The President or the Chairman (if any) or the Board may convene a special general meeting whenever in their judgment such a meeting is necessary.

22. Requisitioned General Meetings

The Board shall, on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed to convene a special general meeting and the provisions of the Act shall apply.

23. Notice

23.1 At least 5 days' notice of an annual general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, place and time at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

23.2 At least 5 days' notice of a special general meeting shall be given to each Member entitled to attend and vote thereat, stating the date, time, place and the general nature of the business to be considered at the meeting.

23.3 The Board may fix any date as the record date for determining the Members entitled to receive notice of and to vote at any general meeting.

23.4 A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Members entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

23.5 The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

24. Giving Notice and Access

24.1 A notice may be given by the Company to a Member:

(a) by delivering it to such Member in person; or

(b) by sending it by letter mail or courier to such Member's address in the Register of Members; or

(c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Member to the Company for such purpose; or

(d) in accordance with Bye-law 24.4.

24.2 Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Members and notice so given shall be sufficient notice to all the holders of such shares.

24.3 Any notice (save for one delivered in accordance with Bye-law 24.4) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier or transmitted by electronic means.

24.4 Where a Member indicates his consent (in a form and manner satisfactory to the Board) to receive information or documents by accessing them on a website rather than by other means, the Board may deliver such information or documents by notifying the Member of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

24.5 In the case of information or documents delivered in accordance with Bye-law 24.4, service shall be deemed to have occurred when (i) the Member is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

25. Postponement or Cancellation of General Meeting

The Chairman or the President may, and the Secretary on instruction from the Chairman or the President shall, postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to each Member before the time for such meeting. Fresh notice of the

date, time and place for the postponed or cancelled meeting shall be given to the Members in accordance with these Bye-laws.

26. Electronic Participation and Security at General Meetings

26.1 Members may participate in any general meeting by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

26.2 The Board, and at any general meeting the chairman of such meeting, may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the chairman of such meeting are entitled to refuse entry to a person who refuses to comply with any such arrangements, requirements or restrictions.

27. Quorum at General Meetings

27.1 At any general meeting two or more persons present in person at the start of the meeting and representing in person or by proxy in excess of 50% of the total issued voting shares in the Company shall form a quorum for the transaction of business.

27.2 If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

28. Chairman to Preside at General Meetings

Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the Chairman, if there be one, and if not the President, if there be one, shall act as chairman at all general meetings at which such person is present. In their absence, a chairman shall be appointed or elected by those present at the meeting and entitled to vote.

29. Voting on Resolutions

29.1 Subject to the Act and these Bye-laws, any question proposed for the consideration of the Members at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

29.2 No Member shall be entitled to vote at a general meeting unless such Member has paid all the calls on all shares held by such Member.

29.3 At any general meeting a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to these Bye-laws and any rights or restrictions for the time being lawfully attached to any class of shares, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his or her hand.

29.4 In the event that a Member participates in a general meeting by telephone, electronic or other communications facilities or means, the chairman of the meeting shall direct the manner in which such Member may cast his vote on a show of hands.

29.5 At any general meeting if an amendment is proposed to any resolution under consideration and the chairman of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

29.6 At any general meeting a declaration by the chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Bye-laws, be conclusive evidence of that fact.

30. Power to Demand a Vote on a Poll

30.1 Notwithstanding the foregoing, a poll may be demanded by any of the following persons:

(a) the chairman of such meeting; or

(b) at least three Members present in person or represented by proxy; or

(c) any Member or Members present in person or represented by proxy and holding between them not less than one-tenth of the total voting rights of all the Members having the right to vote at such meeting; or

(d) any Member or Members present in person or represented by proxy holding shares in the Company conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total amount paid up on all such shares conferring such right.

30.2 Where a poll is demanded, subject to any rights or restrictions for the time being lawfully attached to any class of shares, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such vote shall be counted by ballot as described herein, or in the case of a general meeting at which one or more Members are present by telephone, electronic or other communications facilities or means, in such manner as the chairman of the meeting may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

30.3 A poll demanded for the purpose of electing a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner during such meeting as the chairman (or acting

chairman) of the meeting may direct. Any business other than that upon which a poll has been demanded may be conducted pending the taking of the poll.

30.4 Where a vote is taken by poll, each person physically present and entitled to vote shall be furnished with a ballot paper on which such person shall record his vote in such manner as shall be determined at the meeting having regard to the nature of the question on which the vote is taken. Each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communications facilities or means shall cast his vote in such manner as the chairman shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions shall be examined and counted as the chairman of the meeting may direct, and in default of any such direction, by a committee of not less than two Members or proxy holders appointed by the chairman for the purpose. The result of the poll shall be declared by the chairman.

31. Voting by Joint Holders of Shares

In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

32. Instrument of Proxy

32.1 A Member may appoint a proxy by (a) an instrument appointing a proxy in writing in substantially the following form or such other form as the Board may determine from time to time:

Proxy
Textainer Group Holdings Limited (the "Company")

I/We, [insert names here], being a Member of the Company with [number] shares, HEREBY APPOINT [name] of [address] or failing him, [name] of [address] to be my/our proxy to vote for me/us at the meeting of the Members to be held on the [ ] day of [ ], 200[ ] and at any adjournment thereof. (Any restrictions on voting to be inserted here.)

Signed this [ ] day of [ ], 200[ ]

Member(s)

or (b) such telephonic, electronic or other means as may be approved by the Board from time to time.

32.2 The appointment of a proxy must be received by the Company at the registered office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the appointment proposes to vote, and an appointment of proxy which is not received in the manner so permitted shall be invalid.

32.3 A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

32.4 The decision of the chairman of any general meeting as to the validity of any appointment of a proxy shall be final.

33. Representation of Corporate Member

33.1 A corporation which is a Member may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Member, and that Member shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

33.2 Notwithstanding the foregoing, the chairman of the meeting may accept such assurances as he thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Member.

34. Adjournment of General Meeting

34.1 The chairman of any general meeting at which a quorum is present may with the consent of Members holding a majority of the voting rights of those Members present in person or by proxy (and shall if so directed by Members holding a majority of the voting rights of those Members present in person or by proxy), adjourn the meeting.

34.2 In addition, the chairman may adjourn the meeting to another time and place without such consent or direction if it appears to him that:

(a) it is likely to be impracticable to hold or continue that meeting because of the number of Members wishing to attend who are not present; or

(b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

34.3 Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Member entitled to attend and vote thereat in accordance with these Bye-laws.

35. Written Resolutions

35.1 Subject to these Bye-laws anything which may be done by resolution of the Company in general meeting or by resolution of a meeting of any class of the Members may, without a meeting be done by written resolution in accordance with this Bye-law.

35.2 Notice of a written resolution (which shall not, for the avoidance of doubt, be required to be given in accordance with the requirements of Bye-laws 23.1 and 23.2) shall be given, and a copy of the resolution shall be circulated to all Members who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Member does not invalidate the passing of a resolution.

35.3 A written resolution is passed when it is signed by, or in the case of a Member that is a corporation on behalf of, the Members who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Members at which all Members entitled to attend and vote thereat were present and voting.

35.4 A resolution in writing may be signed by any number of counterparts.

35.5 A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Members, as the case may be, and any reference in any Bye-law to a meeting at which a

resolution is passed or to Members voting in favour of a resolution shall be construed accordingly.

35.6 A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Act.

35.7 This Bye-law shall not apply to:

(a) a resolution passed to remove an Auditor from office before the expiration of his term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of his term of office.

35.8 For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Member that is a corporation whether or not a company within the meaning of the Act, on behalf of, the last Member whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

36. Directors Attendance at General Meetings

The Directors shall be entitled to receive notice of, attend and be heard at any general meeting.

DIRECTORS AND OFFICERS

37. Election of Directors

37.1 The Board shall consist of such number of Directors being not less than 5 Directors and not more than such maximum number of Directors, not exceeding 12 Directors, as the Board may from time to time determine.

37.2 Only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Any Member or the Board may propose any person for election as a Director. Where any person, other than a Director retiring at the meeting or a person proposed for re-election or election as a Director by the Board, is to be proposed for election as a Director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a Director. Where a Director is to be

elected:

(a) at an annual general meeting, such notice must be given not less than 90 days nor more than 120 days before the anniversary of the last annual general meeting prior to the giving of the notice or, in the event the annual general meeting is called for a date that is not 30 days before or after such anniversary the notice must be given not later than 10 days following the earlier of the date on which notice of the annual general meeting was posted to Members or the date on which public disclosure of the date of the annual general meeting was made; and

(b) at a special general meeting, such notice must be given not later than 10 days following the earlier of the date on which notice of the special general meeting was posted to Members or the date on which public disclosure of the date of the special general meeting was made.

37.3 Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

37.4 At any general meeting the Members may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

38. Classes of Directors

The Directors shall be divided into three classes designated Class I, Class II and Class III. Each class of Directors shall consist, as nearly as possible, of one third of the total number of Directors constituting the entire Board.

39. Term of Office of Directors

At the date of adoption of these Bye-laws, the Class I Directors shall serve for a three year term of office, the Class II Directors shall serve for a two year term of office and the Class III Directors shall serve for a one year term of office. At each succeeding annual general meeting, successors to the class of Directors whose term expires at that annual general meeting shall be elected for a three year term. If the number of Directors is changed, any increase or decrease

shall be apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible, and any Director of any class elected to fill a vacancy shall hold office for a term that shall coincide with the remaining term of the other Directors of that class, but in no case shall a decrease in the number of Directors shorten the term of any Director then in office. A Director shall hold office until the annual general meeting for the year in which his term expires, subject to his office being vacated pursuant to Bye-law 42.

40. Alternate Directors

40.1 At any general meeting, the Members may elect a person or persons to act as a Director in the alternative to any one or more Directors or may authorise the Board to appoint such Alternate Directors.

40.2 Unless the Members otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

40.3 An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

40.4 An Alternate Director shall cease to be such if the Director for whom he was appointed to act as a Director in the alternative ceases for any reason to be a Director, but he may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy in accordance with these Bye-laws.

41. Removal of Directors

41.1 Subject to any provision to the contrary in these Bye-laws, at any special general meeting convened and held in accordance with these Bye-laws, (i) the Members entitled to vote for the election of Directors may remove a Director for cause, and (ii) the Members may, by an affirmative vote of at least 66% of the issued and outstanding voting shares of the

Company, remove a Director without cause, in each case provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director not less than 14 days before the meeting and at such meeting the Director shall be entitled to be heard on the motion for such Director's removal.

41.2 If a Director is removed from the Board under the provisions of this Bye-law the Members may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

41.3 For the purpose of Bye-law 41.1, "cause" shall mean a conviction for a criminal offence involving dishonesty or engaging in conduct which brings the Director or the Company into disrepute and which results in material financial detriment to the Company.

42. Vacancy in the Office of Director

42.1 The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt, or makes any arrangement or composition with his creditors generally;

(c) is or becomes of unsound mind or dies; or

(d) resigns his office by notice to the Company.

42.2 The Board shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board and to appoint an Alternate Director to any Director so appointed.

43. Remuneration of Directors

The remuneration (if any) of the Directors shall be determined by the Board. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general

meetings, or in connection with the business of the Company or their duties as Directors generally.

44. Defect in Appointment

All acts done in good faith by the Board, any Director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers shall, or any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director or act in the relevant capacity.

45. Directors to Manage Business

45.1 The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Act or by these Bye-laws, required to be exercised by the Company in general meeting.

45.2 Subject to these Bye-laws, the Board may delegate to any company, firm, person, or body of persons any power of the Board (including the power to sub-delegate).

46. Powers of the Board of Directors

The Board may:

(a) appoint, suspend, or remove any manager, secretary, clerk, agent or employee of the Company and may fix their remuneration and determine their duties;

(b) exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(c) appoint one or more Directors to the office of managing director or chief executive officer of the Company, who shall, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company;

(d) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(e) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(f) procure that the Company pays all expenses incurred in promoting and incorporating the Company and listing the shares of the Company;

(g) delegate any of its powers (including the power to sub-delegate) to a committee appointed by the Board which may consist partly or entirely of non-Directors, provided that every such committee shall conform to such directions as the Board shall impose on them and provided further that the meetings and proceedings of any such committee shall be governed by these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board;

(h) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(i) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(j) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law; and

(k) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

47. Register of Directors and Officers

The Board shall cause to be kept in one or more books at the registered office of the Company a Register of Directors and Officers and shall enter therein the particulars required by the Act.

48. Appointment of Officers

The Board may appoint such officers (who may or may not be Directors) as the Board may determine.

49. Appointment of Secretary

The Secretary shall be appointed by the Board from time to time.

50. Duties of Officers

The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

51. Remuneration of Officers

The Officers shall receive such remuneration as the Board may determine.

52. Conflicts of Interest

52.1 Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

52.2 A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Act.

52.3 Following a declaration being made pursuant to this Bye-law, and unless disqualified by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

53. Indemnification and Exculpation of Directors and Officers

53.1 The Directors, Secretary and other Officers (such term to include any person appointed to any committee by the Board) for the time being acting in relation to any of the affairs of the Company, any subsidiary thereof, and the liquidator or trustees (if any) for the time being acting in relation to any of the affairs of the Company or any subsidiary thereof, and every one of them, and their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, or in their respective offices or trusts, and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons. Each Member agrees to waive any claim or right of action such Member might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of his duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any fraud or dishonesty which may attach to such Director or Officer.

53.2 The Company may purchase and maintain insurance for the benefit of any Director or Officer against any liability incurred by him under the Act in his capacity as a Director or

Officer or indemnifying such Director or Officer in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the Director or Officer may be guilty in relation to the Company or any subsidiary thereof.

53.3 The Company may advance moneys to an Officer, Director or auditor for the costs, charges and expenses incurred by the Officer, Director or auditor in defending any civil or criminal proceedings against them, on condition that the Officer, Director or auditor shall repay the advance if any allegation of fraud or dishonesty is provided against him.

MEETINGS OF THE BOARD OF DIRECTORS

54. Board Meetings

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. Subject to these Bye-laws, a resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

55. Notice of Board Meetings

A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director verbally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

56. Electronic Participation in Meetings

Directors may participate in any meeting by such telephonic, electronic or other communications facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

57. Quorum at Board Meetings

The quorum necessary for the transaction of business at a meeting of the Board shall be five Directors.

58. Board to Continue in the Event of Vacancy

The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

59. Chairman to Preside

Unless otherwise agreed by a majority of the Directors attending , the Chairman, if there be one, and if not, the President, if there be one, shall act as chairman at all meetings of the Board at which such person is present. In their absence a chairman shall be appointed or elected by the Directors present at the meeting.

60. Written Resolutions

A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. For the purposes of this Bye-law only, "the Directors" shall not include an Alternate Director.

61. Validity of Prior Acts of the Board

No regulation or alteration to these Bye-laws made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

CORPORATE RECORDS

62. Minutes

The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Members, meetings of the Board, and meetings of committees appointed by the Board.

63. Place Where Corporate Records Kept

Minutes prepared in accordance with the Act and these Bye-laws shall be kept by the Secretary at the registered office of the Company.

64. Form and Use of Seal

64.1 The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

64.2 A seal may, but need not be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director; or (ii) any Officer; or (iii) the Secretary; or (iv) any person authorized by the Board for that purpose.

64.3 A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

ACCOUNTS

65. Books of Account

65.1 The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

65.2 Such records of account shall be kept at the registered office of the Company, or subject to the Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

66. Financial Year End

The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31 st December in each year.

AUDITS

67. Annual Audit

Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Act, the accounts of the Company shall be audited at least once in every year.

68. Appointment of Auditor

68.1 Subject to the Act, at the annual general meeting or at a subsequent special general meeting in each year, an independent representative of the Members shall be appointed by them as Auditor of the accounts of the Company.

68.2 The Auditor may be a Member but no Director, Officer or employee of the Company shall, during his continuance in office, be eligible to act as an Auditor of the Company.

69. Remuneration of Auditor

The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine. In the case of an Auditor appointed pursuant to Bye-law 74, the remuneration of the Auditor shall be fixed by the Board.

70. Duties of Auditor

70.1 The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

70.2 The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

71. Access to Records

The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

72. Financial Statements

Subject to any rights to waive laying of accounts pursuant to the Act, financial statements as required by the Act shall be laid before the Members in general meeting. A resolution in writing made in accordance with Bye-law 35 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Members in general meeting.

73. Distribution of Auditor's report

The report of the Auditor shall be submitted to the Members in general meeting.

74. Vacancy in the Office of Auditor

If the office of Auditor becomes vacant by the resignation or death or the Auditor, or by the Auditor becoming incapable of acting by reason of illness or other disability at a time when the Auditor's services are required, the vacancy thereby created shall be filled in accordance with the Act.

BUSINESS COMBINATIONS

75. Business Combinations

75.1 (a) Any Business Combination with any Interested Shareholder within a period of three years following the time of the transaction in which the person became an Interested Shareholder must be approved by the Board and authorised at an annual or special general meeting, by the affirmative vote of at least 66% of the issued and outstanding voting shares of the Company that are not owned by the Interested Shareholder unless:

(i) prior to the time that the person became an Interested Shareholder, the Board approved either the Business Combination or the transaction which resulted in the person becoming an Interested Shareholder; or

(ii) upon consummation of the transaction which resulted in the person becoming an Interested Shareholder, the Interested Shareholder owned at least 85% of the number of issued and outstanding voting shares of the Company at the time the transaction commenced, excluding for the purposes of determining the number of shares issued and outstanding those shares owned (i) by persons who are directors and also officers and

(ii) employee share plans in which employee participants do not have the right to determine whether shares held subject to the plan will be tendered in a tender or exchange offer.

(b) The restrictions contained in this Bye-law 75.1 shall not apply if:

(i) a Member becomes an Interested Shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the Member ceases to be an Interested Shareholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Company and such Member, have been an Interested Shareholder but for the inadvertent acquisition of ownership; or

(ii) the Business Combination is proposed prior to the consummation or abandonment of, and subsequent to the earlier of the public announcement or the notice required hereunder of, a proposed transaction which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an Interested Shareholder during the previous three years or who became an Interested Shareholder with the approval of the Board; and (iii) is approved or not opposed by a majority of the members of the Board then in office who were Directors prior to any person becoming an Interested Shareholder during the previous three years or were recommended for election or elected to succeed such Directors by resolution of the Board approved by a majority of such Directors. The proposed transactions referred to in the preceding sentence are limited to:

(a) a merger, amalgamation or consolidation of the Company (except an amalgamation in respect of which, pursuant to the Act, no vote of the shareholders of the Company is required);

(b) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Company or of any entity directly or indirectly wholly-owned or majority-

owned by the Company (other than to the Company or any entity directly or indirectly wholly-owned by the Company) having an aggregate market value equal to 50% or more of either the aggregate market value of all of the assets of the Company determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares of the Company; or

(c) a proposed tender or exchange offer for 50% or more of the issued and outstanding voting shares of the Company.

The Company shall give not less than 20 days notice to all Interested Shareholders prior to the consummation of any of the transactions described in subparagraphs (a) or (b) of the second sentence of this paragraph (ii).

(c) For the purpose of this Bye-law 75 only, the term:

(i) "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person;

(ii) "associate," when used to indicate a relationship with any person, means: (i) any company, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting shares; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person;

(iii) "Business Combination," when used in reference to the Company and any Interested Shareholder of the Company, means:

(a) any merger, amalgamation or consolidation of the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company, wherever incorporated, with (A) the Interested Shareholder or any of its affiliates, or (B) with any other company,

partnership, unincorporated association or other entity if the merger, amalgamation or consolidation is caused by the Interested Shareholder;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of the Company, to or with the Interested Shareholder, whether as part of a dissolution or otherwise, of assets of the Company or of any entity directly or indirectly wholly-owned or majority-owned by the Company which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Company determined on a consolidated basis or the aggregate market value of all the issued and outstanding shares of the Company;

(c) any transaction which results in the issuance or transfer by the Company or by any entity directly or indirectly wholly-owned or majority-owned by the Company of any shares of the Company, or any share of such entity, to the Interested Shareholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of the Company, or shares of any such entity, which securities were issued and outstanding prior to the time that the Interested Shareholder became such; (B) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into shares of the Company, or shares of any such entity, which security is distributed, pro rata to all holders of a class or series of shares subsequent to the time the Interested Shareholder became such; (C) pursuant to an exchange offer by the Company to purchase shares made on the same terms to all holders of such shares; or (D) any issuance or transfer of shares by the Company;

provided however, that in no case under items (B)-(D) of this subparagraph shall there be an increase in the Interested Shareholder's proportionate share of the any class or series of shares;

(d) any transaction involving the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company which has the effect, directly or indirectly, of increasing the proportionate share of any class or series of shares, or securities convertible into any class or series of shares of the Company, or shares of any such entity, or securities convertible into such shares, which is owned by the Interested Shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any repurchase or redemption of any shares not caused, directly or indirectly, by the Interested Shareholder; or

(e) any receipt by the Interested Shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the Company), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subparagraphs (a)-(d) of this paragraph) provided by or through the Company or any entity directly or indirectly wholly-owned or majority-owned by the Company;

(iv) "control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting shares, by contract or otherwise. A person who is the owner of 20% or more of the issued and outstanding voting shares of any company, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; provided that notwithstanding the foregoing, such presumption of control shall not apply where such person holds voting shares, in good

faith and not for the purpose of circumventing this provision, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity;

(v) "Interested Shareholder" means any person (other than the Company and any entity directly or indirectly wholly-owned or majority-owned by the Company) that (i) is the owner of 15% or more of the issued and outstanding voting shares of the Company, (ii) is an affiliate or associate of the Company and was the owner of 15% or more of the issued and outstanding voting shares of the Company at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an Interested Shareholder or (iii) is an affiliate or associate of any person listed in (i) or (ii) above; provided, however, that the term "Interested Shareholder" shall not include any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of action taken solely by the Company unless such person referred to in this proviso acquires additional voting shares of the Company otherwise than as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an Interested Shareholder, the voting shares of the Company deemed to be issued and outstanding shall include voting shares deemed to be owned by the person through application of paragraph (8) below, but shall not include any other unissued shares which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;

(vi) "person" means any individual, company, partnership, unincorporated association or other entity;

(vii) "voting shares" means, with respect to any company, shares of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a company, any equity interest entitled to vote generally in the election of the governing body of such entity;

(viii) "owner," including the terms "own" and "owned," when used with respect to any shares, means a person that individually or with or through any of its affiliates or associates:

(a) beneficially owns such shares, directly or indirectly; or

(b) has (A) the right to acquire such shares (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of shares tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered shares are accepted for purchase or exchange; or (B) the right to vote such shares pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any shares because of such person's right to vote such shares if the agreement, arrangement or understanding to vote such shares arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or

(c) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (B) of subparagraph (b) of this paragraph), or disposing of such shares with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such shares.

75.2 In respect of any Business Combination to which the restrictions contained in Bye-law 75.1 do not apply but which the Act requires to be approved by the Members, the necessary general meeting quorum and Members' approval shall be as set out in Bye-laws 27 and 29 respectively, unless such Business Combination has not been approved by the Board, in which case the required Members approval shall be a resolution of the

Members including the affirmative vote of not less than 66% of the issued and outstanding voting shares of the Company.

75.3 The Board shall ensure that the bye-laws or other constitutional documents of each entity wholly-owned or majority-owned by the Company shall contain any provisions necessary to ensure that the intent of Bye-law 75.1, as it relates to the actions of such entities, is achieved.

VOLUNTARY WINDING-UP AND DISSOLUTION

76. Winding-Up

If the Company shall be wound up the liquidator may, with the sanction of a resolution of the Members, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO CONSTITUTION

77. Changes to Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law may be made until the same has been approved by a resolution of the Board, including the affirmative vote of not less than 66% of the directors then in office, and by a resolution of the Members, including the affirmative vote of not less than 66% of the issued and outstanding voting shares of the Company.

78. Discontinuance

The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Act.

Exhibit 4.1

Number No. of Shares

TEXTAINER GROUP HOLDINGS LIMITED

INCORPORATED IN BERMUDA UNDER THE COMPANIES ACT 1981

COMMON SHARES
OF
ONE U.S. CENT PAR VALUE

THIS IS TO CERTIFY:

That _____ is the owner of _____ common shares of **TEXTAINER GROUP HOLDINGS LIMITED** of par value one U.S. cent each, fully paid and non-assessable.

WITNESS the Signatures of its duly authorized agents.

DATED in _____ this __ day of ____

The above shares are subject to the Memorandum of Association and Bye-Laws of the Company and transferable in accordance therewith.

Director

Director/Secretary

CERTIFICATE

FOR

_____

COMMON SHARES

TEXTAINER GROUP HOLDINGS LIMITED

_____

ISSUED TO

_____

DATED

For Value Received, I (we) hereby sell, assign and transfer unto

_____

_____

Common Shares represented by the within Certificate.

Dated _____ 20__

In presence of

_____ _____

Exhibit 10.1

OFFICE LEASE

by and between

PIVOTAL 650 CALIFRONIA ST., LLC,
an Arizona limited liability company,

"Landlord"

and

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED,
a Delaware corporation,

"Tenant"

August 8 , 2001

650 California Street

San Francisco, California

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OFFICE LEASE

1. **BASIC PROVISIONS**

1.1	Date:	August 8 , 2001
1.2	Landlord:	Pivotal 650 California St., LLC, an Arizona limited liability company
1.3	Landlord's Address:	c/o Cushman & Wakefield of California, Inc. 650 California Street, 15th Floor San Francisco, CA 94108 With a copy of any notices to: Pivotal Group, Inc. 2415 East Camelback Road, Suite 960 Phoenix, Arizona 85016
1.4	Tenant:	Textainer Equipment Management (U.S.) Limited, an Delaware corporation
1.5	Tenant's Address:	650 California Street Floors 15 and 16 San Francisco, California 94108
1.6	Project:	The parcel of real estate commonly known as 650 California Street, located in San Francisco, San Francisco County, California, legally described on Exhibit "A" attached hereto and incorporated herein by this reference, together with the office buildings now or hereafter situated thereon, the landscaping, parking facilities and all other improvements and appurtenances thereto.
1.7	Intentionally Omitted.	
1.8	Building:	That certain office building known as 650 California Street located at 650 California Street, San Francisco, San Francisco County, California 94108, which includes approximately 470,237 rentable square feet of office space.
1.9	Leased Premises:	Approximately 23,110 rentable square feet of office space located on the 15th and 16th floors of the Building, as outlined on the Floor Plan attached hereto as Exhibit "B".
1.10	Permitted Use:	General office use.
1.11	Lease Term:	Ten (10) years.
1.12	Intentionally Omitted.	
1.13	Annual Basic Rent:	

Lease Year	Annual Basic Rent	Monthly Basic Rent	Rental Rate Per Sq. Ft.
1-2	$ 1,039,950.00	$ 86,662.50	$ 45.00
3-4	$ 1,086,170.00	$ 90,514.17	$ 47.00

5-6	$ 1,132,390.00	$ 94,365.83	$ 49.00
7-8	$ 1,178,610.00	$ 98,217.50	$ 51.00
9-10	$ 1,224,830.00	$ 102,069.17	$ 53.00

1.14 Security Deposit: None.

1.15 Intentionally Omitted.

1.16 Base Year: Calendar year 2002.

1.17 Building Hours: 6:00 a.m. to 6:00 p.m., Monday through Friday excluding recognized federal, state or local holidays. Notwithstanding any provision of this Lease to the contrary, Tenant may have access to the Leased Premises twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.

1.18 Parking Spaces: Not applicable.

1.19 Initial Parking Charge: Not applicable.

1.20 Guarantors: Not applicable.

1.21 Broker: John Cecconi, CAC Group.
Robert Maccarone, TRI Commercial Brokerage

1.22 Exhibits: A = Legal Description of the Project
B = Floor Plan
C = Memorandum of Commencement Date
D= Intentionally Omitted
E = Work Letter
F = Building Rules and Regulations
G = Guaranty of Lease – Intentionally Omitted

2. **LEASED PREMISES; NO ADJUSTMENTS**

2.1 Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases and accepts from Landlord, the Leased Premises, upon the terms and conditions set forth in this Lease and any modifications, supplements or addenda hereto (the " Lease"), including the Basic Provisions of Article 1 which are incorporated herein by this reference, together with the nonexclusive right to use, in common with Landlord and others, the Building Common Areas (defined below) and the Project Common Areas (defined below). For the purposes of this Lease, the term " Building Common Areas" means common hallways, corridors, walkways and footpaths, foyers and lobbies, bathrooms and janitorial closets, electrical and telephone closets, landscaped areas, common use facilities and amenities such as conference rooms, smoker lounges, food service and fitness facilities (if any) (the amenities existing as of the execution date hereof shall be called the "Existing Amenities") (and such other areas within or adjacent to the Building which are subject to or are designed or intended solely for the common enjoyment, use and/or benefits of the tenants of the Building. Tenant shall have no right to install or store any equipment in such closets without Landlord's prior written consent. The term "Project Common Areas" means common walkways, footpaths, driveways, parking areas, service areas, landscaped areas, and such other areas within or adjacent to the Project which are subject to or are designed or intended solely for the common enjoyment, use and/or benefits of the tenants of the Project.

2.2 Adjustments. The Annual Basic Rent at the Commencement Date (as hereinafter defined) is based on the Leased Premises containing the rentable square footage set forth in Article 1.9 above, which square footage has been precisely determined by Landlord and Tenant prior to the Commencement Date. No adjustments to Annual Base Rent or any other charge shall be made if the actual size of the Leased Premises is greater or smaller than that set forth in Article 1.9 above. For the

purposes of this Lease, Landlord and Tenant acknowledge and agree that the usable square footage of the Leased Premises is 18,652 square feet.

3. **LEASE TERM; COMMENCEMENT DATE**

3.1 Lease Term. The Lease Term shall begin on the Commencement Date and shall be for the period set forth in Article 1.11 above, unless sooner terminated in accordance with the further provisions of this Lease.

3.2 Commencement Date. The Commencement Date shall mean March 1, 2002.

3.3 Memorandum of Commencement Date. Landlord and Tenant shall, within ten (10) days after the Commencement Date, execute a declaration in the form of Exhibit "C" attached hereto confirming the Commencement Date. In the event Tenant fails to execute and deliver such declaration to Landlord within ten (10) days after delivery thereof by Landlord, then Landlord's determination of the Commencement Date shall be conclusive and binding.

3.4 Delay in Commencement Date. In the event Landlord shall be unable, for any reason, to deliver possession of the Leased Premises to Tenant on or before March 1, 2002, Landlord shall not be liable for any loss or damage occasioned thereby, nor shall such inability affect the validity of this Lease or the obligations of Tenant. In such event, the Commencement Date shall be extended for one (1) day for each one (1) day of such delay.

3.5 Lease Year. Each "Lease Year" shall be a period of twelve (12) consecutive calendar months, the first Lease Year beginning on the Commencement Date. Each Lease Year after the first Lease Year shall begin on the calendar day next succeeding the expiration of the immediately preceding Lease Year.

4. **SECURITY DEPOSIT**

Tenant shall pay to Landlord, upon the execution of this Lease, the Security Deposit set forth in Article 1.14 above as security for the performance by Tenant of its obligations under this Lease, which amount shall be returned to Tenant after the expiration or earlier termination of this Lease, provided that Tenant shall have fully performed all of its obligations contained in this Lease. The Security Deposit, at the election of Landlord, may be retained by Landlord as and for its full damages or may be applied in reduction of any loss and/or damage sustained by Landlord by reason of the occurrence of any breach, nonperformance or default by Tenant under this Lease without the waiver of any other right or remedy available to Landlord at law, in equity or under the terms of this Lease. If any portion of the Security Deposit is so used or applied, Tenant shall, within ten (10) days after written notice from Landlord, deposit with Landlord immediately available funds in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a breach of this Lease. Tenant acknowledges and agrees that in the event Tenant shall file a voluntary petition pursuant to the Bankruptcy Code or any successor thereto, or if an involuntary petition is filed against Tenant pursuant to the Bankruptcy Code or any successor thereto, then Landlord may apply the Security Deposit towards those obligations of Tenant to Landlord which accrued prior to the filing of such petition. Tenant acknowledges further that the Security Deposit may be commingled with Landlord's other funds. In the event of termination of Landlord's interest in this Lease, Landlord shall transfer the Security Deposit to Landlord's successor in interest, whereupon Landlord shall be released from liability by Tenant for the return of such deposit or the accounting therefore.

5. **RENT; RENT TAX; ADDITIONAL RENT**

5.1 Payment of Rent. Tenant shall pay to Landlord the Annual Basic Rent set forth in Article 1.13 above. The Annual Basic Rent shall be paid in equal monthly installments, on or before the first day of each and every calendar month during the Lease Term, in advance, without notice or demand and, except as expressly set forth in this Lease, without abatement, deduction or set-off. If the Commencement Date is other than the first day of a calendar month, the payment for such partial month shall be prorated and shall be payable on the Commencement Date. All payments requiring proration shall be prorated on the basis of a thirty (30) day month. In addition, all payments to be made under this Lease shall be paid in lawful money of the United States of America to Landlord or its agent at the address set forth in Article 1.3 above, or to such other person or at such other place as Landlord may from time to time designate in writing.

5.2 Rent Tax. In addition to the Annual Basic Rent and the amounts payable under Section 6 hereof (" Tenant's Share of Expenses"), Tenant shall pay to Landlord, after receipt of Landlord's statement therefor accompanied by reasonable supporting documentation, together with the monthly installments of Annual Basic Rent and payments of Tenant's Share of Expenses, an amount equal to any governmental taxes, including, without limitation, any sales, rental, occupancy, excise, use or transactional privilege

taxes assessed or levied upon Landlord with respect to the amounts paid by Tenant to Landlord hereunder, as well as all taxes assessed or imposed upon Landlord's gross receipts or gross income from leasing the Leased Premises to Tenant, including, without limitation, transaction privilege taxes, education excise taxes, any tax now or hereafter imposed by the City of San Francisco, the State of California, any other governmental body, and any taxes assessed or imposed in lieu of or in substitution of any of the foregoing taxes. Such taxes shall not, however, include any franchise, gift, estate, inheritance, conveyance, transfer or net income tax assessed against Landlord or any taxes which are included in Operating Costs.

5.3 Additional Rent. In addition to Annual Basic Rent, all other amounts to be paid by Tenant to Landlord pursuant to this Lease, if any, shall be deemed to be additional rent ("Additional Rent"), whether or not designated as such, and shall be due and payable within ten (10) business days after receipt by Tenant of Landlord's statement. Landlord shall have the same remedies for the failure to pay Additional Rent as for the nonpayment of Annual Basic Rent.

6. **OPERATING COSTS**

6.1 Tenant's Obligation. The Annual Basic Rent does not include amounts attributable to any increase in the amount of Taxes (defined below) or amounts attributable to any increase in the cost of the use, management, repair, service, insurance, condition, operation and maintenance of the Building and the Project. Therefore, in order that the Annual Basic Rent payable throughout the Lease Term shall reflect any such increases, Tenant shall pay to Landlord, in accordance with the further provisions of this Article 6, an amount per rentable square foot of the Leased Premises equal to the difference between the Operating Costs (as hereinafter defined) per rentable square foot in any calendar year after the Base Year and the Base Year Costs. Such amount shall be the Operating Costs in the applicable calendar year multiplied by a fraction, the numerator of which is the number of rentable square feet in the Leased Premises and the denominator of which is the total number of rentable square feet in the Building, excluding the rentable square footage of tenants that self-maintain with respect to any particular component of Operating Costs. Tenant acknowledges that the Base Year Costs does not constitute a representation by Landlord as to the Operating Costs per rentable square foot that may be incurred during any subsequent calendar year.

6.2 Landlord's Estimate. Landlord shall furnish Tenant an estimate of the Operating Costs per rentable square foot for each calendar year commencing with the Commencement Date. With respect to the calendar year of the Commencement Date, such estimate of Operating Costs per rentable square foot shall be furnished not later than ninety (90) days after the Commencement Date. In addition, Landlord may, from time to time, furnish Tenant a revised estimate of Operating Costs should Landlord anticipate any increase in Operating Costs from that set forth in a prior estimate. If Landlord charges Tenant for Operating Costs attributable to amenities that are not Existing Amenities, the Base Year Costs shall be adjusted to include an item for such Operating Costs as if such amenities had been provided in the Base Year. Commencing with the first month to which an estimate applies, Tenant shall pay, in addition to the monthly installments of Annual Basic Rent, an amount equal to one-twelfth (1/12th) of the product of the rentable square footage of the Leased Premises multiplied by the difference (but not less than zero (0)), if any, between such estimate and the Base Year Costs; provided, however, if less than one hundred percent (100%) of the rentable area of the Building shall be occupied by tenants during the period covered by such estimate, the estimated Operating Costs for such period shall be, for the purposes of this Article 6, increased to an amount reasonably determined by Landlord to be equivalent to the Operating Costs that would be incurred if occupancy would be at least ninety-five percent (95%) during the entire period. Within one hundred twenty (120) days after the expiration of each calendar year or such longer period of time as may be necessary to compile such statement, Landlord shall deliver to Tenant a statement of the actual Operating Costs for such calendar year, which statement shall be prepared in accordance with generally accepted accounting principles. If the actual Operating Costs for such calendar year are more or less than the estimated Operating Costs, a proper adjustment shall be made; provided, however, if less than one hundred percent (100%) of the rentable area of the Building shall have been occupied by tenants at any time during such period, the actual Operating Costs for such period shall be, for the purposes of this Article 6, increased to an amount reasonably determined by Landlord to be equivalent to the Operating Costs that would have been incurred had such occupancy been at least ninety-five (95%) during the entire period. Any excess amounts paid by Tenant shall be refunded to Tenant with such statement or, at Landlord's option, may be applied to any amounts then payable by Tenant to Landlord or to the next maturing monthly installment of Annual Basic Rent or Tenant's Share of Expenses. Any deficiency between the estimated and actual Operating Costs shall be paid by Tenant to Landlord within ten (10) business days after receipt by Tenant of Landlord's reconciliation statement. Any amount owing for a fractional calendar year in the first or final Lease Years of the Lease Term shall be prorated.

6.3 Operating Costs - Defined. For the purposes of this Lease, "Operating Costs" shall mean all costs and expenses accrued, paid or incurred by Landlord, or on Landlord's behalf, in respect of the use, management, repair, service, insurance, condition, operation and maintenance of the Project including, but not limited to the following:

(a) Salaries, wages and benefits of all persons engaged in the management, operation and maintenance of the Project (" Project Employees");

(b) Payroll taxes, workmen's compensation, uniforms and related expenses for Project Employees;

(c) The cost of all charges for oil, gas, steam, electricity, any alternate source of energy, heat, ventilation, air-conditioning, refrigeration, water, sewer service, trash collection, pest control and all other utilities, together with any taxes on such utilities;

(d) The cost of maintaining the Building Common Areas;

(e) The cost of all charges for rent, casualty, liability, fidelity and other insurance maintained by Landlord, including any deductible amounts incurred with respect to an insured loss;

(f) The cost of all supplies (including cleaning supplies), tools, materials, equipment and personal property, the rental thereof and sales, transaction privilege, excise and other taxes thereon;

(g) Depreciation of hand tools, maintenance and operating machinery and equipment (if owned) and rental paid for such hand tools, maintenance and operating machinery and equipment (if rented);

(h) The cost of all charges for window and other cleaning, janitorial, security, refuse, lot sweeping and pest control services;

(i) The cost of charges for independent contractors providing management, operating and maintenance services to the Project;

(j) The cost of repairs and replacements made by Landlord at its expense and the fees and other charges for maintenance and service agreements;

(k) The cost of exterior and interior landscaping;

(l) Costs relating to the operation and maintenance of all real property and improvements appurtenant to the Project, including, without limitation, all parking areas, service areas, walkways and landscaping;

(m) The cost of alterations and improvements made by reason of the laws and requirements of any public authorities or the requirements of insurance bodies imposed after the Commencement Date; provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life of the alteration or improvement in accordance with generally accepted accounting principles;

(n) All management fees and other charges for management services and overhead costs incurred in operating, managing and maintaining the Project, whether provided by an independent management company, Landlord or an affiliate of Landlord, not to exceed, however, the then prevailing range of rates charged in comparable office buildings in the San Francisco, California metropolitan area;

(o) Costs relating to the use, management, repair, service, insurance, condition, operation and maintenance of the Building Common Areas, concierge services and other amenities and services for all of the tenants of the Building, including all management fees and the cost of equipping and maintaining such Building Common Areas and amenities, deducting, however, any revenues generated from the use and operation of such facilities and amenities; provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life thereof in accordance with generally accepted accounting principles.

(p) The cost of licenses and permits, inspection fees and reasonable legal, accounting and other professional fees and expenses provided, however, that such costs and expenses shall be within the prevailing range of costs and expenses charged in comparable office buildings in the San Francisco, California metropolitan area.;

(q) Taxes (as hereinafter defined);

(r) Costs relating to the use, management, repair, service, insurance, condition, operation and maintenance of the Project Common Areas in an amount equal to a fraction, the numerator of which

is the rentable square footage of the Building and the denominator of which is the rentable square footage of all buildings in the Project;

(s) Costs of operating and maintaining an on-site property management office; provided, however, that such costs shall be within the prevailing range of costs charged in comparable office buildings in the San Francisco, California metropolitan area;

(t) The cost of any capital improvements or additions which are intended to enhance the safety of the Project or reduce (or avoid increases in) Operating Costs, provided, however, if such costs must be capitalized in accordance with generally accepted accounting principles, consistently applied, such costs shall be amortized with interest over the useful life of the improvement or addition;

(u) All other charges properly allocable to the use, management, repair, service, insurance, condition, operation and maintenance of the Project in accordance with generally accepted accounting principles.

6.4 Operating Costs - Exclusions. Excluded from Operating Costs shall be the following: (a) depreciation, except to the extent expressly included pursuant to Article 6.3 above; (b) interest on and amortization of debts, except to the extent expressly included pursuant to Article 6.3 above; (c) leasehold improvements, including redecorating made for tenants of the Building; (d) brokerage commissions and advertising expenses for procuring tenants for the Building or the Project; (e) refinancing costs; (f) the cost of any repair, replacement or addition which would be required to be capitalized under general accepted accounting principles, except to the extent expressly included pursuant to Article 6.3 above; (g) the cost of any item included in Operating Costs under Article 6.3 above to the extent that such cost is reimbursed or paid directly by an insurance company, condemnor, a tenant of the Project or any other party; (h) the cost of any item included in Operating Costs under Article 6.3 above to the extent that such cost is attributable solely to the use, management, repair, service, insurance, condition, operation or maintenance of other office buildings in the Project; (i) the cost of any item included in Operating Costs under Article 6.3 above to the extent that such cost is attributable solely to the use, management, repair, service, insurance, condition, operation or maintenance of the Project Common Areas, to the extent such cost is paid by tenants of other office buildings in the Project; (j) expenses incurred by Landlord to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants or in connection with any financing, sale or syndication of the Project; (k) costs, penalties or fines incurred by Landlord due to Landlord's violation of any federal, state, or local law or regulation in effect as of the Commencement Date; (l) any interest or penalties due to late payment by Landlord of any of the Operating Costs, except to the extent such interest on penalty is caused by Tenant's failure to comply with any of Tenant's obligations under the Lease; (m) expenses for any item or service not provided to Tenant but provided exclusively to certain other tenants in the Building; (n) salaries of employees above the grade of building superintendent or building manager; (o) fees paid to affiliates of Landlord in excess of the fair market value of such services provided in exchange therefor; (p) the cost of any items for which Landlord is reimbursed by insurance; (r) any expenses incurred by Landlord in contesting Taxes to the extent such expenses exceeds the Tax savings realized in any year; (s) any rent or other charges payable under any ground lease or other lease superior to this Lease; (t) insurance premiums to the extent any tenant causes Landlord's existing insurance premiums to increase or requires Landlord to purchase additional insurance; (u) marketing or advertising costs; (v) all costs and expenses associated with the removal and clean up of Hazardous Materials (as defined in Article 34) caused directly and exclusively by Landlord or by other tenants or recovered from third parties; (w) Landlord's financing or refinancing costs; (x) the cost of repair or other work (including rebuilding) occasioned by casualty or condemnation; and (y) costs incurred in removing the property of former tenants or occupants of the Project.

6.5 Taxes—Defined. For the purposes of this Lease, "Taxes" shall mean and include all real property taxes and personal property taxes, general and special assessments, foreseen as well as unforeseen, which are levied or assessed upon or with respect to the Project, any improvements, fixtures, equipment and other property of Landlord, real or personal, located on the Project and used in connection with the operation of all or any portion of the Project, as well as any tax, surcharge or assessment which shall be levied or assessed in addition to or in lieu of such real or personal property taxes and assessments. For the purposes of determining Taxes during any calendar year, the amount to be included for such calendar year shall be Taxes which are due for payment or paid during such calendar year. Subject to the limitations of Section 6.4, Taxes shall also include any expenses incurred by Landlord in contesting the amount or validity of any real or personal property taxes and assessments. Taxes shall not, however, include any franchise, gift, estate, inheritance, conveyance, transfer or income tax assessed against Landlord. In the event of assessments that may be paid in installments by reason of bonding or otherwise, Landlord shall elect to make payment under the installment plan. In any event, Tenant's obligations under this Article 6.5 shall be as if Landlord made payment over the longest period of time permitted by the assessment, and Tenant shall bear no liability as to installments due following the expiration of this Lease.

6.6 Tenant, at its expense, shall have the right upon fifteen (15) days prior written notice to Landlord (an " Audit Notice") to be given only within one hundred twenty (120) days after Tenant receives the annual statement of Operating Costs to audit Landlord's books and records relating to such statement for the immediately preceding two (2) calendar years, subject to the further terms and provisions of this Article 6.7: (a) no audit shall be conducted at any time that Tenant is in breach or default of any of the terms, covenants or provisions of this Lease; (b) any audit shall be conducted only by independent certified public accountants practicing for an accounting firm of national or regional prominence, employed by Tenant on an hourly or fixed fee basis, and not on a contingency fee basis; and (c) Tenant shall not audit Landlord's books and records more than one (1) time for any calendar year. Tenant acknowledges that Tenant's right to inspect Landlord's books and records with respect to Operating Costs for the preceding calendar year is for the exclusive purpose of determining whether Landlord has complied with the terms of this Lease with respect to Operating Costs. Tenant shall have ninety (90) days after Tenant's Audit Notice to complete Tenant's inspection of Landlord's books and records concerning Operating Costs at Landlord's accounting office. Landlord shall maintain accurate books and records in connection with the Project and shall make the same available to Tenant at Landlord's office in San Francisco, California. Tenant shall not remove such records from Landlord's accounting office, but Tenant shall have the right to make copies of the relevant documents at Tenant's sole cost and expense. Tenant shall deliver to Landlord a copy of the results of such audit within thirty (30) days after receipt by Tenant. The nature and content of any audit are strictly confidential. Tenant, for itself and on behalf of Tenant Parties (defined in Article 16), shall not disclose the information obtained from the audit to any other person or entity including, without limitation, any other tenant in the Project or any representative of any such tenant in the Project. A breach of this confidentiality agreement shall constitute an Event of Default under this Lease. No assignee, sublessee or other transferee of Tenant shall conduct an audit for any period during which such transferee was not in possession of the Premises. In the event Tenant's audit shall disclose that Landlord has overstated Tenant's pro rata share of Operating Costs, Landlord shall refund the overstated amounts paid by Tenant within ten (10) business days after receipt of the audit, and, if Landlord has overstated Tenant's pro rata share of Operating Costs by five percent (5%) or more during any one (1) accounting year, then Landlord shall pay for the reasonable costs of the audit, not to exceed, however, Five Thousand and No/100 Dollars ($5,000.00).

7. **CONDITION, REPAIRS AND ALTERATIONS**

7.1 Condition. The respective obligations of Landlord and Tenant with respect to the condition of the Leased Premises are set forth on Exhibit "E" to this Lease. Landlord represents and warrants to Tenant that for a period of one (1) year from and after the date of delivery of possession of the Leased Premises to Tenant, all work performed by Landlord in the Leased Premises shall be substantially free from defects in materials and workmanship. Landlord's liability under the foregoing warranty shall be limited to the repair and/or replacement, as the case may be, of defective materials and workmanship and, in no event, shall Landlord be liable for special or consequential damages. Landlord shall have no obligation with respect to the foregoing warranty unless Tenant gives Landlord written notice of defective materials or workmanship prior to the date which is one (1) year after delivery of possession of the Leased Premises to Tenant.

7.2 Alterations and Improvements. Tenant may place partitions and fixtures and may make improvements and other alterations to the interior of the Leased Premises at Tenant's expense, provided, however, that prior to commencing any such work, Tenant shall first obtain the written consent of Landlord to the proposed work, including the plans, specifications, the proposed architect and/or contractor(s) for such alterations and/or improvements and the materials used in connection with such alterations, including, without limitation, paint, carpeting, wall or window coverings and the use of carpet glues and other chemicals for installation of such materials. At least ten (10) days prior to the commencement of any construction in the Leased Premises, Tenant shall deliver to Landlord copies of the plans and specifications for the contemplated work and shall identify the contractor(s) selected by Tenant to perform such work. Landlord shall inform Tenant of whether the work proposed by Tenant will result in Tenant's incurring increased costs under Section 8.2 hereof. Landlord shall have the right to approve Tenant's contractor and architect, such approval not to be unreasonably withheld or delayed. Landlord may, as a condition to consenting to such work, require that Tenant provide security adequate in Landlord's judgment so that the improvements or other alterations to the Leased Premises will be completed in a good, workmanlike and lien free manner. Landlord may also require that any work done to the interior of the Leased Premises be subject to the supervision of Landlord or its designee; if the cost of such work exceeds Fifty Thousand and No/100 Dollars ($50,000.00), Tenant shall pay to Landlord, upon completion of such work, a supervision fee in an amount equal to ten percent (10%) of the cost of such work. All such improvements or alterations must conform to and be in substantial accordance in quality and appearance with the quality and appearance of the improvements in the remainder of the Building. All such improvements shall be the property of Landlord. Upon Landlord's approval of Tenant's architect and/or contractor for the installation of any such alterations or improvements, prior to the commencement of such work, Tenant shall provide Landlord with evidence that Tenant's contractor has procured worker's compensation, liability and property damage insurance (naming Landlord as an additional insured) in a form and in an amount approved by Landlord, and evidence that Tenant's architect

and/or contractor has procured the necessary permits, certificates and approvals from the appropriate governmental authorities. Tenant acknowledges and agrees that any review by Landlord of Tenant's plans and specifications and/or right of approval exercised by Landlord with respect to Tenant's architect and/or contractor is for Landlord's benefit only and Landlord shall not, by virtue of such review or right of approval, be deemed to make any representation, warranty or acknowledgment to Tenant or to any other person or entity as to the adequacy of Tenant's plans and specifications or as to the ability, capability or reputation of Tenant's architect and/or contractor.

7.3 Tenant's Obligations. Tenant shall, at Tenant's sole cost and expense, maintain the Leased Premises in a clean, neat and sanitary condition and shall keep the Leased Premises and every part thereof in good condition and repair except where the same is required to be done by Landlord. Tenant hereby waives all rights to make repairs at the expense of Landlord as provided by any law, statute or ordinance now or hereafter in effect. All of Tenant's alterations and/or improvements are the property of the Landlord, and Tenant shall, upon the expiration or earlier termination of the Lease Term, surrender the Leased Premises, including Tenant's alterations and/or improvements, to Landlord, janitorial clean and in the same condition as when received, ordinary wear and tear excepted. Except as set forth in Article 7.4 below, Landlord has no obligation to construct, remodel, improve, repair, decorate or paint the Leased Premises or any improvement thereon or part thereof. Tenant shall pay for the cost of all repairs to the Leased Premises not required to be made by Landlord and shall be responsible for any redecorating, remodeling, alteration and painting during the Lease Term as Tenant deems necessary. Tenant shall pay for any repairs to the Leased Premises, the Building and/or the Project made necessary by any negligence or carelessness of Tenant, its employees or invitees.

7.4 Landlord's Obligations. Landlord shall (a) make all necessary repairs to the roof, foundation, exterior walls, exterior doors, structural components, windows and corridors of the Building, (b) keep the Building, the Building Common Areas and the Project Common Area in a clean, neat and attractive condition, and (c) keep the Building equipment such as elevators, plumbing, heating, air conditioning and similar Building equipment in good repair, but Landlord shall not be liable or responsible for breakdowns or interruptions in service when reasonable efforts are made to restore such service. If Tenant requires a repair pursuant to this Article 7.4 (except in the event of an emergency), Tenant shall submit its request in writing to Landlord or Landlord's property manager. Landlord shall have no obligation to make any repair not requested in writing (except in the event of an emergency).

7.5 Removal of Alterations. Upon the expiration or earlier termination of this Lease, Tenant shall remove from the Leased Premises all movable trade fixtures and other movable personal property, and shall promptly repair any damage to the Leased Premises, the Building and/or the Project caused by such removal. All such removal and repair shall be entirely at Tenant's sole cost and expense. At any time prior to the scheduled expiration of the Lease Term or within fifteen (15) days after any termination of this Lease, Landlord may require that Tenant remove from the Leased Premises any alterations, additions, improvements, trade fixtures, equipment, shelving, cabinet units or movable furniture (and other personal property) designated by Landlord to be removed, including the staircase located within the Leased Premises. In such event, Tenant shall, in accordance with the provisions of Article 7.2 above, complete such removal (including the repair of any damage caused thereby) entirely at its own expense and within fifteen (15) days after such notice from Landlord. Notwithstanding any provision of this Lease to the contrary, Tenant shall have no obligation to remove the staircase within the Leased Premises as of the date of this Lease All repairs required of tenant pursuant to the provisions of this Article 7.5 shall be performed in a manner satisfactory to Landlord, and shall include, but not be limited to, repairing plumbing, electrical wiring and holes in walls, restoring damaged floor and/or ceiling tiles, repairing any other cosmetic damage, and cleaning the Leased Premises.

7.6 No Abatement. Except as provided herein, Landlord shall have no liability to Tenant, nor shall Tenant's covenants and obligations under this Lease, including without limitation, Tenant's obligation to pay Annual Basic Rent and Tenant's Share of Expenses, be reduced or abated in any manner whatsoever by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted to make pursuant to the terms of this Lease or by any other tenant's Lease or are required by law to be made in and to any portion of the Leased Premises, the Building or the Project.

8. **SERVICES**

8.1 Climate Control. Landlord shall provide reasonable climate control to the Leased Premises during the Building Hours as is suitable, in Landlord's judgment, for the comfortable use and occupation of the Leased Premises, excluding, however, air conditioning or heating for electronic data processing or other equipment requiring climate control in excess of building standard.

8.2 Janitorial Services. Landlord shall make janitorial and cleaning services available to the Leased Premises at least five (5) evenings per week, except recognized federal, state or local holidays. Tenant shall pay to Landlord, within five (5) days after receipt of Landlord's bill, the reasonable costs

incurred by Landlord for extra cleaning in the Leased Premises required because of (a) misuse or neglect on the part of Tenant, its employees or invitees, (b) use of portions of the Leased Premises for special purposes requiring greater or more difficult cleaning work than office areas, (c) non-building standard materials or finishes installed by Tenant or at its request after the date hereof, and (d) removal from the Leased Premises of refuse and rubbish of Tenant in excess of that ordinarily accumulated in general office occupancy or at times other than Landlord's standard cleaning times.

8.3 Electricity. Landlord shall, furnish reasonable amounts of electric current as required for normal and usual lighting purposes and for office machines and equipment such as personal computers, typewriters, adding machines, copying machines, calculators and similar machines and equipment normally utilized in general office use. Tenant's use of electric energy in the Leased Premises shall not at any time exceed the capacity of any of the risers, piping, electrical conductors and other equipment in or serving the Leased Premises. In order to insure that such capacity is not exceeded and to avert any possible adverse effect on the Building's electric system, Tenant shall not, without Landlord's prior written consent in each instance, connect appliances, machines using current in excess of 2.5 watts per rentable square foot of the Leased Premises (which is the amount of electric current used for general office use), or connect heavy-duty equipment other than ordinary office equipment to the Building's electric system or make any alterations or additions to the Building's electric system. Should Landlord grant such consent, all additional risers, piping and electrical conductors and other equipment therefor shall be provided by Landlord and the cost thereof shall be paid by Tenant within ten (10) business days after receipt of Landlord's bill. As a condition to granting such consent, Landlord may (a) require Tenant to pay the cost of additional electric energy that is made available to Tenant based upon the estimated additional capacity of such additional risers, piping and electrical conductors or other equipment, or (b) install separate meters pursuant to Section 8.6 below, and in such event, Tenant shall pay for the cost of utility usage as metered which is in excess of that usage customary for general office use.

8.4 Water. Landlord shall furnish cold water for drinking and cold and heated water for lavatory purposes to the Building Common Areas.

8.5 Heat Generating Equipment. Whenever heat generating machines or equipment used in the Leased Premises affect the temperature otherwise maintained by the climate control system, Landlord shall have the right to install supplementary air-conditioning units in the Leased Premises and the cost thereof, including the cost of installation, operation and maintenance shall be paid by Tenant to Landlord within ten (10) business days after receipt by Tenant of Landlord's statement.

8.6 Separate Meters. Landlord may install separate meters for the Leased Premises to register the usage of all or any one of the utilities serving the Leased Premises and in such event, Tenant shall pay for the cost of utility usage as metered (a) during other than Building Hours, or (b) which is in excess of that usage customary for general office use. If Tenant pays for separately metered utilities, charges for the use of such utilities shall be excluded from Operating Costs assessed to Tenant. Tenant shall reimburse Landlord for the cost of installation of the meters. In addition, Landlord shall have the right to require that Tenant reduce its consumption of utilities furnished to the Leased Premises to a level not exceeding normal consumption for general office use as determined by Landlord in its reasonable business judgment.

8.7 Additional Services. Tenant shall pay to Landlord, monthly as billed, as Additional Rent, Landlord's charge for services furnished by Landlord to Tenant in excess of that agreed to be furnished by Landlord pursuant to this Article 8, including, but not limited to (a) any utility services requested and utilized by Tenant during other than Building Hours, (b) electricity for computers, data processing equipment or other electrical equipment in excess of the amounts of electric current used for general office use in buildings comparable to the Building, and (c) climate control in excess of that agreed to be furnished by Landlord pursuant to Article 8.1 above or provided at times other than Building Hours.

8.8 Interruptions in Service. Landlord does not warrant that any of the foregoing services or any other services which Landlord may supply will be free from interruption. Tenant acknowledges that any one or more of such services may be suspended by reason of accident, repairs, inspections, alterations or improvements necessary to be made, or by strikes or lockouts, or by reason of operation of law, or by causes beyond the reasonable control of Landlord. Landlord shall not be liable for and Tenant shall not be entitled to any abatement or reduction of Annual Basic Rent or Tenant's Share of Expenses by reason of any disruption of the services to be provided by Landlord pursuant to this Lease.

8.9 Selection of Electric Service Provider.

(a) All times during the Lease Term Landlord shall have the right to select the utility company or companies that shall provide electric services to the Leased Premises and, subject to all applicable laws and governmental regulations, Landlord shall have the right at any time and from time to time during the Lease Term to either (a) contract for services from electric service provider(s) other than

the provider with which Landlord has a contract as of the date of this Lease (the " Current Provider"), or (b) continue to contract for services from the Current Provider.

(b) Tenant shall cooperate with Landlord and any electric service provider with which Landlord has contracted at all times and, as reasonably necessary, shall allow Landlord or such electric service provider reasonable access to any electric lines, feeders, risers, wiring and any other machinery within the Leased Premises.

(a) Landlord shall not be liable in damages or otherwise for any loss, damage or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption or defect in the electric services provided to the Leased Premises. No such change, failure, interference, disruption or defect shall entitle Tenant to terminate this Lease or to abate the payments Tenant is required to make under this Lease.

8.10 Telephone Lines. Tenant shall arrange for telephone service directly with one or more of the public, quasi public or private telephone companies providing telephone service to the Building and shall be solely responsible for all costs, expenses and charges relating to such telephone service. Landlord shall not be liable in damages or otherwise for any loss, damage or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption or defect in the telephone services provided to the Leased Premises. No such change, failure, interference, disruption or defect shall entitle Tenant to terminate this Lease or to abate the payments Tenant is required to make under this Lease.

8.11 Service Rooms. All electrical, telephone and other utility rooms located within the Building shall be locked at all times. If Tenant requires access to any such utility room, Tenant shall make an appointment with Landlord or Landlord's property manager.

9. **LIABILITY AND PROPERTY INSURANCE**

9.1 Liability Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of commercial general liability insurance for personal injury, bodily injury (including wrongful death) and damage to property covering (a) any occurrence in the Leased Premises, (b) any act or omission by Tenant, by any subtenant of Tenant, or by any of their respective invitees, agents, servants or employees anywhere in the Leased Premises or the Project, (c) the business operated by Tenant and by any subtenant of Tenant in the Leased Premises, and (d) the contractual liability of Tenant to Landlord pursuant to the indemnification provisions of Article 16.1 below (including deletion of the contractual liability exclusion for personal injury), which coverage shall not be less than One Million and No/100 Dollars ($1,000,000.00) per occurrence and Two Million and No/100 Dollars ($2,000,000.00) combined single limit. If Landlord shall so request, Tenant shall increase the amount of such liability insurance to the amount then customary for premises and uses similar to the Leased Premises and Tenant's use thereof. The liability policy or policies shall contain an endorsement (ISO Form 20-26 or its equivalent) naming Landlord, its partners, members or shareholders (as applicable), Landlord's lender and management agent as additional insureds, and shall provide that the insurance carrier shall, subject to a reservation of rights, have the duty to defend and/or settle any legal proceeding filed against Landlord seeking damages based upon personal injury, bodily injury or property damage liability even if any of the allegations of such legal proceedings are groundless, false or fraudulent. In addition, Tenant's liability insurance policies shall be endorsed as needed to provide cross liability coverage for Tenant, Landlord and any lender of Landlord and shall provide for severability of interests.

9.2 Property Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of insurance with "Special Form Coverage," including coverage for vandalism or malicious mischief, insuring the Tenant Improvements as defined on Exhibit E and Tenant's stock in trade, furniture, personal property, fixtures, equipment and other items in the Leased Premises, with coverage in an amount equal to the full replacement cost thereof. Landlord(and Landlord's Lender if Landlord shall so require) shall be named as an "insured as its interests may appear" and/or co-loss payee under Tenant's policies of property insurance with respect to such Tenant Improvements.

9.3 Worker's Compensation and Employer Liability Insurance. Tenant shall, during the Lease Term, keep in full force and effect, a policy or policies of worker's compensation insurance with an insurance carrier and in amounts approved by the Industrial Commission of the State of California and a policy of employer's liability insurance with limits of liability not less than One Million and No/100 Dollars ($1,000,000.00). Both such policies shall contain waivers of subrogation in favor of Landlord.

9.4 Intentionally Omitted.

9.5 Insurance Requirements. Each insurance policy and certificate thereof obtained by Tenant pursuant to this Lease shall contain a clause that the insurer will provide Landlord and, if requested, its mortgagee or ground lessor, with at least ten (10) business days prior written notice of any material

change, non-renewal or cancellation of the policy. Each such insurance policy shall be with an insurance company authorized to do business in the State of California and rated not less than A VIII in the then most current edition of "Best's Key Rating Guide". Certificates of insurance evidencing such insurance, as well as a certified copy of the required additional insured endorsement(s) (ISO Form 20-26 or its equivalent) shall be delivered to Landlord prior to commencement of the Lease Term. Each such policy shall provide that any loss payable thereunder shall be payable notwithstanding any act, omission or neglect by Tenant. All insurance policies required pursuant to this Article 9 shall be written as primary policies, and shall provide that any insurance which Landlord or Landlord's lender may carry is strictly excess, secondary and non-contributing with any insurance carried by Tenant. Tenant shall procure and maintain all policies entirely at its own expense and shall, at least twenty (20) days prior to the expiration of such policies, furnish Landlord with renewal certificates evidencing such insurance in conformance with Accord Form No. 27 (March 1993) (or its equivalent). Tenant shall not do or permit to be done anything which shall invalidate the insurance policies maintained by Landlord or the insurance policies required pursuant to this Article 9 or the coverage thereunder. If Tenant or any subtenant of Tenant does or permits to be done anything which shall increase the cost of any insurance policies maintained by Landlord, then Tenant shall reimburse Landlord for any additional premiums attributable to any act or omission or operation of Tenant or any subtenant of Tenant causing such increase in the cost of insurance. Any such amount shall be payable as Additional Rent within ten (10) business days after receipt by Tenant of a bill from Landlord. All policies of liability insurance shall designate Landlord (and/or Landlord's Lender and/or management company if Landlord so requests) as additional insureds and shall be endorsed to indicate that the coverage provided shall not be invalid due to any act or omission on the part of Landlord. The insurance requirements contained in this Article 9 are independent of Tenant's waiver, indemnification and other obligations under this Lease and shall not be construed or interpreted in any way to restrict, limit or modify Tenant's waiver, indemnification or other obligations or to in any way limit Tenant's obligations under this Lease.

9.6 Co-Insurance. If on account of the failure of Tenant to comply with the provisions of this Article 9, Landlord is deemed a co-insurer by its insurance carrier, then any loss or damage which Landlord shall sustain by reason thereof shall be borne by Tenant, and shall be paid by Tenant within ten (10) business days after receipt of a bill therefor.

9.7 Adequacy of Insurance. Landlord makes no representation or warranty to Tenant that the amount of insurance to be carried by Tenant under the terms of this Lease is adequate to fully protect Tenant's interests. If Tenant believes that the amount of any such insurance is insufficient, Tenant is encouraged to obtain, at its sole cost and expense, such additional insurance as Tenant may deem desirable or adequate. Tenant acknowledges that Landlord shall not, by the fact of approving, disapproving, waiving, accepting, or obtaining any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of such insurance, the solvency of any insurance companies or the payment or defense of any lawsuit in connection with such insurance coverage, and Tenant hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

9.8 Landlord's Insurance.

(a) Landlord, shall, at all times from and after the Commencement Date, as a component of Operating Expenses, maintain in effect commercial general liability insurance covering (a) any occurrence in the Project (other than within premises leased to tenants), (b) any act or omission by Landlord, or its agent, servants, contractors or employees, anywhere in the Project (other than within premises leased to tenants), and (c) the contractual liability of Landlord to Tenant pursuant to the indemnification provisions of Article 17.1 below, which coverage shall not be less than Two Million and No/100 Dollars ($2,000,000.00), combined single limit, per occurrence.

(b) Landlord shall, at all times from and after the Commencement Date, maintain in effect a policy or policies of " Causes of Loss—Special Form" insurance insuring the Building with coverage in an amount not less than ninety percent (90%) of the replacement cost thereof (exclusive of the cost of excavations, foundations and footings) from time to time during the Lease Term. Landlord reserves the right to maintain a reasonable deductible in connection with such insurance.

(c) Landlord's obligation to carry the insurance required in this Article 9.8 may be brought within the coverage of any so called blanket policy or policies of insurance carried and maintained by Landlord, provided that the coverage afforded will not be reduced or diminished by reason of the use of such blanket policy of insurance . Landlord shall have the right to self-insure for the liability and casualty insurance required by Article 9.9(a) and (b), provided that Landlord shall have a net worth, calculated in accordance with the generally accepted accounting principles, consistently applied, of at least One Hundred Million and No/100 Dollars ($100,000,000.00). In the event that Landlord elects to self-insure in accordance with the provisions of this Article 9.8(c), Landlord shall give Tenant written notice of such election, accompanied by appropriate evidence demonstrating that Landlord is entitled to self-ensure in accordance with the provisions of this Article 9.8(c).

10. **RECONSTRUCTION**

10.1 Abatement or Adjustment of Rent. If the Leased Premises shall be damaged or destroyed by fire or other casualty after the Commencement Date and before the termination hereof, then Annual Basic Rent and any other charges payable hereunder, may be abated as set forth herein. If the whole of the Leased Premises shall be damaged or destroyed, or if a substantial portion thereof shall be damaged or destroyed to the extent that Tenant, in its reasonable business judgment, determines that it cannot conduct business in the Leased Premises and Tenant closes for business, then Annual Basic Rent and any other charges payable hereunder shall be abated entirely until Tenant is obligated to recommence paying full rent in accordance with Article 10.3. If less than such substantial part of the Leased Premises shall be damaged or destroyed, then Annual Basic Rent and any other charges payable hereunder shall be equitably abated based upon the impact of such damage or destruction and the repair, restoration, rebuilding or replacement or any combination thereof upon Tenant's ability to conduct business in the Leased Premises, and Tenant shall again be obligated to recommence paying full rent in accordance with Article 10.3.

10.2 Repairs and Restoration Of Leased Premises.

(a) Upon any damage or destruction of the Leased Premises, Landlord shall promptly proceed to repair, restore, replace or rebuild the Leased Premises, including those Tenant Improvements made by Landlord to the Leased Premises (but not including any improvements or alterations made to the Leased Premises by Tenant pursuant to Article 7), to substantially the condition in which the same were immediately prior to such damage or destruction and Landlord thereafter shall diligently prosecute said work to completion without delay or interruption, subject, however, to Force Majeure. Notwithstanding the foregoing, if Landlord does not either (i) obtain a building permit for any repairs, rebuilding or restoration required hereunder within three (3) months of the date of such damage or destruction, or (ii) complete such repairs, rebuilding or restoration in accordance with this Article 10 within nine (9) months of such damage or destruction, then, in either event, Tenant may at any time thereafter terminate this Lease upon ninety (90) days' written notice thereof to Landlord; provided, however, that such notice of cancellation shall not be effective if Landlord, within such ninety (90) day period, shall obtain such permit or complete and comply as aforesaid, as the case may be.

(b) Notwithstanding anything to the contrary set forth in Article 10.2(a), if such damage or destruction shall occur during the last two (2) years of the Lease Term, and shall amount to five percent (5%) or more of the replacement cost of the Leased Premises (exclusive of the land and foundations), this Lease may be terminated at the election of either Landlord or Tenant upon written notice to the other within thirty (30) days after the occurrence of such damage or destruction.

(c) If this Lease is terminated under this Article 10.2, any Annual Basic Rent or other charges paid in advance by Tenant shall be refunded to Tenant, and the parties shall be released hereunder, each to the other, from all liability and obligations hereunder thereafter arising.

10.3 Delivery of Leased Premises. If this Lease has not been cancelled hereunder as a result of any damage or destruction of the Leased Premises, Tenant shall be required to accept delivery and possession of the Leased Premises and shall recommence paying Annual Basic Rent and other charges (or such abated portion thereof) when the following shall have occurred:

(a) The repairs to the damaged or destroyed portion of the Leased Premises shall have been substantially completed in compliance with all governmental requirements;

(b) If required, a certificate of occupancy or an equivalent use permit, shall have been issued by the City of San Francisco.

10.4 Repairs and Restoration of Project.

(a) If the Common Areas or other buildings or improvements in the Project (exclusive of the Leased Premises) shall be damaged or destroyed by fire or other casualty or any cause whatsoever, either in whole or in part, Landlord shall with due diligence remove any resulting debris and repair and/or rebuild the damaged or destroyed Common Areas and buildings in accordance with plans and specifications complying with applicable governmental restrictions. Notwithstanding the foregoing, if such damage or destruction affects more than thirty-three and one-third percent (33 1/3%) of such Common Areas and/or remaining buildings or other improvements, Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to Tenant; provided, however, that Landlord shall not have the right to cancel this Lease unless it cancels all other leases in the Project which Landlord is entitled to cancel; provided, however, further, that Tenant may negate Landlord's notice of termination in the event Tenant determines, in its reasonable business judgment, that notwithstanding such damage to or destruction of the Common Areas and/or remaining buildings or other improvements, there is reasonably adequate access to and parking serving the Leased Premises.

(b) If such damage or destruction affects more than ten percent (10%) of the Common Areas in the Project owned by Landlord, and if Landlord shall fail to repair and/or restore such damaged or destroyed portion within sixty (60) days after the occurrence of such damage or destruction, subject, however, to Force Majeure, then provided such failure has a material and adverse effect upon Tenant's ability to conduct business in the Leased Premises, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. Notwithstanding the foregoing, in the event that Landlord repairs and/or restores the damaged or destroyed portions of the Common Areas within the thirty (30) day period, then, in such event, Tenant's notice of termination shall be null and void and of no further force or effect.

(c) If such damage or destruction effects more than ten percent (10%) of the other premises or improvements in the Project owned by Landlord and if Landlord shall fail to repair and/or restore such damaged or destroyed buildings or improvements within nine (9) months after the occurrence of such damage or destruction (or if Landlord has not fenced off or otherwise limited access to such damage or destroyed improvements within thirty (30) days after the occurrence of such damage or destruction), subject, however, to Force Majeure, then provided such failure has a material and adverse effect upon Tenant's ability to conduct business in the Leased Premises, Tenant may terminate this Lease upon ninety (90) days written notice to Landlord. Notwithstanding the foregoing, in the event that Landlord repairs and/or restores the damaged or destroyed portions of the buildings or other improvements in the Building (or causes the same to be fenced off or access thereto otherwise limited) within such ninety (90) day period, then, in such event, Tenant's notice of termination shall be null and void and of no further force or effect.

10.5 Waiver. Tenant hereby waives any statutory and common law rights of termination which may arise by reason of any partial or total destruction of the Leased Premises which Landlord is obligated to restore or may restore under any of the provisions of this Lease.

11. **WAIVER OF SUBROGATION**

Landlord and Tenant each hereby waives their respective rights and the subrogation rights of their respective insurers against Tenant or Landlord, as applicable, with respect to any claims for damage to the Leased Premises, Building and/or Project, and/or any fixtures, equipment, personal property, furniture, improvements and/or alterations in or to the Leased Premises, building and/or Project, which are caused by or result from (a) risks or damages required to be insured against under this Lease under a policy of property insurance, or (b) risks and damages which are insured against by property insurance policies maintained by Landlord or Tenant, as applicable from time to time. Each of Tenant and Landlord shall obtain for the other party from its respective insurers under each policy required by this Lease a waiver of all rights of subrogation which such insurers of Tenant or Landlord, as applicable, might otherwise have against Landlord or Tenant, as applicable.

12. **LANDLORD'S RIGHT TO PERFORM TENANT OBLIGATIONS**

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Annual Basic Rent or Tenant's Share of Expenses (except as provided in Section 10.5 hereof). If Tenant shall fail to pay any sum of money, other than Annual Basic Rent, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder, and such failure shall continue for five (5) days after notice thereof by Landlord (or such shorter period of time as may be reasonable following oral notice to Tenant's personnel in the Leased Premises), Landlord may (but shall not be obligated to do so) without waiving or releasing Tenant from any of Tenant's obligations, make any such payment or perform any such other act on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs, together with interest thereon at the rate of ten percent (10%) per annum from the date of such payment by Landlord until reimbursement in full by Tenant (the "Default Rate"), shall be payable to Landlord as Additional Rent with the next monthly installment of Annual Basic Rent; provided, however, in no event shall the Default Rate exceed the maximum rate (if any) permitted by applicable law.

13. **DEFAULT AND REMEDIES**

13.1 Event of Default. The occurrence of any one or more of the following events will constitute an " Event of Default" on the part of Tenant.

(a) Failure to pay any installment of Annual Basic Rent, any Tenant's Share of Expenses or any other sum required to be paid by Tenant under this Lease, when due, which failure is not cured within five (5) days after written notice thereof by Landlord to Tenant;

(b) Failure to perform any of the other covenants or conditions which Tenant is required to observe and perform (except failure in the payment of Annual Basic Rent, Tenant's Share of

Expenses or any other monetary obligation contained in this Lease) and such failure shall continue for fifteen (15) days (or such shorter period of time as may be specified by Landlord in the event of an emergency) after written notice thereof by Landlord to Tenant, provided that if such default is other than the payment of money and cannot be cured within such fifteen (15) day period, then an Event of Default shall not have occurred if Tenant, within such fifteen (15) day period, commences curing of such failure and diligently in good faith prosecutes the same to completion and furnishes evidence thereof to Landlord within thirty (30) days thereafter;

(c) If any warranty, representation or statement made by Tenant to Landlord in connection with this Lease is or was materially false or misleading when made or furnished;

(d) Tenant's abandonment of the Leased Premises;

(e) The levy of a writ of attachment or execution or other judicial seizure of substantially all of Tenant's assets or its interest in this Lease, such attachment, execution or other seizure remaining undismissed or discharged for a period of thirty (30) days after the levy thereof;

(f) The filing of any petition by or against Tenant or any Guarantor to declare Tenant or any Guarantor a bankrupt or to delay, reduce or modify Tenant's or any Guarantor's debts or obligations, which petition is not discharged within sixty (60) days after the date of filing;

(g) The filing of any petition or other action taken to reorganize or modify Tenant's or any Guarantor's capital structure, which petition is not discharged within sixty (60) days after the date of filing;

(h) If Tenant or any Guarantor shall be declared insolvent according to law;

(i) A general assignment by Tenant or any Guarantor for the benefit of creditors;

(j) The appointment of a receiver or trustee for Tenant or any Guarantor or all or any of their respective property, which appointment is not discharged within sixty (60) days after the date of filing;

(k) The filing by Tenant or any Guarantor of a voluntary petition pursuant to the Bankruptcy Code or any successor thereto or the filing of an involuntary petition against Tenant or any Guarantor pursuant to the Bankruptcy Code or any successor legislation, which petition is not discharged within sixty (60) days after the date of filing.

13.2 Remedies.

Upon the occurrence of any Event Of Default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

(a) Landlord may terminate this Lease, in which event Tenant shall immediately surrender the Leased Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(1) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(2) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(3) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(4) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any

portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(5) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 13.2(a) shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Paragraphs (a)(1) and (a)(2), above, the "worth at the time of award" shall be computed by allowing interest at the rate of ten percent (10%) per annum. As used in Paragraph (a)(3) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(b) Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

(c) Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections a. and b., above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

(d) If Landlord elects to terminate this Lease on account of any Event of Default by Tenant, as set forth in this Article 13, then Landlord shall have the right, at Landlord's option in its sole discretion, (i) to terminate any and all assignments, subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Leased Premises, in which event Landlord shall have the right to repossess such affected portions of the Leased Premises by any lawful means, or (ii) to succeed to Tenant's interest in any or all such assignments, subleases, licenses, concessions or arrangements, in which event Landlord may require any assignees, sublessees, licensees or other parties thereunder to attorn to and recognize Landlord as its assignor, sublessor, licensor, concessionaire or transferor thereunder. In the event of Landlord's election to succeed to Tenant's interest in any such assignments, subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

(e) No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Leased Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

13.3 **No Waiver**. The waiver by Landlord of any breach of any term, covenant or condition herein contained in this Lease shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition of this Lease. The subsequent acceptance of Annual Basic Rental, Tenant's Share of Expenses, Operating Costs, Additional Rent or other charges due under this Lease shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular amount so accepted regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No covenant, term, or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord.

13.4 Interest on Past Due Amounts. In addition to the late charge described in Article 14 below, if any installment of Annual Basic Rent or Tenant's Share of Expenses is not paid promptly when due, it shall bear interest at the Default Rate; provided, however, this provision shall not relieve Tenant from any default in the making of any payment at the time and in the manner required by this Lease; and provided, further, in no event shall the Default Rate exceed the maximum rate (if any) permitted by applicable law.

13.5 Landlord Default. In the event Landlord should neglect or fail to perform or observe any of the covenants, provisions or conditions contained in this Lease on its part to be performed or observed, and such failure continues for thirty (30) days after written notice of default (or if more than thirty (30)

days shall be required because of the nature of the default, if Landlord shall fail to commence the curing of such default within such thirty (30) day period and proceed diligently thereafter), then Landlord shall be responsible to Tenant for any actual damages sustained by Tenant as a result of Landlord's breach, but not special or consequential damages. Should Tenant give written notice to Landlord to correct any default, Tenant shall give similar notice to the holder of any mortgages or deeds of trust against the Building or the lessor of any ground lease (provided that the names and addresses of such holders or lessors have been provided to Tenant), and prior to any cancellation of this Lease, the holder of such mortgage or deed of trust and/or the lessor under such ground lease shall be given a reasonable period of time to correct or remedy such default. If and when such holder of such mortgage or deed of trust and/or the lessor under any such ground lease has made performance on behalf of Landlord, the default of Landlord shall be deemed cured.

14. **LATE PAYMENTS**

Tenant hereby acknowledges that the late payment by Tenant to Landlord of any monthly installment of Annual Basic Rent, any Tenant's Share of Expenses or any other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include but are not limited to processing, administrative and accounting costs. Accordingly, if any monthly installment of Annual Basic Rent, any Tenant's Share of Expenses or any other sum due from Tenant shall not be received by Landlord within five (5) days after the date when due, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount or Two Hundred and No/100 Dollars ($200.00), whichever is greater. Tenant acknowledges that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payments by Tenant. Neither assessment nor acceptance of a late charge by Landlord shall constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of the other rights and remedies available to Landlord. Nothing contained in this Article 14 shall be deemed to condone, authorize, sanction or grant to Tenant an option for the late payment of Annual Basic Rent, Tenant's Share of Expenses or any other sum due hereunder.

15. **ABANDONMENT AND SURRENDER**

15.1 Abandonment. Tenant shall not vacate or abandon the Leased Premises at any time during the Lease Term. No act or thing done by Landlord or by any agent or employee of Landlord during the Lease Term shall be deemed an acceptance of a surrender of the Leased Premises unless such acceptance is expressed in writing and duly executed by Landlord. Unless Landlord so agrees in writing, the delivery of the key to the Leased Premises to any employee or agent of Landlord shall not operate as a termination of this Lease or as a surrender of the Leased Premises.

15.2 Surrender. Tenant shall, upon the expiration or earlier termination of this Lease, peaceably surrender the Leased Premises, including any Tenant Improvements**,** in a clean condition and otherwise in as good condition as when Tenant took possession, except for (i) reasonable wear and tear subsequent to the last repair, replacement, restoration, alteration or renewal; (ii) loss by fire or other casualty, and (iii) loss by condemnation. To the extent permitted by law, if Tenant shall abandon, vacate or surrender the Leased Premises, or be dispossessed by process of law or otherwise, any personal property and fixtures belonging to Tenant and left in the Leased Premises shall be deemed abandoned and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. Landlord may, however, if it so elects, remove all or any part of such personal property from the Leased Premises and the costs incurred by Landlord in connection with such removal, including storage costs and the cost of repairing any damage to the Leased Premises, the Building and/or the Project caused by such removal shall be paid by Tenant within five (5) days after receipt of Landlord's statement. Upon the expiration or earlier termination of this Lease, Tenant shall surrender to Landlord all keys to the Leased Premises and shall inform Landlord of the combination of any vaults, locks and safes left on the Leased Premises. The obligations of Tenant under this Article 15.2 shall survive the expiration or earlier termination of this Lease. Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating the Leased Premises for the express purpose of arranging a meeting with Landlord for a joint inspection of the Leased Premises. In the event of Tenant's failure to give such notice or to participate in such joint inspection, Landlord's inspection at or after Tenant's vacation of the Leased Premises shall be conclusively deemed correct for purposes of determining Tenant's liability for repairs and restoration hereunder.

16. **INDEMNIFICATION AND EXCULPATION**

16.1 Indemnification. To the fullest extent permitted by law, Tenant shall, at Tenant's sole cost and expense, Indemnify Landlord Parties against all Claims arising from (i) any Personal Injury, Bodily Injury or Property Damage (as such terms are defined below) whatsoever occurring in or at the Leased Premises, except to the extent caused by the negligence, willful misconduct and/or breach of this Lease by Landlord Parties (unless covered by insurance required to be maintained by Tenant under the provisions of this Lease); (ii) any Bodily Injury to an employee of a Tenant Party arising out of and in the

course of employment of the employee and occurring anywhere in the Project; (iii) subject to Article 11, Tenant's use or occupancy, or manner of use or occupancy, or conduct or management of the Leased Premises or of any business therein; (iv) subject to the waiver of subrogation provisions of this Lease, any act, error, omission or negligence of any of the Tenant Parties in, on or about the Leased Premises or the Project; (v) the conduct of Tenant's business; (vi) subject to the waiver of subrogation provisions above, any alterations, activities, work or things done, omitted, permitted or allowed by Tenant Parties in, at or about the Leased Premises or Project, including the violation of or failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders, or judgments in existence on the date of this Lease or enacted, promulgated or issued after the date of this Lease including Hazardous Materials Laws (defined below); (vii) any breach, violation or nonperformance of any term, condition, covenant or other obligation of Tenant under this Lease, or any misrepresentation made by Tenant or any guarantor of Tenant's obligations in connection with this Lease; (viii) all damages sustained by Landlord as a result of any holdover by Tenant or any Tenant Party in the Leased Premises including, but not limited to any claims by another tenant resulting from a delay by Landlord in delivering possession of the Leased Premises to such tenant; (ix) any liens or encumbrances arising out of any work performed or materials furnished by or for Tenant. Except to the extent caused by the negligence or willful misconduct of any Tenant Party, or a breach of this Lease by any Tenant Party (unless covered by insurance required to be maintained by Landlord under the provisions of this Lease) to the fullest extent permitted by law, Landlord hereby Indemnifies, at Landlord's sole cost and expense, Tenant Parties against all Claims which (i) arise from, or in connection with the Building Common Areas or Project, any negligence or willful misconduct of Landlord Parties in connection with the Common Areas; or (ii) result from any default, breach, violation or non-performance of this Lease or any provision of this Lease by any Landlord Party, or (iii) subject to the waiver of subrogation provisions above, arise from any alterations, activities, work or things done, omitted, permitted, allowed by Landlord Parties in the Building Common Areas or Project Common Areas including the violation of or failure to comply with any applicable laws, statutes, ordinances, standards, rules, regulations, orders or judgments in existence on the date of this Lease, including Hazardous Materials Laws, compliance with which is an obligation of Landlord under this Lease.

16.2 Waivers. To the fullest extent permitted by law, and except as otherwise expressly provided in this Lease, Tenant, on behalf of all Tenant Parties, Waives all Claims against Landlord Parties (but not against third party claimants) arising from the following: (i) any Personal Injury, Bodily Injury, or Property Damage occurring in or at the Leased Premises; except to the extent caused by the negligence, willful misconduct and/or breach of this Lease by Landlord Parties unless covered by insurance required to be maintained by Tenant under the provisions of this Lease; (ii) any loss of or damage to property of a Tenant Party located in the Leased Premises by theft or otherwise to the extent covered by property insurance maintained by Tenant or required to be maintained by Tenant under this Lease; (iii) any Personal Injury, Bodily Injury, or Property Damage to any Tenant Party caused by other tenants of the Project, parties not occupying space in the Project, occupants of property adjacent to the Project, or the public or by the construction of any private, public, or quasi-public work occurring either in the Leased Premises or elsewhere in the Project; or (iv) any Bodily Injury to an employee of a Tenant Party arising out of and in the course of employment of the employee and occurring anywhere in the Project. To the fullest extent permitted by law, and except as otherwise expressly provided in this Lease, subject to Article 11, Landlord, on behalf of all Landlord Parties, waives all Claims against Tenant Parties arising from any loss or damage to property of a Landlord Party located in the Project (other than in the Leased Premises) by theft or otherwise to the extent covered by property insurance maintained by Landlord or required to be maintained by Landlord under this Lease, arising from any Personal Injury, Bodily Injury or Property Damage to any Landlord Party caused by other tenants of the Building, parties not occupying space in the Project, occupants of property adjacent to the Project, or the public or by the construction of any private, public, or quasi-public work occurring either in the Leased Premises or elsewhere in the Project; or (iii) any Bodily Injury to an employee of a Landlord Party arising out of and in the course of employment of the employee and occurring anywhere in the Project.

16.3 Definitions. For purposes of this Article 16: (i) the term "Tenant Parties" means Tenant, and Tenant's officers, members, partners, agents, employees, sublessees, licensees, invitees and independent contractors, and all persons and entities claiming through any of these persons or entities; (ii) the term "Landlord Parties" means Landlord and the partners, venturers, trustees and ancillary trustees of Landlord and the respective officers, directors, shareholders, members, parents, subsidiaries and any other affiliated entities, personal representatives, executors, heirs, assigns, licensees, invitees, beneficiaries, agents, servants, employees and independent contractors of these persons or entities; (iii) the term " Indemnify" means indemnify, defend and hold free and harmless for, from and against; (iv) the term "Claims" means all liabilities, claims, damages, losses, penalties, litigation, demands, causes of action (whether in tort or contract, in law or at equity or otherwise), suits, proceedings, judgments, disbursements, charges, assessments, and expenses (including attorneys' and experts' fees and expenses incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding); (v) the term "Waives" means that the Tenant Parties or Landlord Parties, as applicable, waive and knowingly and voluntarily assume the risk of; and (vi) the term "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time; (vii) the term "Personal

Injury" means injury, including consequential "bodily injury," arising out of any one or more of (a) false arrest, detention or imprisonment, (b) malicious prosecution, (c) the wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor, (d) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, (e) oral or written publication of material that violates a person's right of privacy, (f) the use of another's advertising idea in one's "advertisement," or (g) infringing upon another's copyright, trade dress or slogan in one's "advertisement"; and (viii) "Property Damage" means (a) physical injury to tangible property, including all resulting loss of use of that property, or (b) loss of use of tangible property that is not physically injured.

16.4 Limit on Indemnities and Waivers. Notwithstanding anything contained herein to the contrary, Tenant shall not be not obligated to Indemnify the Landlord Parties against the gross negligence or willful misconduct or breach of this Lease by any Landlord Party and Tenant does not Waive any Claim against the Landlord Parties arising from the gross negligence or willful misconduct or breach of this Lease by any Landlord Party. Further notwithstanding anything contained herein to the contrary, Landlord shall not be not obligated to Indemnify the Tenant Parties against the gross negligence or willful misconduct or breach of this Lease by any Tenant Party and Landlord does not Waive any Claim against the Tenant Parties arising from the gross negligence or willful misconduct or breach of this Lease by any Tenant Party.

16.5 [Intentionally Omitted].

16.6 Obligations Independent of Insurance. The indemnification provided in this Article 16 shall not be construed or interpreted as in any way restricting, limiting or modifying Tenant's insurance or other obligations under this Lease, and the provisions of this Article 16 are independent of Tenant's insurance and other obligations. Tenant's compliance with the insurance requirements and other obligations under this Lease does not in any way restrict, limit or modify Tenant's indemnification obligations under this Lease. The indemnification provided in this Article 16 shall not be construed or interpreted as in any way restricting, limiting or modifying Landlord's insurance or other obligations under this Lease, and the provisions of this Article 16 are independent of Landlord's insurance and other obligations. Landlord's compliance with the insurance requirements and other obligations under this Lease does not in any way restrict, limit or modify Landlord's indemnification obligations under this Lease.

16.7 Survival. The provisions of this Article 16 will survive the expiration or earlier termination of this Lease until all Claims against either Landlord Parties or Tenant Parties, as applicable, involving any of the indemnified or waived matters are fully and finally barred by the applicable statutes of limitations.

17. **ENTRY BY LANDLORD**

Landlord reserves and shall at any and all times have the right to enter the Leased Premises, to inspect the same, to supply janitorial service and other services to be provided by Landlord to Tenant hereunder, to submit the Leased Premises to prospective purchasers or tenants, to post notices of non-responsibility, and to alter, improve or repair the Leased Premises and any portion of the Building of which the Leased Premises are a part, without abatement of Annual Basic Rent or Tenant's Share of Expenses, and may for that purpose erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that access into the Leased Premises shall not be blocked thereby, and further providing that the business of Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Leased Premises or any loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all the doors in, upon or about the Leased Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open such doors in an emergency in order to obtain entry to the Leased Premises, and any entry to the Leased Premises obtained by Landlord by any such means or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Leased Premises or an eviction of Tenant from all or any portion of the Leased Premises. Nothing in this Article 17 shall be construed as obligating Landlord to perform any repairs, alterations or maintenance except as otherwise expressly required elsewhere in this Lease.

18. **INTENTIONALLY OMITTED**

19. **ASSIGNMENT AND SUBLETTING**

19.1 Consent of Landlord Required. Except as set forth in Section 19.2 below, Tenant shall not transfer or assign this Lease or any right or interest hereunder, or sublet the Leased Premises or any part thereof, without first obtaining Landlord's prior written consent, which consent Landlord may not unreasonably withhold, condition or delay. No transfer or assignment (whether voluntary or involuntary, by operation of law or otherwise) or subletting shall be valid or effective without such prior written consent. Should Tenant attempt to make or allow to be made any such transfer, assignment or subletting, except as aforesaid, or should any of Tenant's rights under this Lease be sold or otherwise transferred by or under court order or legal process or otherwise, then, and in any of the foregoing events Landlord may, at its option, treat such act as an Event of Default by Tenant. Should Landlord consent to a transfer, assignment or subletting, such consent shall not constitute a waiver of any of the restrictions or prohibitions of this Article 19, and such restrictions or prohibitions shall apply to each successive transfer, assignment or subletting hereunder, if any.

19.2 Deemed Transfers. For the purposes of this Article 19, an assignment shall be deemed to include the following: (a) if Tenant is a partnership, a withdrawal or change (voluntary, involuntary, by operation of law or otherwise) of any of the partners thereof, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) of more than fifty percent (50%) or more of the partnership interests in the partnership, or the dissolution of the partnership; (b) if Tenant consists of more than one person, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) from one person unto the other or others; (c) if Tenant (or a constituent partner of Tenant) is a corporation, any dissolution, merger, consolidation or reorganization of Tenant (or such constituent partner), or any change in the ownership (voluntary, involuntary, by operation of law, creation of new stock or otherwise) of more than fifty percent (50%) or more of its capital stock from the ownership existing on the date set forth in Article 1.1 above; (d) if Tenant is an unincorporated association, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) of any interest in such unincorporated association; or (e) if Tenant is a limited liability company, a purported assignment, transfer, mortgage or encumbrance (voluntary, involuntary, by operation of law or otherwise) of more than fifty percent (50%) or more of the membership interests therein, or the dissolution of the limited liability company; or (f) the sale of all or substantially all the assets of Tenant. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to Tenant's right, without further approval from Landlord but only after written notice to Landlord to sublease the Premises or assign its interest in this Lease (i) to an entity that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Tenant; (ii) in the event of the merger or consolidation of Tenant with another entity; or (iii) in the event of a sale or transfer of all or substantially all of the equity of Tenant or substantially all of Tenant's assets (collectively, the "Permitted Transfers"), provided that immediately following the events enumerated in clauses (i) through (iii) above, the net worth of Tenant, calculated in accordance with generally accepted accounting principles, consistently applied, and the credit standing of Tenant is not less than the net worth, calculated in accordance with generally accepted accounting principals, consistently applied, and credit standing of Tenant as of the Date of this Lease. No Permitted Transfer shall relieve Tenant of its liability under this Lease and Tenant shall remain liable to Landlord for the payment of all Annual Basic Rent and Tenant's Share of Expenses and for the performance of all covenants and conditions of this Lease applicable to Tenant. The provisions of Articles 19.4 and 19.5 shall not be applicable to a Permitted Transfer.

19.3 Delivery of Information. If Tenant wishes at any time to assign this Lease or sublet the Leased Premises or any portion thereof, it shall first notify Landlord of its desire to do so and shall submit in writing to Landlord: (a) the name of the proposed subtenant or assignee; (b) the nature of the proposed subtenant's or assignee's business to be carried on in the Leased Premises; (c) the terms and the provisions of the proposed sublease or assignment (and Tenant shall provide Landlord a complete copy of the fully executed instrument of assignment and/or sublease once so fully executed) and (d) two (2) years audited financial statements with respect to the proposed subtenant or assignee, including balance sheets and income statements (if, however, audited financial statements are not available, Tenant shall submit unaudited financial statements certified to be true and correct by an officer or authorized representative of the assignee or subtenant) and such other financial information as Landlord may reasonably request concerning the proposed subtenant or assignee. If Tenant fails to comply with the provisions of this Article 19.3, Landlord shall notify Tenant in writing of such failure and Landlord shall not be obligated to approve or disapprove such assignment or sublease until such failure is cured.

19.4 Intentionally Omitted.

19.5 Additional Consideration. With respect to any assignment or subletting requiring Landlord's consent hereunder, Tenant shall pay, as Additional Rent hereunder, without affecting or reducing any other obligations of Tenant hereunder, an amount equal to seventy percent (70%) of all sums or other economic consideration received by Tenant as a result of such assignment or subletting, which exceed in aggregate the total sums which Tenant (or Tenant's assignee in case of an assignment) is

obligated to pay Landlord under this Lease (after deducting Tenant's actual out-of-pocket costs of such assignment or subletting on account of real estate brokerage commissions, reasonable attorneys' fees and/or tenant improvements installed or paid for by Tenant for such assignment or subletting, which deduction shall be amortized in the case of a subletting in equal monthly installments over the term of the sublease), prorated to reflect obligations allocable to that portion of the Leased Premises subject to such sublease; provided that in no event shall Tenant be obligated to pay Landlord less than the rental specified in this Lease.

19.6 No Release from Liability. Landlord may collect Annual Basic Rent and Tenant's Share of Expenses from the assignee, subtenant, occupant or other transferee, and apply the amount so collected, first to the monthly installments of Annual Basic Rent, then to any Tenant's Share of Expenses and other sums due and payable to Landlord, and the balance, if any, to Landlord, but no such assignment, subletting, occupancy, transfer or collection shall be deemed a waiver of Landlord's rights under this Article 19, or the acceptance of the proposed assignee, subtenant, occupant or transferee. Notwithstanding any assignment, sublease or other transfer (with or without the consent of Landlord), Tenant shall remain primarily liable under this Lease and shall not be released from performance of any of the terms, covenants and conditions of this Lease.

19.7 Landlord's Expenses. If Landlord consents to an assignment, sublease or other transfer by Tenant of all or any portion of Tenant's interest under this Lease, Tenant shall pay or cause to be paid to Landlord, such amount as is necessary to reimburse Landlord for administrative expenses and for legal, accounting and other out of pocket expenses reasonably and actually incurred by Landlord in connection with the granting of such consent, but in no event to exceed One Thousand and No/100 Dollars ($1,000.00).

19.8 Assumption Agreement. If Landlord consents to an assignment, sublease or other transfer by Tenant of all or any portion of Tenant's interest under this Lease, Tenant shall execute and deliver to Landlord, and cause the transferee to execute and deliver to Landlord, an instrument in form and substance reasonably acceptable to Landlord in which (a) the transferee adopts this Lease and assumes and agrees to perform, jointly and severally with Tenant, all of the obligations of Tenant hereunder (limited in the case of a sublease of less than all of the Leased Premises to such obligations as are applicable to the subleased portion of the Leased Premises), (b) Tenant acknowledges that it remains primarily liable for the payment of Annual Basic Rent, Tenant's Share of Expenses and other obligations under this Lease, and (c) the transferee agrees to use and occupy the Leased Premises solely for the purpose specified in Article 20 and otherwise in strict accordance with this Lease.

19.9 Withholding Consent. Without limiting the grounds for withholding consent which may be reasonable, it shall be reasonable for Landlord to withhold consent (a) if the proposed assignee or subtenant is a tenant in default of such tenant's lease (or the termination by such assignee or subtenant of such lease in order to sublease from Tenant will be a default under the same) in a building in the San Francisco, California metropolitan area owned by Landlord or (b) by an affiliate of Landlord or any of Landlord's constituent partners or principals; or if the proposed assignee or subtenant is a governmental or quasi-governmental entity, agency, department or any subdivision thereof; or (c) if the use by the proposed assignee or subtenant would violate the terms of this Lease, or any restrictive use covenant or exclusive rights granted by Landlord; or (d) if, in Landlord's reasonable business judgment, the nature of the proposed assignee or subtenant or its business would not be consistent with the operation of a first class, institutional grade office building; or (e) if (i) the proposed assignee or subtenant is an existing tenant of the Project, or is a prospective tenant of the Project with whom Landlord or its broker have exchanged one or more written proposals to lease space within the immediately preceding ninety (90) day period, and (ii) Landlord has vacant space available for lease in the Building sufficient to meet the space needs of such existing or prospective tenant; or (g) if Tenant or an affiliate of Tenant is in breach or default of this Lease or any other agreement between Landlord and Tenant relating to the Project.

20. **USE OF LEASED PREMISES AND RUBBISH REMOVAL**

20.1 Use. The Leased Premises are leased to Tenant solely for the Permitted Use set forth in Article 1.10 above and for no other purpose whatsoever. Tenant shall not use or occupy or permit the Leased Premises to be used or occupied, nor shall Tenant do or permit anything to be done in or about the Leased Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any casualty or other insurance on the Building, the Project or any of their respective contents, or make void or voidable or cause a cancellation of any insurance policy covering the Building, the Project or any part thereof or any of their respective contents. Tenant shall not do or permit anything to be done in or about the Leased Premises, the Building and/or the Project which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or the Project or injure or annoy them. Tenant shall not use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Leased Premises, the Building and/or the Project. In addition, Tenant shall not commit or suffer to be committed any waste in or upon the Leased Premises, the Building and/or the Project. Tenant shall not

use the Leased Premises, the Building and/or the Project or permit anything to be done in or about the Leased Premises, the Building and/or the Project which will in any way conflict with any matters of record, or any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated, and shall, at its sole cost and expense, promptly comply with all matters of record and all laws, statutes, ordinances and governmental rules, regulations and requirements now in force or which may hereafter be in force and with the requirements of any Board of Fire Underwriters or other similar body now or hereafter constituted, foreseen or unforeseen, ordinary as well as extraordinary, relating to or affecting the condition, use or occupancy of the Project, excluding structural changes not relating to or affected by Tenant's improvements or acts. The judgment of any court of competent jurisdiction or the admission by Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any matters of record, or any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact between Landlord and Tenant. In addition, Tenant shall not place a load upon any floor of the Leased Premises which exceeds the load per square foot which the floor was designed to carry, nor shall Tenant install business machines or other mechanical equipment in the Leased Premises which cause noise or vibration that may be transmitted to the structure of the Building.

20.2 Rubbish Removal. Tenant shall keep the Leased Premises clean, both inside and outside, subject, however, to Landlord's obligation as set forth in Article 8.2 above. Tenant shall not burn any materials or rubbish of any description upon the Leased Premises. Tenant shall keep all accumulated rubbish in containers. In the event Tenant fails to keep the Leased Premises in the proper condition, Landlord may cause the same to be done for Tenant and Tenant shall pay the expenses incurred by Landlord on demand, together with interest at the Default Rate, as Additional Rent. Tenant shall, at its sole cost and expense, comply with all present and future laws, orders and regulations of all state, county, federal, municipal governments, departments, commissions and boards regarding the collection, sorting, separation, and recycling of waste products, garbage, refuse and trash. Tenant shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law. Each separately sorted category of waste products, garbage, refuse and trash shall be placed in separate receptacles reasonably approved by Landlord. Such separate receptacles may, at Landlord's option, be removed from the Leased Premises in accordance with a collection schedule prescribed by law. Landlord reserves the right to refuse to collect or accept from Tenant any waste products, garbage, refuse or trash that is not separated and sorted as required by law, and to require Tenant to arrange for such collection at Tenant's sole cost and expense using a contractor satisfactory to Landlord. Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Article 20.2, and, at Tenant's sole cost and expense, Tenant shall indemnify, defend and hold Landlord and Landlord's agents and employees harmless (including legal fees and expenses) from and against, and shall be responsible for, all actions, claims, liabilities and suits arising from such noncompliance, utilizing counsel reasonably satisfactory to Landlord.

21. **SUBORDINATION AND ATTORNMENT**

21.1 Subordination. This Lease and all rights of Tenant hereunder shall be, at the option of Landlord, subordinate to (a) all matters of record, (b) all ground leases, overriding leases and underlying leases (collectively referred to as the " leases") of the Building or the Project now or hereafter existing, (c) all mortgages and deeds of trust (collectively referred to as the " mortgages") which may now or hereafter encumber or affect the Building or the Project, and (d) all renewals, modifications, amendments, replacements and extensions of leases and mortgages and to spreaders and consolidations of the mortgages, whether or not leases or mortgages shall also cover other lands, buildings or leases, subject to the delivery to Tenant of a commercially reasonable form of subordination, non-disturbance and attornment agreement from such Superior Lessor (as defined below) or Superior Mortgagee (as defined below), as the case may be. Any lease to which this Lease is subject and subordinate is called a " Superior Lease" and the lessor under a Superior Lease or its assigns or successors in interest is called a "Superior Lessor". Any mortgage to which this Lease is subject and subordinate is called a " Superior Mortgage" and the holder of a Superior Mortgage is called a "Superior Mortgagee". If Landlord, a Superior Lessor or a Superior Mortgagee requires that such instruments be executed by Tenant, Tenant's failure to do so within ten (10) business days after request therefor shall be deemed an Event of Default under this Lease. Tenant waives any right to terminate this Lease because of any foreclosure proceedings. Tenant hereby irrevocably constitutes and appoints Landlord (and any successor Landlord) as Tenant's attorney-in-fact, with full power of substitution coupled with an interest, to execute and deliver to any Superior Lessor or Superior Mortgagee any documents required to be executed by Tenant for and on behalf of Tenant if Tenant shall have failed to do so within ten (10) business days after request therefore.

21.2 Attornment. If any Superior Lessor or Superior Mortgagee (or any purchaser at a foreclosure sale) succeeds to the rights of Landlord under this Lease, whether through possession or foreclosure action, or the delivery of a new lease or deed (a " Successor Landlord"), Tenant shall attorn to and recognize such Successor Landlord as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that such Successor Landlord may reasonably request to evidence such attornment, provided, however, that such Superior Lessor or Superior Mortgagee (or any purchaser at a

foreclosure sale) shall assume the obligations of the Landlord under this Lease, arising from and after the date of transfer.

22. **ESTOPPEL CERTIFICATE**

Tenant shall, whenever requested by Landlord, within ten (10) business days after written request by Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect, (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (b) the dates to which Annual Basic Rent, Tenant's Share of Expenses and other charges are paid in advance, if any; (c) that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder or specifying such defaults if any are claimed; (d) that Tenant has paid Landlord the Security Deposit, if any, (e) the Commencement Date and the scheduled expiration date of the Lease Term, (f) the rights (if any) of Tenant to extend or renew this Lease or to expand the Leased Premises and (g) the amount of Annual Basic Rent, Tenant's Share of Expenses and other charges currently payable under this Lease. In addition, such statement shall provide such other information and facts Landlord may reasonably require. Any such statement may be relied upon by any prospective or existing purchaser, ground lessee or mortgagee of all or any portion of the Project, as well as by any other assignee of Landlord's interest in this Lease. Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect, without modification except as may be represented by Landlord; (ii) that there are no uncured defaults in Landlord's performance hereunder; (iii) that Tenant has paid to Landlord the Security Deposit; (iv) that not more than one month's installment of Annual Basic Rent or Tenant's Share of Expenses has been paid in advance; (v) that the Commencement Date and the scheduled expiration date of the Lease Term are as stated therein, (vi) that Tenant has no rights to extend or renew this Lease or to expand the Leased Premises, (vii) that the Annual Basic Rent, Tenant's Share of Expenses and other charges are as set forth therein and (viii) that the other information and facts set forth therein are true and correct.

23. **SIGNS**

Landlord shall retain absolute control over the exterior appearance of the Building and the exterior appearance of the Leased Premises as viewed from the public halls. Tenant shall not install, or permit to be installed, any drapes, shutters, signs, lettering, advertising, or any items that will in any way, in the sole opinion of Landlord, adversely alter the exterior appearance of the Building or the exterior appearance of the Leased Premises as viewed from the public halls or the exterior of the Building. Notwithstanding the foregoing, Landlord shall install, at Tenant's sole cost and expense, letters or numerals at or near the entryway to the Leased Premises provided Tenant obtains Landlord's prior written consent as to size, color, design and location. All such letters or numerals shall be in accordance with the criteria established by Landlord for the Building. In addition, Tenant's name and suite number shall be identified on the Building directory.

24. **INTENTIONALLY OMITTED**

25. **LIENS**

Tenant shall keep the Leased Premises free and clear of all mechanic's and materialmen's liens. If, because of any act or omission (or alleged act or omission) of Tenant, any mechanics', materialmen's or other lien, charge or order for the payment of money shall be filed or recorded against the Leased Premises, the Project or the Building, or against any other property of Landlord (whether or not such lien, charge or order is valid or enforceable as such), Tenant shall, at its own expense, cause the same to be canceled or discharged of record within thirty (30) days after Tenant shall have received written notice of the filing thereof, or Tenant may, within such thirty (30) day period, post and record the bond contemplated by California Civil Code Section 3143.

26. **HOLDING OVER**

It is agreed that the date of termination of this Lease and the right of Landlord to recover immediate possession of the Leased Premises thereupon is an important and material matter affecting the parties hereto and the rights of third parties, all of which have been specifically considered by Landlord and Tenant. In the event of any continued occupancy or holding over of the Leased Premises without the express written consent of Landlord beyond the expiration or earlier termination of this Lease, this Lease shall be deemed a monthly tenancy and Tenant shall pay one and one-half (1 1/2) times the Annual Basic Rent then in effect, in advance at the beginning of the hold-over month(s), plus any Tenant's Share of Expenses or other charges or payments contemplated in this Lease, and any other costs, expenses, damages, liabilities and attorneys' fees incurred by Landlord on account of Tenant's holding over.

27. **ATTORNEYS' FEES**

Tenant shall pay to Landlord all amounts for costs (including reasonable attorneys' fees) incurred by Landlord in connection with any breach or default by Tenant under this Lease. Landlord shall pay to Tenant all amounts (including reasonable attorneys' fees) incurred by Tenant in connection with any uncured breach or default by Landlord under this Lease. Such amounts shall be payable within ten (10) business days after receipt by either party of the other party's statement therefor. In addition, if any action shall be instituted by either of the parties hereto for the enforcement or interpretation of any of their respective rights or remedies in or under this Lease, the prevailing party shall be entitled to recover from the losing party all costs incurred by the prevailing party in such action and any appeal therefrom, including reasonable attorneys' fees to be fixed by the court.

28. **RESERVED RIGHTS OF LANDLORD**

Landlord reserves the following rights, exercisable without liability to Tenant for damage or injury to property, persons or business and without effecting an eviction, constructive or actual, or disturbance of Tenant's use or possession or giving rise to any claim:

(a) To name the Building and the Project and, upon fifteen (15) business days notice to Tenant, to change the name or street address of the Building or the Project;

(b) To install and maintain all signs on the exterior and interior of the Building and the Project;

(c) To designate all sources furnishing sign painting and lettering;

(d) During the last ninety (90) days of the Lease Term, if Tenant has vacated the Leased Premises, to decorate, remodel, repair, alter or otherwise prepare the Leased Premises for re-occupancy, without affecting Tenant's obligation to pay Annual Basic Rent;

(e) To have pass keys to the Leased Premises and all doors therein, excluding Tenant's vaults and safes;

(f) On reasonable prior notice to Tenant, to exhibit the Leased Premises to any prospective tenant, purchaser, mortgagee, or assignee of any mortgage on the Building or the Project and to others having interest therein at any time during the Lease Term;

(g) To take any and all measures, including entering the Leased Premises for the purposes of making inspections, repairs, alterations, additions and improvements to the Leased Premises or to the Building (including, for the purposes of checking, calibrating, adjusting and balancing controls and other parts of the Building systems) as may be necessary or desirable for the operation, improvement, safety, protection or preservation of the Leased Premises or the Building, or in order to comply with all laws, orders and requirements of governmental or other authorities, or as may otherwise be permitted or required by this Lease; provided, however, that Landlord shall endeavor (except in an emergency) to minimize interference with Tenant's business in the Leased Premises;

(h) To install, use and maintain in and through the Leased Premises, pipes, conduits, wires, ducts and other facilities serving the Building; provided, however, that Landlord shall endeavor (except in an emergency) to minimize interference with Tenant's business in the Leased Premises;

(i) To relocate various facilities within the Building and on the Project if Landlord shall determine such relocation to be in the best interest of the development of the Building, the Property and/or the Project, provided, that such relocation shall not materially restrict access to the Leased Premises;

(j) To change the nature, extent, arrangement, use and location of the Building Common Areas and the Project Common Areas;

(k) To make alterations or additions to and to build additional stories on the Building and to build additional buildings or improvements on the Project; and

(l) To install vending machines of all kinds in the Leased Premises and the Building, and to receive all of the revenue derived therefrom, provided, however, that no vending machines shall be installed by Landlord in the Leased Premises unless Tenant so requests.

Landlord further reserves the exclusive right to the roof of the Building. No easement for light, air, or view is included in the leasing of the Leased Premises to Tenant. Accordingly, any diminution or shutting

off of light, air or view by any structure which may be erected on the Project or other properties in the vicinity of the Building shall in no way affect this Lease or impose any liability upon Landlord.

29. **EMINENT DOMAIN**

29.1 Taking. If the whole of the of the Leased Premises or the whole of the Building is lawfully and permanently taken by condemnation or any other manner for any public or quasi-public purpose, or by deed in lieu thereof, this Lease shall terminate as of the date of vesting of title in such condemning authority takes title or possession, whichever occurs first ("Condemnation Date"). If any part of the Leased Premises or any portion of the Building reasonably necessary for access to or use of the Leased Premises is so taken, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Leased Premises remaining after a partial taking by written notice to the other within thirty (30) days after such date; provided, however, that (a) a condition to the exercise by Tenant of such right to terminate shall be that such partial taking shall be to such extent and nature as to substantially and permanently handicap, impede, or impair Tenant's access to the Premises or the conduct of Tenant's business therein for the purposes permitted hereunder, and (b) a condition to the exercise by Landlord of such right to terminate shall be that Landlord terminates the leases of all tenants of the Building similarly situated that Landlord has the right to terminate. In the event of termination of the Lease under this Section 29.1, the Annual Basic Rent and Tenant's Share of Expenses shall be pro rated to the date of termination. If this Lease is not terminated as a result of a partial taking of the Leased Premises, the Annual Basic Rent and Tenant's Share of Expenses shall be equitably adjusted according to the rentable area of the Leased Premises and Building remaining.

29.2 Award. In the event of a taking of all or any part of the Building, all of the proceeds or the award, judgment, settlement or damages payable by the condemning authority shall be and remain the sole and exclusive property of Landlord, and Tenant hereby assigns all of its right, title and interest in and to any such award, judgment, settlement or damages to Landlord; provided, however, that Tenant shall be entitled to any specific award made in favor of Tenant covering Tenant's personal property, trade fixtures, above Building standard improvements, loss of goodwill, interruption or damage to Tenant's business and relocation expenses. If a part of the Leased Premises shall be taken and this Lease is not terminated in accordance with this Article 29, Landlord, without being required to spend more than it collects as an award, shall restore that part of the Leased Premises not so taken to substantially the same condition (with respect to character, quality, appearance and services) as that which existed immediately prior to such taking, excluding Tenant's personal property and trade fixtures.

30. **NOTICES**

Any notice or communication given under the terms of this Lease shall be in writing and shall be delivered in person, sent by any public or private express delivery service or deposited with the United States Postal Service or a successor agency, certified or registered mail, return receipt requested, postage pre-paid, addressed as set forth in the Basic Provisions, or at such other address as a party may from time to time designate by notice hereunder. Notice shall be effective upon delivery. The inability to deliver a notice because of a changed address of which no notice was given or a rejection or other refusal to accept any notice shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by Landlord may be given by the legal counsel and/or the authorized agent of Landlord.

31. **RULES AND REGULATIONS**

Tenant shall abide by all rules and regulations (the "Rules and Regulations") of the Building and the Project imposed by Landlord, as attached to this Lease as Exhibit "F" or as may hereafter be issued by Landlord. Such Rules and Regulations are imposed to enhance the cleanliness, appearance, maintenance, order and use of the Leased Premises, the Building and the Project, and the proper enjoyment of the Building and the Project by all tenants and their clients, customers and employees. The Rules and Regulations may be changed from time to time upon ten (10) days notice to Tenant. Breach of the Rules and Regulations by Tenant shall constitute an Event of Default if such breach is not fully cured within fifteen (15) days after written notice to Tenant by Landlord. Landlord shall not be responsible to Tenant for nonperformance by any other tenant, occupant or invitee of the Building or the Project of any Rules or Regulations. Landlord shall use commercially reasonable efforts to uniformly and without discrimination enforce such rules and regulations against all tenants of the Building and all other users of the Building Common Areas and Project Common Areas.

32. **ACCORD AND SATISFACTION**

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Annual Base Rent and Tenant's Share of Expenses (jointly called "Rent" in this Article 32), shall be deemed to be other than on account of the earliest stipulated Rent due and not yet paid, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be

deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy in this Lease. No receipt of money by Landlord from Tenant after the termination of this Lease, after the service of any notice relating to the termination of this Lease, after the commencement of any suit, or after final judgment for possession of the Leased Premises, shall reinstate, continue or extend the Lease Term or affect any such notice, demand, suit or judgment.

33. **RESERVED**

34. **HAZARDOUS MATERIALS**

34.1 Hazardous Materials Laws. "Hazardous Materials Laws" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common-law") relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Leased Premises, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, 42 U.S.C. §9601, et seq., the Resource Conversation and Recovery Act ("RCRA"), 42 U.S.C. §6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

34.2 Hazardous Materials. "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is a flammable explosive, asbestos, radioactive material, hazardous waste, toxic substance, petroleum product, or related injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (ii) is controlled, designated in or governed by any Hazardous Materials Law; (iii) gives rise to any reporting, notice or publication requirements under any Hazardous Materials Law; or (iv) gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person under any Hazardous Materials Law.

34.3 Use. Tenant shall not allow any Hazardous Material to be used, generated, released, stored or disposed of on, under or about, or transported from, the Leased Premises, the Building or the Project, unless: (i) such use is specifically disclosed to and approved by Landlord in writing prior to such use; and (ii) such use is conducted in compliance with the provisions of this Article 34. Landlord may approve such use subject to reasonable conditions to protect the Leased Premises, the Building or the Project, and Landlord's interests. Landlord may withhold approval if Landlord determines that such proposed use involves a material risk of a release or discharge of Hazardous Materials or a violation of any Hazardous Materials Laws or that Tenant has not provided reasonable assurances of its ability to remedy such a violation and fulfill its obligations under this Article 34. Notwithstanding the provisions of this **Article 34** to the contrary, Tenant shall be permitted to use and store Hazardous Materials in small quantities normally associated with business office activities, provided that such small quantities of Hazardous Materials are used and stored in compliance with all applicable Hazardous Materials Laws.

34.4 Compliance With Laws. Tenant shall strictly comply with, and shall maintain the Leased Premises in compliance with, all Hazardous Materials Laws with respect to any Hazardous Materials the Tenant or any assignee or sublessee of Tenant or their respective agents, contractors, employees, licensees, or invitees has introduced to the Leased Premises. Tenant shall obtain and maintain in full force and effect all permits, licenses and other governmental approvals required for Tenant's operations on the Leased Premises under any Hazardous Materials Laws and shall comply with all terms and conditions thereof. At Landlord's request, Tenant shall deliver copies of, or allow Landlord to inspect, all such permits, licenses and approvals. Tenant shall perform any monitoring, investigation, clean-up, removal and other remedial work (collectively, "Remedial Work") required as a result of any release or discharge by Tenant or any assignee or sublessee of Tenant or their respective agents, contractors, employees, licensees, or invitees of Hazardous Materials affecting the Leased Premises, the Building or the Project, or any violation of Hazardous Materials Laws by Tenant or any assignee or sublessee of Tenant or their respective agents, contractors, employees, licensees, or invitees. Landlord shall have the right to intervene in any governmental action or proceeding involving any Remedial Work, and to approve performance of the work, in order to protect Landlord's interests.

34.5 Compliance With Insurance Requirements. Tenant shall comply with the requirements of Landlord's and Tenant's respective insurers regarding Hazardous Materials introduced by Tenant or any assignee or sublessee of Tenant or their respective agents, contractors, employees, licensees, or invitees to the Leased Premises and with such insurers' recommendations based upon prudent industry practices regarding management of Hazardous Materials.

34.6 Notice; Reporting. Tenant shall notify Landlord, in writing, within two (2) days after any of the following: (a) a release or discharge of any Hazardous Material by Tenant or any assignee or sublessee of Tenant or their respective agents, contractors, employees, licensees, or invitees at the Leased

Premises, whether or not the release or discharge is in quantities that would otherwise be reportable to a public agency; (b) Tenant's receipt of any order of a governmental agency requiring any Remedial Work pursuant to any Hazardous Materials Laws; or (c) Tenant's receipt of any warning, notice of inspection, notice of violation or alleged violation, or Tenant's receipt of notice or knowledge of any proceeding, investigation of enforcement action, pursuant to any Hazardous Materials Laws.

35. **MISCELLANEOUS**

35.1 Entire Agreement, Amendments . This Lease and any Exhibits and Riders attached hereto and forming a part hereof, set forth all of the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, agreements, representations, warranties, conditions or understandings either oral or written between them other than as contained in this Lease. Except as otherwise provided in this Lease, no subsequent alteration, amendment, change or addition to this Lease shall be binding unless it is in writing and signed by both Landlord and Tenant.

35.2 Time of the Essence. Time is of the essence of each and every term, covenant and condition of this Lease.

35.3 Binding Effect. The covenants and conditions of this Lease shall, subject to the restrictions on assignment and subletting, apply to and bind the heirs, executors, administrators, personal representatives, successors and assigns of the parties hereto.

35.4 Recordation. Neither this Lease nor any memorandum hereof shall be recorded by Tenant. At the sole option of Landlord, Tenant and Landlord shall execute, and Landlord may record, a short form memorandum of this Lease in form and substance satisfactory to Landlord.

35.5 Governing Law. This Lease and all the terms and conditions thereof shall be governed by and construed in accordance with the laws of the State of California.

35.6 Defined Terms and Paragraph Headings. The words "Landlord" and "Tenant" as used in this Lease shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter. If there is more than one Tenant, the obligations in this Lease imposed upon Tenant shall be joint and several. The paragraph headings and titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

35.7 Representations and Warranties of Tenant. Tenant represents and warrants to Landlord as follows:

(a) Tenant has been duly organized, is validly existing, and is in good standing under the laws of its state of incorporation and is [qualified-registered] to transact business in California. All necessary action on the part of Tenant has been taken to authorize the execution, delivery and performance of this Lease and of the other documents, instruments and agreements, if any, provided for herein. The persons who have executed this Lease on behalf of Tenant are duly authorized to do so;

(b) To the best of its knowledge, there are no suits, actions, proceedings or investigations pending, or to the best of its knowledge, threatened against or involving Tenant before any court, arbitrator or administrative or governmental body which might reasonably result in any material adverse change in the contemplated business, condition or operations of Tenant;

(c) To the best of its knowledge, Tenant is not, and the execution, delivery and performance of this Lease and the documents, instruments and agreements, if any, provided for herein will not result in any breach of or default under any other document, instrument or agreement to which Tenant is a party or by which Tenant is subject or bound;

(d) To the best of its knowledge, Tenant has obtained all required licenses and permits, both governmental and private, to use and operate the Leased Premises in the manner intended by this Lease.

35.8 No Waiver. The failure of either party to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

35.9 Severability. If any clause or provision of this Lease is or becomes illegal or unenforceable because of any present or future law or regulation of any governmental body or entity

effective during the Lease Term, the intention of the parties is that the remaining provisions of this Lease shall not be affected thereby.

35.10 Exhibits. If any provision contained in an Exhibit, Rider or Addenda to this Lease is inconsistent with any other provision of this Lease, the provision contained in this Lease shall supersede the provisions contained in such Exhibit, Rider or Addenda, unless otherwise provided.

35.11 Fair Meaning. The language of this Lease shall be construed to its normal and usual meaning and not strictly for or against either Landlord or Tenant. Landlord and Tenant acknowledge and agree that each party has reviewed and revised this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Lease, or any Exhibits, Riders or amendments hereto. Submission of this Lease by Landlord to Tenant for review, examination, and/or negotiation shall not be deemed to be a reservation of the Leased Premises. Landlord shall not be bound by this Lease until this Lease has been executed by both Landlord and by Tenant. Until this Lease has been executed by both Landlord and Tenant, Landlord reserves the right to exhibit and lease the Leased Premises to other prospective tenants.

35.12 No Merger. The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this Lease shall not work as a merger and shall, at Landlord's option, either terminate any or all existing subleases or subtenancies, or operate as an assignment to Landlord of any or all of such subleases or subtenancies.

35.13 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inclement weather (including rain) inability to obtain labor or materials or reasonable substitutes therefor, failure or disruption of utilities or critical electronic systems, governmental restrictions, regulations or controls (including delays in issuing required permits and approvals), judicial orders, enemy or hostile government actions, civil commotion, fire or other casualty and other causes beyond the reasonable control of Tenant or Landlord shall excuse the performance of the applicable party hereunder for the period of any such prevention, delay, or stoppage, except the obligations imposed with regard to Annual Basic Rent, Tenant's Share of Expenses and other charges to be paid by Tenant pursuant to this Lease.

35.14 Government Energy or Utility Controls. In the event of the imposition of federal, state or local governmental controls, rules, regulations or restrictions on the use or consumption of energy or other utilities during the Lease Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation of any governmental control, rule, regulation or restriction between Landlord and Tenant, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance, including the right of entry into the Leased Premises to effect compliance.

35.15 Shoring. If any excavation or construction is made adjacent to, upon or within the Building, or any part thereof, Tenant shall afford to any and all persons causing or authorized to cause such excavation or construction license to enter onto the Leased Premises for the purpose of doing such work as such persons shall deem necessary to preserve the Building or any portion thereof from injury or damage and to support the same by proper foundations, braces and supports without any claim for damages, indemnity or abatement of Annual Basic Rent or Tenant's Share of Expenses or for a constructive or actual eviction of Tenant. However, Landlord shall not permit such excavation or construction to interfere unreasonably with Tenant's possession and enjoyment of the Leased Premises.

35.16 Transfer of Landlord's Interest. The term "Landlord" as used in this Lease, insofar as the covenants or agreements on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners of Landlord's interest in this Lease at the time in question. Upon any transfer or transfers of such interest, the Landlord herein named (and in the case of any subsequent transfer, the then transferor) shall thereafter be relieved of all liability for the future performance of any covenants or agreements on the part of the Landlord contained in this Lease.

35.17 Limitation on Landlord's Liability. If Landlord becomes obligated to pay Tenant any judgment arising out of any failure by the Landlord to perform or observe any of the terms, covenants, conditions or provisions to be performed or observed by Landlord under this Lease, Tenant shall be limited in the satisfaction of such judgment solely to Landlord's interest in the Building and the Project or any proceeds arising from the sale thereof and no other property or assets of Landlord or the individual partners, directors, officers or shareholders of Landlord or its constituent partners shall be subject to levy, execution or other enforcement procedure whatsoever for the satisfaction of any such money judgment.

35.18 Brokerage Fees. Tenant warrants and represents that it has not dealt with any realtor, broker or agent in connection with this Lease except the Brokers identified in Article 1.21 above. Tenant shall indemnify, defend and hold Landlord harmless from and against, and shall be responsible for, any cost, expense or liability (including the cost of suit and reasonable attorneys' fees) for any compensation, commission or charges claimed by any realtor, broker or agent in connection with this Lease other than

the Brokers identified in Article 1.21. Landlord shall pay all of the commissions to the Brokers identified in Article 1.21.

35.19 Guaranty. Intentionally Omitted.

35.20 Continuing Obligations. All obligations of Tenant hereunder not fully performed as of the expiration or earlier termination of this Lease shall survive the expiration or earlier termination of this Lease, including, without limitation, all payment obligations with respect to Annual Basic Rent, Tenant's Share of Expenses and all obligations concerning the condition of the Premises.

35.21 Quiet Possession. So long as there is not in existence an Event of Default, Tenant may quietly have, hold and enjoy the Leased Premises during the Lease Term, subject, however, to the matters referred to in Article 21. The provisions of this Article 35.21 shall not extend to any disturbance, act or condition brought about by any tenant in the Building or the Project.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date and year first above written.

LANDLORD:

PIVOTAL 650 CALIFORNIA ST., LLC,
an Arizona limited liability company

By: Pivotal 650, L.L.C.,
an Arizona limited liability company
Its: Administrative Member

By: Jahm Najafi, Trustee of the Jahm Najafi Trust dated July 30, 1996
Its: Administrative Member

By: /s/ Jahm Najafi
Jahm Najafi
Its: Trustee

TENANT:

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED, a Delaware corporation

By: /s/ Ernest J. Furtado
Name: Ernest J. Furtado
Its: Secretary

By: /s/ John A. Maccarone
Name: John A. Maccarone
Its: President

If Tenant is a CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Lease must be executed by the president or vice-president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be attached to this Lease.

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROJECT

EXHIBIT "B"

FLOOR PLAN

B - 1

EXHIBIT "C"

MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM OF COMMENCEMENT DATE is entered into this 8th day of August, 2001 by **PIVOTAL 650 CALIFORNIA ST., LLC**, an Arizona limited liability company ("Landlord"), and **TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED,** a Delaware corporation ("Tenant").

RECITALS

(A) Landlord and Tenant have previously executed that certain Amended and Restated Office Lease dated August 8, 2001 (" Lease"), pursuant to which Tenant has leased from Landlord certain premises more particularly described therein.

(B) Pursuant to the provisions of Article 3.4 of the Lease, Landlord and Tenant have agreed to execute this Memorandum of Commencement Date to specify the Commencement Date of the Lease Term.

NOW, THEREFORE, in consideration of the foregoing recitals, the execution and delivery of the Lease and other good and valuable considerations, the receipt, sufficiency and validity which is hereby acknowledged, Landlord and Tenant agree as follows:

1. Commencement Date. The Commencement Date is March 1, 2002, and the expiration date of the Lease is February 28, 2012.

2. Definitions. Capitalized terms used in this Memorandum of Commencement Date without definition shall have the meanings assigned to such terms in the Lease, unless the context requires otherwise.

3. Full Force and Effect. Except as specifically modified by this Memorandum of Commencement Date, the Lease remains in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum of Commencement Date as of the date and year first above written.

TENANT:

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED,
a Delaware corporation

By: _____
Name: Ernest J. Furtado
Its: Secretary

Date: 8 August 2001

LANDLORD:

PIVOTAL 650 CALIFORNIA ST., LLC,
an Arizona limited liability company

By: Pivotal 650, L.L.C.,
an Arizona limited liability company
Its: Administrative Member

By: Jahm Najafi, Trustee of the
Jahm Najafi Trust dated July 30, 1996
Its: Administrative Member

By: _____
Jahm Najafi
Its: Trustee

Date: 8-8-01

EXHIBIT "D"

INTENTIONALLY OMITTED

EXHIBIT "E"

"AS IS" CONDITION

Landlord shall provide the Leased Premises to Tenant, and Tenant accepts the Leased Premises in an "as-is" condition, and Landlord makes no representations or warranties concerning the condition of the Leased Premises, including, without limitation, those relating to the structure of the Leased Premises, systems and components thereof, and the internal air quality within the Leased Premises, and has no obligation to construct, remodel, improve, repair, decorate or paint the Leased Premises or any improvement thereon or part thereof, except as set forth in Article 7.4 of this Lease. Tenant represents and warrants that it has inspected the Leased Premises prior to execution of this Lease, and that it is relying on its own inspection in executing this Lease and not on any statement, representation or warranty of Landlord, its agents or employees.

EXHIBIT "F"

RULES AND REGULATIONS

1. Unless otherwise specifically defined herein, all capitalized terms in these Rules and Regulations shall have the meaning set forth in the Lease to which these Rules and Regulations are attached.

2. The sidewalks, driveways, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls of the Building and the Project shall not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises demised to any tenant or occupant.

3. No awnings or other projection shall be attached to the outside walls or windows of the Building. Other than building standard window coverings, no curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door of the premises demised to any tenant or occupant, without the prior written consent of Landlord. All electrical fixtures hung in any premises demised to any tenant or occupant must be of a type, quality, design, color, size and general appearance approved by Landlord.

4. No tenant shall place objects against glass partitions, doors or windows which would be in sight from the Building corridors or from the exterior of the Building and such tenant will promptly remove any such objects when requested to do so by Landlord.

5. The windows and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed, nor shall any bottles, parcels, or other articles be placed on any window sills.

6. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building or the other buildings in the Project, nor placed in the halls, corridors, walkways, landscaped areas, vestibules or other public parts of the Building or the Project.

7. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be thrown therein. No tenant shall bring or keep, or permit to be brought or kept, any flammable, combustible, explosive or hazardous fluid, material, chemical or substance in or about the premises demised to such tenant or the Project.

8. No tenant or occupant shall mark, paint, drill into, or in any way deface any part of the Project, the Building or the premises demised to such tenant or occupant. No boring, cutting or strings of wires shall be permitted, except with the prior consent of Landlord, and as Landlord may direct. No tenant or occupant shall install any resilient tile or similar floor covering in the premises demised to such tenant or occupant except in a manner approved by Landlord.

9. Any carpeting cemented down by a tenant shall be installed with a releasable adhesive. In the event of a violation of the foregoing by a tenant, Landlord may charge the expense incurred in such removal to such tenant.

10. No bicycles, vehicles or animals of any kind (except seeing eye dogs) shall be brought into or kept in or about the premises demised to any tenant. No cooking shall be done or permitted in the Building by any tenant without the written approval of Landlord, provided that typical employee kitchen appliances, microwave, coffee machines, refrigerator shall be permitted. No tenant shall cause or permit any unusual or objectionable odors to emanate from the premises demised to such tenant.

11. No space in the Building or the Project shall be used for manufacturing, for the storage of merchandise held for sale, or for the sale of merchandise, goods or property of any kind at auction.

12. No tenant shall make, or permit to be made, any unseemly or disturbing noises or vibrations or disturb or interfere with other tenants or occupants of the Building, the Project or neighboring buildings or premises whether by the use of any musical instrument, radio, television set broadcasting equipment or other audio device, unmusical noise, whistling, singing, or in any other way. Nothing shall be thrown out of any doors.

13. No additional locks or bolts of any kind shall be placed upon any of the doors, nor shall any changes be made in locks or the mechanism thereof. Each tenant must, upon the termination of its tenancy, return to Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such Tenant.

14. All removals from the Building, or the carrying in or out of the Building or from the premises demised to any tenant, of any safes, freight, furniture or bulky matter of any description must

take place at such time and in such manner as Landlord or its agents may determine, from time to time. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of the Rules and Regulations or the provisions of such tenant's lease.

15. No tenant or occupant shall engage or pay any employees in the Building or the Project, except those actually working for such tenant or occupant in the Building or the Project, nor advertise for day laborers giving an address at the Building or the Project.

16. No tenant or occupant shall purchase lighting maintenance, cleaning towels or other like service, from any company or person not approved in writing by Landlord.

17. Landlord shall have the right to prohibit any advertising by any tenant or occupant which, in Landlord's opinion, tends to impair the reputation of the Building or the Project or its desirability as a building for offices, and upon notice from Landlord, such tenant or occupant shall refrain from or discontinue such advertising.

18. Each tenant, before closing and leaving the premises demised to such tenant at any time, shall see that all entrance doors are locked and all electrical equipment and lighting fixtures are turned off. Corridor doors, when not in use, shall be kept closed.

19. No premises shall be used, or permitted to be used for lodging or sleeping, or for any immoral or illegal purposes.

20. The requirements of tenants will be attended to only upon application at the management office of Landlord. Building employees shall not be required to perform, and shall not be requested by any tenant or occupant to perform, and work outside of their regular duties, unless under specific instructions from the office of Landlord.

21. Canvassing, soliciting and peddling in the Building or the Project are prohibited and each tenant and occupant shall cooperate in seeking their prevention.

22. There shall not be used in the Building, either by any tenant or occupant or by their agents or contractors, in the delivery or receipt of merchandise, freight or other matter, any hand trucks or other means of conveyance except those equipped with rubber tires, rubber side guards and such other safeguards as Landlord may require.

23. If the premises demised to any tenant become infested with vermin, such tenant, at its sole cost and expense, shall cause its premises to be exterminated, from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefor as shall be approved in writing by Landlord.

24. No premises shall be used, or permitted to be used, at any time, as a store for the sale or display of goods, wares or merchandise of any kind, or as a restaurant, shop, booth, bootblack or other stand, or for the conduct of any business or occupation which predominantly involves direct patronage of the general public in the premises demised to such tenant, or for manufacturing or for other similar purposes.

25. No tenant shall clean any window of the Building from the outside.

26. No tenant shall move, or permit to be moved, into or out of the Building or the premises demised to such tenant, any heavy or bulky matter, without the specific approval of Landlord. If any such matter requires special handling, only a qualified person shall be employed to perform such special handling. No tenant shall place or permit to be placed, on any part of the floor or floors of the premises demised to such tenant, a load exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of safes and other heavy objects, which must be placed so as to distribute the weight.

27. With respect to work being performed by a tenant in its premises with the approval of Landlord, the tenant shall refer all contractors, contractors' representatives and installation technicians to Landlord for its supervision, approval and control prior to the performance of any work or services. This provision shall apply to all work performed in the Building and the Project including installation of telephones, telegraph equipment, electrical devices and attachments, and installations of every nature affecting floors, walls, woodwork, trim, ceilings, equipment and any other physical portion of the Building and the Project.

28. Landlord shall not be responsible for lost or stolen personal property, equipment, money, or jewelry from the premises of tenants or public rooms whether or not such loss occurs when the Building or the premises are locked against entry.

29. Landlord may permit entrance to the premises of tenants by use of pass keys controlled by Landlord employees, contractors, or service personnel directly supervised by Landlord.

30. Each tenant and all of tenant's representatives, shall observe and comply with the directional and parking signs on the property surrounding the Building, and Landlord shall not be responsible for any damage to any vehicle towed because of non-compliance with parking regulations.

31. No tenant shall install any radio, telephone, television, microwave or satellite antenna, loudspeaker, music system or other device on the roof or exterior walls of the Building or on common walls with adjacent tenants or in the Project Common Areas.

32. Each tenant shall store all trash and garbage within its premises. No material shall be placed in the trash boxes or receptacles in the Building or the Project unless such material may be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage and will not result in a violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes and at such times as Landlord shall designate.

33. No tenant shall employ any persons other than the janitor of Landlord for the purpose of cleaning its premises without the prior written consent of Landlord.

34. Each tenant shall give prompt notice to landlord of any accidents to or defects in plumbing, electrical or heating apparatus so that same may be attended to properly.

35. No tenant shall bring onto the Project or into the Building any pollutants, contaminants, inflammable, gasolines, kerosene or hazardous substances (as now or later defined under State or Federal law).

36. Landlord reserves the right to reasonably limit access to and from the Building between the hours of 7:00 P.M. and 7:00 A.M. on business days, 12:00 P.M. to 8:00 A.M. on Saturdays, and at all hours on Sundays and holidays.

37. All tenants and tenants' servants, employees, agents, visitors, invitees and licensees shall observe faithfully and comply strictly with the foregoing Rules and Regulations and such other and further appropriate Rules and Regulations as Landlord or Landlord's agent from time to time adopt.

38. Landlord shall furnish each tenant, at Landlord's expense, with two (2) keys to unlock the entry level doors and two (2) keys to unlock each corridor door entry to each tenant's premises and, at such tenant's expense, with such additional keys as such tenant may request. No tenant shall install or permit to be installed any additional lock on any door into or inside of the premises demised to that tenant or make or permit to be made any duplicate of keys to the entry level doors or the doors to such premises. Landlord shall be entitled at all times to possession of a duplicate of all keys to all doors into or inside of the premises demised to tenants of the Building. All keys shall remain the property of Landlord. Upon the expiration of the Lease Term, each tenant shall surrender all such keys to Landlord and shall deliver to Landlord the combination to all locks on all safes, cabinets and vaults which will remain in the premises demised to that tenant. Landlord may charge Tenant a reasonable fee (currently established at Twenty and No/100 Dollars ($20.00)) for any lost key or any key not returned by Tenant to Landlord as and when required. Landlord shall be entitled to install, operate and maintain security systems in or about the Project which monitor, by computer, close circuit television or otherwise, persons entering or leaving the Project, the Building and/or the premises demised to any tenant. For the purposes of this rule the term "keys" shall mean traditional metallic keys, plastic or other key cards and other lock opening devices.

39. Intentionally Omitted.

40. Landlord reserves the right at any time and from time to time to rescind, alter or waive, in whole or in part, any of the Building Rules and Regulations when it is deemed necessary, desirable or proper, in Landlord's judgment for its best interest or of the best interests of the tenants of the Project.

41. Landlord has designated the Building a "non-smoking" building in accordance with the Smoking Pollution Control Ordinance adopted by the City of San Francisco, California as set forth in Sections 23-101, et seq. of the City of San Francisco Municipal Code. Accordingly, smoking of tobacco or any other weed plant is prohibited in the Building Common Areas, including the Building Lobby, public corridors, lavatories, elevators and other public areas. Further, smoking of tobacco or any other weed plant is prohibited within the Leased Premises, except in a designated smoking break room, the configuration and location of which has been approved by Landlord.

Tenant hereby acknowledges receipt of the Building Rules and Regulations.

TENANT:

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED, a Delaware corporation

By: _____

Its:

Date: 8 August 2001

EXHIBIT "G"

INTENTIONALLY OMITTED

Exhibit 10.2

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 1st day of January 2007 (the "Effective Date") by and between TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED ("Employer"), a Delaware corporation, and JOHN A. MACCARONE (hereinafter referred to as "Employee") (jointly, the "Parties").

RECITALS

Employee has been employed by Employer since the 1st day of November, 1987 (the "Employment Date"). The terms and conditions of such employment are set forth in that certain employment agreement dated the 28th day of December 1993 by and between Employee and Textainer Group Holdings Limited (the "Original Agreement").

Employee and Employer desire to terminate the Original Agreement and replace it in its entirety with this Agreement except as expressly provided in Clause 3(c) and Clause 14 herein.

In consideration of the mutual covenants and agreements hereinafter set forth, as of the Effective Date Employer hereby hires Employee, and Employee agrees to accept such employment, upon the following terms and conditions:

DEFINITIONS

"Affiliate" means, when used with reference to Employer (i) any entity that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the Employer; or (ii) any person or entity owning or controlling ten percent (10%) or more of the outstanding voting securities of Employer. For the purposes of this definition, "control", when used with respect to any entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Base Salary" means Employee's annual base compensation in effect from time to time hereunder, which is US$660,000 as of the Effective Date, exclusive of any short- or long-term incentive compensation, commissions or the value of any Benefit Plans.

"Base Salary Program" means the Base Salary Program of Employer, dated 1 January 2007 (as such Base Salary Program may be modified, supplemented or amended by Employer from time to time hereafter), a copy of which is incorporated by reference into this Agreement.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, dental, vision insurance, retirement and other benefits for its U.S.-based employees (not including disability and life insurance, Section 125, or business travel accident insurance).

"Compensation Committee" means the Compensation Committee of the board of directors of TGH.

"Confidential Information" means, without limitation, for Employer and its Affiliates: (a) records, data, specifications, trade secrets and customer lists; (b) the names, buying habits and practices of customers; (c) marketing methods and related data; (d) the names of any vendors or suppliers; (e) costs of material and the prices at which products or services are sold; (f) manufacturing and sales costs; (g) lists or other written records used in the business; (h) compensation paid to employees and other terms of employment; and (i) other confidential information of, about or concerning the business, its manner of operation or other confidential data of any kind, nature or description.

"STIP" means TGH's short-term incentive plan.

"TGH" means Textainer Group Holdings Limited, a Bermuda corporation, the parent company of Employer.

AGREEMENT

1. Duties: Employee shall be employed as, and shall perform the duties of President and Chief Executive Officer of Employer, or shall serve in such other capacity and with such other duties and for such Affiliates as Employer shall hereafter from time to time prescribe.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate on the earlier of (a) 31 December 2008 or (b) such other termination date as provided in Clause 8 hereof.

3. Compensation: In consideration of Employee's services during the term of Employee's employment hereunder, Employee shall be paid compensation and receive benefits from Employer as follows:

(a) Employer shall pay Employee a Base Salary in accordance with Employer's standard compensation policies as they exist from time to time, subject to such deductions, if any, as are required by law, with such increases during the term of this Agreement as may be set by the Compensation Committee. Employee's Base Salary shall be reviewed at least annually by the Compensation Committee, and the Compensation

Committee shall consider Employer's Base Salary Program when conducting such review.

(b) Employee is hereby designated as a participant in the STIP for 2007, a copy of which is incorporated by reference into this Agreement. Employer shall pay Employee an annual incentive award for each calendar year in accordance with the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Employee shall be entitled to the greater of: (i) twenty (20) days paid vacation leave each year, or (ii) vacation leave in accordance with Employer's standard vacation policy as it exists from time to time. This vacation leave shall be in addition to the public holidays Employer recognizes for its employees. Employee's accrued vacation leave under the terms of the Original Agreement, if any, as of the Effective Date shall be carried forward under this Agreement. Employee shall not accrue vacation leave in excess of the amount allowed under Employer's standard vacation policy for U.S.-based employees, as it exists from time to time. Upon termination of employment for whatever reason, Employee shall receive the economic value of Employee's accrued but unused vacation leave, which value shall be calculated using only Employee's then current Base Salary.

(d) Employee shall also be entitled to fully participate in other Benefit Plans established for Employer's U.S.-based employees. The extent of Employee's participation in or coverage by any such Benefit Plans shall be determined by Employer, but in no case shall be less than the participation and/or coverage provided to other officers and senior executives of Employer or its Affiliates.

(e) Employer, at its cost, will provide Employee with a parking space for an automobile within reasonable walking distance to Employer's place of business.

Employee shall be responsible for any taxes due related to the receipt of any of the above items of compensation and benefits from Employer. Employee expressly acknowledges and agrees that Employer will not compensate Employee for any such taxes. Employer will deduct and withhold from any amount payable to Employee under this Agreement such amounts as Employer is required by law to deduct and withhold. Employer may also deduct and withhold from any such amount, to the extent permitted by law, such amounts as the Employee may owe to Employer.

4. Indemnity: Employee shall be indemnified in accordance with the Indemnification Agreement entered into between Employee and Employer or one or more of its Affiliates.

5. Exclusivity of Services: Employee agrees to devote Employee's full-time and exclusive services (except for attention to personal interests outside normal office hours) to Employer. Any exception to this must be approved in writing by Employer.

6. Conflict of Interest and Non-Competition: During Employee's employment hereunder, Employee shall not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, consultant, or in any other capacity, participate, engage in, or have any financial or other interest in any business which is competitive in any manner whatsoever with any business in which Employer, any of its Affiliates, or the successors or assigns of Employer and its Affiliates are now or may hereafter become engaged. This prohibition shall not include ownership by Employee of less than five percent (5%) of the outstanding shares of any publicly-traded corporation, provided that Employee does not otherwise participate in that corporation as a director, officer, or in any other capacity.

7. Confidential Information: Employee realizes that during the course of Employee's employment, Employee will produce and/or have access to Confidential Information. The Parties agree that, as between them, the Confidential Information contains important, material and confidential trade secrets and affects the successful conduct of the business and goodwill of Employer and its Affiliates. The Parties further agree that any breach of any term of this Clause is a material breach of this Agreement. During or subsequent to Employee's employment by Employer, Employee shall hold in confidence and shall not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent authorized in writing by Employer or an Affiliate or where Employee is compelled or required to do so in a Court of Law or in conjunction with any legal proceedings. All Confidential Information relating to the business of Employer and its Affiliates, which Employee shall prepare, use or come into contact with shall be and remain the sole property of Employer and its Affiliates, shall not be removed by Employee from the premises of Employer or its Affiliates without the prior consent of Employer or the relevant Affiliate, except in the normal course of carrying out Employee's responsibilities, and shall be promptly returned by Employee to Employer or the relevant Affiliate upon any termination of this Agreement.

8. Termination:

(a) With or Without Cause: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement and Employee's employment at any time, for any reason, with or without cause, and with or without notice except as in Clause 8(c) below.

(b) Death: In the event of Employee's death, this Agreement shall terminate automatically. Employee's beneficiary will receive a prorated Incentive Award based on the percentage of the Short-term Incentive Plan Year over which the Eligible Employee was employed by Textainer.

(c) Incapacity: If Employee is materially incapacitated from fully performing Employee's duties pursuant to this Agreement by reason of illness or other incapacity or by reason of any statute, law, ordinance, regulation, order, judgment or decree, Employer may terminate this Agreement and Employee's employment by written notice to Employee, but only in the event that such conditions shall aggregate not less than ninety (90) days during any twelve (12) month period during Employee's term of employment.

9. Severance: In the event Employer terminates Employee's employment pursuant to Clause 8(a) for any reason other than for good cause, from the date of such termination ("Termination Date") through the 31st of December 2008 Employee shall be entitled to receive:

(a) Base Salary in effect at the Termination Date, payable from the Termination Date through the 31st of December 2008, plus

(b) Benefit Plans which are similar in nature and scope to the Benefit Plans provided to Employee during the six- (6-) month period immediately prior to the Termination Date, at a cost to Employee no greater than that which would have been incurred by Employee had Employees remained as an employee of Employer, plus

(c) An annual incentive award in accordance with the short-term incentive compensation plan of Employer or TGH which is in effect on the Termination Date.

10. Remedies - Injunction: In the event of a breach or threatened breach by Employee of any of the provisions of this Agreement, Employee agrees that Employer and its Affiliates, in addition to and not in limitation of any other rights, remedies, or damages available to Employer at law or in equity, shall be entitled to seek a preliminary and a permanent injunction from a court of competent jurisdiction in order to prevent or restrain any such breach by Employee or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee. Nothing in Clause 11 below shall limit the Employer from applying to any court of competent jurisdiction for the equitable relief noted in this Clause to which the Employer may be entitled without reference to an arbitrator for any decision whatsoever under Clause 11.

11. Arbitration: All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Clause 10 above), including but not limited to all claims of discrimination based on age, race, creed, color, sex, national origin, disability, gender preference or any other claim of discrimination arising under any state or federal law, including, but not limited to the federal Title VII of the Civil Rights Act, as amended, and the California Fair Employment and Housing Act, shall be subject to final and binding arbitration in accordance with the Code of Civil Procedure of the State of California or under such other procedures as the Parties may hereafter agree to in writing.

12. Return of Information: In the event of termination of Employee's employment for any reason, Employee shall immediately deliver to Employer or the relevant Affiliate all originals and copies in Employee's custody or control of any and all Confidential Information, equipment, and written materials obtained by Employee from Employer, any Affiliate of Employer or any representative or client of Employer during the period of employment.

13. Post-Employment Non-Solicitation of Other Employees: Employee agrees that for a period of one (1) year after termination of Employee's employment, Employee will not solicit or otherwise discuss with any other employee of Employer or any of its Affiliates, for as long as such employee remains employed by Employer, any terms or conditions relating to such employee's leaving the employ of Employer.

14. Representation and Warranty Regarding Prior Obligations of Confidentiality: Employee represents and warrants that Employee's performance of all the terms of this Agreement does not and will not breach any agreement previously entered into by Employee to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to Employee's employment by Employer. Employee represents that Employee has not entered into, and agrees not to enter into, any agreement, either written or oral, which is or may be in conflict with this Agreement.

15. Survival of Provisions: Each of the provisions contained in this Agreement shall survive the termination of Employee's employment with Employer to the extent that each provision remains enforceable and relevant to any post-termination proceedings.

16. Notices: Any notice under this Agreement shall be deemed sufficient if addressed in writing and delivered or mailed to Employer or Employee at the address set forth below or to such other address as Employer or Employee may designate by notice in writing to the other.

If to Employer: Textainer Equipment Management (U.S.) Limited
650 California Street, 16th Floor

San Francisco, CA 94108 U.S.A.
ATTN: Chief Executive Officer

If to Employee: [ADDRESS OMITTED]

17. Assignment; Successors: This Agreement is not assignable by either party. This Agreement shall be binding upon Employee and Employee's heirs, assigns, executors and administrators, and shall be binding upon and inure to the benefit of Employer, Employer's successors and assigns, including without limitation any person, partnership, or corporation which may acquire all or substantially all of Employer or Employer's assets or business or with or into which Employer may be consolidated or merged, and this provision also shall apply in the event of any subsequent merger, consolidation, or transfer of Employer or of Employer's assets or businesses.

18. Modification, Amendment, Waiver: This Agreement is the entire agreement between the Parties and it may not be modified, amended or waived or any provision thereof modified, amended or waived unless approved in writing by the Employer and the Employee. No subsequent conduct of the Parties and no prior or subsequent policy of the Employer shall in any way be deemed to be a modification of this Agreement unless the Parties expressly intend that such conduct or policy become a modification of this Agreement and such intention is reduced to a written agreement signed by the Parties.

19. Severability: Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

In the event any document incorporated into this Agreement by reference conflicts with any provision contained in this Agreement, the provision contained in this Agreement shall control and the provision contained in the incorporated document shall be deemed ineffective and invalid, without invalidating the remainder of the incorporated document.

20. Choice of Law: All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate as of the date first above written.

/s/ John A. Maccarone

John A. Maccarone

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED

BY: /s/ Ernest J. Furtado

Exhibit 10.3

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 1st day of January 1998 (the "Effective Date") by and between TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED ("Employer"), a Delaware corporation, and ERNEST J. FURTADO (hereinafter referred to as "Employee") (jointly, the "Parties").

RECITALS

Employee has been employed by Employer since the 6th of May 1991 (the "Employment Date"). The terms and conditions of such employment are set forth in that certain employment agreement dated the 6th day of May 1991 (the "Original Agreement").

Employee and Employer desire to terminate the Original Agreement and replace it in its entirety with the Agreement.

In consideration of the mutual covenants and agreements hereinafter set forth, as of the Effective Date Employer hereby hires Employee, and Employee agrees to accept such employment, upon the following terms and conditions:

DEFINITIONS

"Affiliate" means, when used with reference to Employer (i) any entity that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the Employer; or (ii) any person or entity owning or controlling ten percent (10%) or more of the outstanding voting securities of Employer. For the purposes of this definition, "control", when used with respect to any entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Base Salary" means Employee's annual base compensation in effect from time to time hereunder, which is US$120,000 as of the Effective Date, exclusive of any short- or long-term incentive compensation, commissions or the value of any Benefit Plans.

"Base Salary Program" means the Base Salary Program of Employer, dated 1 January 1997 (as such Base Salary Program may be modified, supplemented or amended by Employer from time to time hereafter), a copy of which is incorporated by reference into this Agreement.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, disability, life insurance, retirement and other benefits for its U.S.-based employees.

"Confidential Information" means, without limitation, for Employer and its Affiliates: (a) records, data, specifications, trade secrets and customer lists; (b) the names, buying habits and practices of customers; (c) marketing methods and related data; (d) the names of any vendors or suppliers; (e) costs of material and the prices at which products or services are sold; (f) manufacturing and sales costs; (g) lists or other written records used in the business; (h) compensation paid to employees and other terms of employment; and (i) other confidential information of, about or concerning the business, its manner of operation or other confidential data of any kind, nature or description.

"STIP" means TGH's short-term incentive plan.

"TGH" means Textainer Group Holdings Limited, a Bermuda corporation, the parent company of Employer.

AGREEMENT

1. Duties: Employee shall be employed as, and shall perform the duties of Vice President—Finance of Employer, or shall serve in such other capacity and with such other duties and for such Affiliates as Employer shall hereafter from time to time prescribe.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate as provided in Section 8 hereof.

3. Compensation: In consideration of Employee's services during the term of Employee's employment hereunder, Employee shall be paid compensation and receive benefits from Employer as follows:

(a) Employer shall pay Employee a Base Salary in accordance with Employer's standard compensation policies as they exist from time to time, subject to such deductions, if any, as are required by law, with such increases during the term of this Agreement as may be set by Employer. Employee's Base Salary shall be reviewed at least annually according to Employer's Base Salary Program.

(b) Employee is hereby designated as a participant in the STIP for 1998, a copy of which is incorporated by reference into this Agreement. Employer shall pay Employee an annual incentive award for each calendar year in

accordance with the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Employee shall be entitled to vacation leave in accordance with Employer's standard vacation policy as it exists from time to time. This vacation leave shall be in addition to the public holidays Employer recognizes for its employees. Employee's accrued vacation leave, if any, as of the Effective Date shall be carried forward under this Agreement. Employee shall not accrue vacation leave in excess of the amount allowed under Employer's standard vacation policy for U.S.-based employees, as it exists from time to time. Upon termination of employment for whatever reason, Employee shall receive the economic value of Employee's accrued but unused vacation leave, which value shall be calculated using only Employee's then current Base Salary.

(d) Employee shall also be entitled to fully participate in other Benefit Plans established for Employer's U.S.-based employees. The extent of Employee's participation in or coverage by any such Benefit Plans shall be determined by Employer, but in no case shall be less than the participation and/or coverage provided to other officers and senior executives of Employer or its Affiliates.

Employee shall be responsible for any taxes due related to the receipt of any of the above items of compensation and benefits from Employer. Employee expressly acknowledges and agrees that Employer will not compensate Employee for any such taxes. Employer will deduct and withhold from any amount payable to Employee under this Agreement such amounts as Employer is required by law to deduct and withhold. Employer may also deduct and withhold from any such amount, to the extent permitted by law, such amounts as the Employee may owe to Employer.

4. Indemnity: Employee shall be indemnified in accordance with the Indemnification Agreement entered into between Employee and Employer or one or more of its Affiliates.

5. Exclusivity of Services: Employee agrees to devote Employee's full-time and exclusive services (except for attention to personal interests outside normal office hours) to Employer. Any exception to this must be approved in writing by Employer.

6. Conflict of Interest and Non-Competition: During Employee's employment hereunder, Employee shall not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, consultant, or in any other capacity, participate, engage in, or have any financial or other interest in any business which is competitive in any manner whatsoever with any business in which Employer,

any of its Affiliates, or the successors or assigns of Employer and its Affiliates are now or may hereafter become engaged. This prohibition shall not include ownership by Employee of less than five percent (5%) of the outstanding shares of any publicly-traded corporation, provided that Employee does not otherwise participate in that corporation as a director, officer, or in any other capacity.

7. Confidential Information: Employee realizes that during the course of Employee's employment, Employee will produce and/or have access to Confidential Information. The Parties agree that, as between them, the Confidential Information contains important, material and confidential trade secrets and affects the successful conduct of the business and goodwill of Employer and its Affiliates. The Parties further agree that any breach of any term of this Paragraph is a material breach of this Agreement. During or subsequent to Employee's employment by Employer, Employee shall hold in confidence and shall not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent authorized in writing by Employer or an Affiliate or where Employee is compelled or required to do so in a Court of Law or in conjunction with any legal proceedings. All records, files, drawings, documents, equipment and the like, or copies thereof, relating to the business of Employer and its Affiliates, which Employee shall prepare, use or come into contact with shall be and remain the sole property of Employer and its Affiliates, shall not be removed by Employee from the premises of Employer or its Affiliates without the prior consent of Employer or the relevant Affiliate, except in the normal course of carrying out Employee's responsibilities, and shall be promptly returned by Employee to Employer or the relevant Affiliate upon any termination of this Agreement.

8. Termination:

(a) With or Without Cause: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement and Employee's employment at any time, for any reason, with or without cause, and with or without notice.

(b) Death: In the event of Employee's death, this Agreement shall terminate automatically.

(c) Incapacity: If Employee is materially incapacitated from fully performing Employee's duties pursuant to this Agreement by reason of illness or other incapacity or by reason of any statute, law, ordinance, regulation, order, judgment or decree, Employer may terminate this Agreement and Employee's employment by written notice to Employee, but only in the event that such conditions shall aggregate not less than ninety (90) days during any twelve (12) month period during Employee's term of employment.

9. Severance: In the event Employer terminates Employee's employment pursuant to Paragraph 8(a) for any reason other than as a result of gross misconduct on the part of Employee, Employee shall be entitled to receive from Employer:

(a) if Employee has been in the employ of Employer (whether pursuant to this Agreement or otherwise) at the time of termination (the "Termination Date") for an aggregate period of less than ten (10) years after the Employment Date:

(i) severance pay in an amount equal to one-half of the Base Salary of Employee in effect at the Termination Date, payable in full on the Termination Date, plus

(ii) for a period of six (6) months after the Termination Date, Benefit Plans which are similar in nature and scope to the Benefit Plans provided to Employee during the six- (6-) month period immediately prior to the Termination Date, at a cost to Employee no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer; or

(b) if Employee has been in the employ of Employer (whether pursuant to this Agreement or otherwise) for an aggregate period of ten (10) years or more after the Employment Date:

(i) severance pay in an amount equal to the Base Salary of Employee in effect at the Termination Date, payable in full on the Termination Date, plus

(ii) for a period of twelve (12) months after the Termination Date, Benefit Plans which are similar in nature and scope to the Benefit Plans provided to Employee during the six- (6-) month period immediately prior to the Termination Date, at a cost to Employee no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

10. Remedies - Injunction: In the event of a breach or threatened breach by Employee of any of the provisions of this Agreement, Employee agrees that Employer and its Affiliates, in addition to and not in limitation of any other rights, remedies, or damages available to Employer at law or in equity, shall be entitled to seek a preliminary and a permanent injunction from a court of competent jurisdiction in order to prevent or restrain any such breach by Employee or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee.

Nothing in Paragraph 11 below shall limit the Employer from applying to any court of competent jurisdiction for the equitable relief noted in this Paragraph to which the Employer may be entitled without reference to an arbitrator for any decision whatsoever under Paragraph 11.

11. Arbitration: All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Paragraph 10 above), including but not limited to all claims of discrimination based on age, race, creed, color, sex, national origin, disability, gender preference or any other claim of discrimination arising under any state or federal law, including, but not limited to the federal Title VII of the Civil Rights Act, as amended, and the California Fair Employment and Housing Act, shall be subject to final and binding arbitration in accordance with the Code of Civil Procedure of the State of California or under such other procedures as the Parties may hereafter agree to in writing.

12. Return of Information: In the event of termination of Employee's employment for any reason, Employee shall immediately deliver to Employer or the relevant Affiliate all originals and copies in Employee's custody or control of any and all Confidential Information, equipment, and written materials obtained by Employee from Employer, any Affiliate of Employer or any representative or client of Employer during the period of employment.

13. Post-Employment Non-Solicitation of Other Employees: Employee agrees that for a period of one (1) year after termination of Employee's employment, Employee will not solicit or otherwise discuss with any other employee of Employer or any of its Affiliates, for as long as such employee remains employed by Employer, any terms or conditions relating to such employee's leaving the employ of Employer.

14. Representation and Warranty Regarding Prior Obligations of Confidentiality: Employee represents and warrants that Employee's performance of all the terms of this Agreement does not and will not breach any agreement previously entered into by Employee to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to Employee's employment by Employer. Employee represents that Employee has not entered into, and agrees not to enter into, any agreement, either written or oral, which is or may be in conflict with this Agreement.

15. Survival of Provisions: Each of the provisions contained in this Agreement shall survive the termination of Employee's employment with Employer to the extent that each provision remains enforceable and relevant to any post-termination proceedings.

16. Notices: Any notice under this Agreement shall be deemed sufficient if addressed in writing and delivered or mailed to Employer or Employee at the

address set forth below or to such other address as Employer or Employee may designate by notice in writing to the other.

If to Employer: Textainer Equipment Management (U.S.) Limited
650 California Street, 16th Floor
San Francisco, CA 94108 U.S.A.
ATTN: Chief Executive Officer

If to Employee: Ernest J. Furtado
[ADDRESS OMITTED]

17. Assignment; Successors: This Agreement is not assignable by either party. This Agreement shall be binding upon Employee and Employee's heirs, assigns, executors and administrators, and shall be binding upon and inure to the benefit of Employer, Employer's successors and assigns, including without limitation any person, partnership, or corporation which may acquire all or substantially all of Employer or Employer's assets or business or with or into which Employer may be consolidated or merged, and this provision also shall apply in the event of any subsequent merger, consolidation, or transfer of Employer or of Employer's assets or businesses.

18. Modification, Amendment, Waiver: This Agreement is the entire agreement between the Parties and it may not be modified, amended or waived or any provision thereof modified, amended or waived unless approved in writing by the Employer and the Employee. No subsequent conduct of the Parties and no prior or subsequent policy of the Employer shall in any way be deemed to be a modification of this Agreement unless the Parties expressly intend that such conduct or policy become a modification of this Agreement and such intention is reduced to a written agreement signed by the Parties.

19. Severability: Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

In the event any document incorporated into this Agreement by reference conflicts with any provision contained in this Agreement, the provision contained in this Agreement shall control and the provision contained in the incorporated document shall be deemed ineffective and invalid, without invalidating the remainder of the incorporated document.

20. Choice of Law: All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate as of the date first above written.

ERNEST J. FURTADO

/s/ Ernest J. Furtado

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED

BY: /s/ John R. Rhodes
John R. Rhodes
Chief Financial Officer

Exhibit 10.4

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 1st day of January 1998 (the "Effective Date") by and between TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED ("Employer"), a Delaware corporation, and PHILIP K. BREWER (hereinafter referred to as "Employee") (jointly, the "Parties").

RECITALS

Employee has been employed by Textainer Group Holdings Limited ("TGH") since 12 February 1996 (The "Employment Date"). The terms and conditions of such employment are set forth in that certain employment agreement dated the 12th of February 1996 (The "Original Agreement").

Employee, TGH and Employer desire to terminate the Original Agreement and replace it in its entirety with the Agreement.

In consideration of the mutual covenants and agreements hereinafter set forth, as of the Effective Date Employer hereby hires Employee, and Employee agrees to accept such employment, upon the following terms and conditions:

DEFINITIONS

"Affiliate" means, when used with reference to Employer (i) any entity that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the Employer; or (ii) any person or entity owning or controlling ten percent (10%) or more of the outstanding voting securities of Employer. For the purposes of this definition, "control", when used with respect to any entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Base Salary" means Employee's annual base compensation in effect from time to time hereunder, which is US$157,875 as of the Effective Date, exclusive of any short- or long-term incentive compensation, commissions or the value of any Benefit Plans.

"Base Salary Program" means the Base Salary Program of Employer, dated 1 January 1997 (as such Base Salary Program may be modified, supplemented or amended by Employer from time to time hereafter), a copy of which is incorporated by reference into this Agreement.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, disability, life insurance, retirement and other benefits for its U.S.-based employees.

"Compensation Committee" means the Compensation Committee of board of directors of TGH.

"Confidential Information" means, without limitation, for Employer and its Affiliates: (a) records, data, specifications, trade secrets and customer lists; (b) the names, buying habits and practices of customers; (c) marketing methods and related data; (d) the names of any vendors or suppliers; (e) costs of material and the prices at which products or services are sold; (f) manufacturing and sales costs; (g) lists or other written records used in the business; (h) compensation paid to employees and other terms of employment; and (i) other confidential information of, about or concerning the business, its manner of operation or other confidential data of any kind, nature or description.

"STIP" means TGH's short-term incentive plan.

"TGH" means Textainer Group Holdings Limited, a Bermuda corporation, the parent company of Employer.

AGREEMENT

1. Duties: Employee shall be employed as, and shall perform the duties of Senior Vice President – Capital Markets of Employer, or shall serve in such other capacity and with such other duties and for such Affiliates as Employer shall hereafter from time to time prescribe.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate as provided in Section 8 hereof.

3. Compensation: In consideration of Employee's services during the term of Employee's employment hereunder, Employee shall be paid compensation and receive benefits from Employer as follows:

(a) Employer shall pay Employee a Base Salary in accordance with Employer's standard compensation policies as they exist from time to time, subject to such deductions, if any, as are required by law, with such increases during the term of this Agreement as may be set by the Compensation Committee. Employee's Base Salary shall be reviewed at least annually according to Employer's Base Salary Program.

(b) Employee is hereby designated as a participant in the STIP for 1998, a copy of which is incorporated by reference into this Agreement. Employer shall pay Employee an annual incentive award for each calendar year in accordance with the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Employee shall be entitled to vacation leave in accordance with Employer's standard vacation policy as it exists from time to time. This vacation leave shall be in addition to the public holidays Employer recognizes for its employees. Employee's accrued vacation leave, if any, as of the Effective Date shall be carried forward under this Agreement. Employee shall not accrue vacation leave in excess of the amount allowed under Employer's standard vacation policy for U.S.-based employees, as it exists from time to time. Upon termination of employment for whatever reason, Employee shall receive the economic value of Employee's accrued but unused vacation leave, which value shall be calculated using only Employee's then current Base Salary.

(d) Employee shall also be entitled to fully participate in other Benefit Plans established for Employer's U.S.-based employees. The extent of Employee's participation in or coverage by any such Benefit Plans shall be determined by Employer, but in no case shall be less than the participation and/or coverage provided to other officers and senior executives of Employer or its Affiliates.

(e) Employer, at its cost, will provide Employee with a parking space for an automobile within reasonable walking distance to Employer's place of business.

Employee shall be responsible for any taxes due related to the receipt of any of the above items of compensation and benefits from Employer. Employee expressly acknowledges and agrees that Employer will not compensate Employee for any such taxes. Employer will deduct and withhold from any amount payable to Employee under this Agreement such amounts as Employer is required by law to deduct and withhold. Employer may also deduct and withhold from any such amount, to the extent permitted by law, such amounts as the Employee may owe to Employer.

4. Indemnity: Employee shall be indemnified in accordance with the Indemnification Agreement entered into between Employee and Employer or one or more of its Affiliates.

5. Exclusivity of Services: Employee agrees to devote Employee's full-time and exclusive services (except for attention to personal interests outside normal

office hours) to Employer. Any exception to this must be approved in writing by Employer.

6. Conflict of Interest and Non-Competition: During Employee's employment hereunder, Employee shall not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, consultant, or in any other capacity, participate, engage in, or have any financial or other interest in any business which is competitive in any manner whatsoever with any business in which Employer, any of its Affiliates, or the successors or assigns of Employer and its Affiliates are now or may hereafter become engaged. This prohibition shall not include ownership by Employee of less than five percent (5%) of the outstanding shares of any publicly-traded corporation, provided that Employee does not otherwise participate in that corporation as a director, officer, or in any other capacity.

7. Confidential Information: Employee realizes that during the course of Employee's employment, Employee will produce and/or have access to Confidential Information. The Parties agree that, as between them, the Confidential Information contains important, material and confidential trade secrets and affects the successful conduct of the business and goodwill of Employer and its Affiliates. The Parties further agree that any breach of any term of this Paragraph is a material breach of this Agreement. During or subsequent to Employee's employment by Employer, Employee shall hold in confidence and shall not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent authorized in writing by Employer or an Affiliate or where Employee is compelled or required to do so in a Court of Law or in conjunction with any legal proceedings. All records, files, drawings, documents, equipment and the like, or copies thereof, relating to the business of Employer and its Affiliates, which Employee shall prepare, use or come into contact with shall be and remain the sole property of Employer and its Affiliates, shall not be removed by Employee from the premises of Employer or its Affiliates without the prior consent of Employer or the relevant Affiliate, except in the normal course of carrying out Employee's responsibilities, and shall be promptly returned by Employee to Employer or the relevant Affiliate upon any termination of this Agreement.

8. Termination:

(a) With or Without Cause: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement and Employee's employment at any time, for any reason, with or without cause, and with or without notice.

(b) Death: In the event of Employee's death, this Agreement shall terminate automatically.

(c) Incapacity: If Employee is materially incapacitated from fully performing Employee's duties pursuant to this Agreement by reason of illness or other incapacity or by reason of any statute, law, ordinance, regulation, order, judgment or decree, Employer may terminate this Agreement and Employee's employment by written notice to Employee, but only in the event that such conditions shall aggregate not less than ninety (90) days during any twelve (12) month period during Employee's term of employment.

9. Severance: In the event Employer terminates Employee's employment pursuant to Paragraph 8(a) for any reason other than as a result of gross misconduct on the part of Employee, Employee shall be entitled to receive from Employer:

(a) severance pay in an amount equal to the Base Salary of Employee in effect at the Termination Date, payable in full on the Termination Date, plus

(b) for a period of twelve (12) months after the Termination Date, Benefit Plans which are similar in nature and scope to the Benefit Plans provided to Employee during the six- (6-) month period immediately prior to the Termination Date, at a cost to Employee no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer; or

10. Remedies - Injunction: In the event of a breach or threatened breach by Employee of any of the provisions of this Agreement, Employee agrees that Employer and its Affiliates, in addition to and not in limitation of any other rights, remedies, or damages available to Employer at law or in equity, shall be entitled to seek a preliminary and a permanent injunction from a court of competent jurisdiction in order to prevent or restrain any such breach by Employee or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee. Nothing in Paragraph 11 below shall limit the Employer from applying to any court of competent jurisdiction for the equitable relief noted in this Paragraph to which the Employer may be entitled without reference to an arbitrator for any decision whatsoever under Paragraph 11.

11. Arbitration: All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Paragraph 10 above), including but not limited to all claims of discrimination based on age, race, creed, color, sex, national origin, disability, gender preference or any other claim of discrimination arising under any state or federal law, including, but not limited to the federal Title VII of the Civil Rights Act, as amended, and the California Fair Employment and Housing Act, shall be subject to final and binding

arbitration in accordance with the Code of Civil Procedure of the State of California or under such other procedures as the Parties may hereafter agree to in writing.

12. Return of Information: In the event of termination of Employee's employment for any reason, Employee shall immediately deliver to Employer or the relevant Affiliate all originals and copies in Employee's custody or control of any and all Confidential Information, equipment, and written materials obtained by Employee from Employer, any Affiliate of Employer or any representative or client of Employer during the period of employment.

13. Post-Employment Non-Solicitation of Other Employees: Employee agrees that for a period of one (1) year after termination of Employee's employment, Employee will not solicit or otherwise discuss with any other employee of Employer or any of its Affiliates, for as long as such employee remains employed by Employer, any terms or conditions relating to such employee's leaving the employ of Employer.

14. Representation and Warranty Regarding Prior Obligations of Confidentiality: Employee represents and warrants that Employee's performance of all the terms of this Agreement does not and will not breach any agreement previously entered into by Employee to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to Employee's employment by Employer. Employee represents that Employee has not entered into, and agrees not to enter into, any agreement, either written or oral, which is or may be in conflict with this Agreement.

15. Survival of Provisions: Each of the provisions contained in this Agreement shall survive the termination of Employee's employment with Employer to the extent that each provision remains enforceable and relevant to any post-termination proceedings.

16. Notices: Any notice under this Agreement shall be deemed sufficient if addressed in writing and delivered or mailed to Employer or Employee at the address set forth below or to such other address as Employer or Employee may designate by notice in writing to the other.

If to Employer: Textainer Equipment Management (U.S.) Limited
650 California Street, 16th Floor
San Francisco, CA 94108 U.S.A.
ATTN: Chief Executive Officer

If to Employee: Philip K. Brewer
[ADDRESS OMITTED]

17. Assignment; Successors: This Agreement is not assignable by either party. This Agreement shall be binding upon Employee and Employee's heirs, assigns, executors and administrators, and shall be binding upon and inure to the benefit of Employer, Employer's successors and assigns, including without limitation any person, partnership, or corporation which may acquire all or substantially all of Employer or Employer's assets or business or with or into which Employer may be consolidated or merged, and this provision also shall apply in the event of any subsequent merger, consolidation, or transfer of Employer or of Employer's assets or businesses.

18. Modification, Amendment, Waiver: This Agreement is the entire agreement between the Parties and it may not be modified, amended or waived or any provision thereof modified, amended or waived unless approved in writing by the Employer and the Employee. No subsequent conduct of the Parties and no prior or subsequent policy of the Employer shall in any way be deemed to be a modification of this Agreement unless the Parties expressly intend that such conduct or policy become a modification of this Agreement and such intention is reduced to a written agreement signed by the Parties.

19. Severability: Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

In the event any document incorporated into this Agreement by reference conflicts with any provision contained in this Agreement, the provision contained in this Agreement shall control and the provision contained in the incorporated document shall be deemed ineffective and invalid, without invalidating the remainder of the incorporated document.

20. Choice of Law: All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate as of the date first above written.

PHILIP K. BREWER

/s/ Philip K. Brewer

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED

BY: /s/ James E. Hoelter
James E. Hoelter
Director

GUARANTEE

In order to induce PHILIP K. BREWER ("Beneficiary") to enter into the Employment Agreement dated the 1st day of January 1998 between Beneficiary and TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED ("Obligor"), a company organized and existing under the laws of Delaware, U.S.A., (the "Contract", which term shall include any and all amendments thereto and substitutions therefor hereafter made, if such amendments and/or substitutions have been approved in writing by the undersigned), and in consideration thereof, the undersigned hereby unconditionally and irrevocably guarantees payment and performance by the Obligor, when due, of all of Obligor's obligations under the Contract.

The obligations of the undersigned shall not be impaired, diminished or discharged, in whole or in part, by any extension of time granted by the Beneficiary, by any course of dealing between the Beneficiary and the Obligor, by the unenforceability of any provision of the Contract for any reason whatsoever, by the release of any other guarantor or other obligor or any collateral, or by any other act, omission, event or circumstance which might operate to discharge a guarantor in whole or in part or which might operate as a defense, in whole or in part, to any obligation of a guarantor, or which might invalidate, in whole or in part, a guarantee.

The undersigned agrees to pay on demand: (a) any amount which the Beneficiary is required to pay under any bankruptcy, insolvency or other similar law on account of any amount received by the Beneficiary under or with respect to the Contract or this guarantee, and (b) all expenses of collecting and enforcing this guarantee including, without limitation, expenses and fees of any legal action, arbitration or other proceeding, including fees and costs of legal counsel.

This guarantee and the obligations of the undersigned shall be governed by and construed in accordance with the laws of California.

This guarantee is a guarantee of payment and performance and not of collection. The beneficiary shall not be required to resort to or pursue any of its rights or remedies under or with respect to any other agreement or any other collateral before pursuing any of its rights or remedies under this guarantee.

The failure or delay by the Beneficiary in exercising any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any other instance. The Beneficiary may not waive any of its rights except by an instrument in writing signed by it.

This guarantee may not be amended without the written approval of the Beneficiary.

This guarantee shall inure to the benefit of any assignee of Beneficiary's rights under the Contract.

TEXTAINER GROUP HOLDINGS LIMITED

By: /s/ James E. Hoelter
James E. Hoelter

Its: President and Chief Executive Officer

Exhibit 10.5

EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 1st day of January 1998 (the "Effective Date") by and between TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED ("Employer"), a Delaware corporation, and ROBERT D. PEDERSEN (hereinafter referred to as "Employee") (jointly, the "Parties").

RECITALS

Employee has been employed by Employer or an Affiliate of Employer since the 1st day of November 1991 (the "Employment Date"). The terms and conditions of such employment are set forth in that certain employment agreement dated 1st day of August 1994 (the "Original Agreement").

Employee and Employer desire to terminate the Original Agreement and replace it in its entirety with this Agreement.

In consideration of the mutual covenants and agreements hereinafter set forth, as of the Effective Date Employer hereby hires Employee, and Employee agrees to accept such employment, upon the following terms and conditions:

DEFINITIONS

"Affiliate" means, when used with reference to Employer (i) any entity that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the Employer; or (ii) any person or entity owning or controlling ten percent (10%) or more of the outstanding voting securities of Employer. For the purposes of this definition, "control", when used with respect to any entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Base Salary" means Employee's annual base compensation in effect from time to time hereunder, which is US$189,200 as of the Effective Date, exclusive of any short- or long-term incentive compensation, commissions or the value of any Benefit Plans.

"Base Salary Program" means the Base Salary Program of Employer, dated 1 January 1997 (as such Base Salary Program may be modified, supplemented or amended by Employer from time to time hereafter), a copy of which is incorporated by reference into this Agreement.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, disability, life insurance, retirement and other benefits for its U.S.-based employees.

"Confidential Information" means, without limitation, for Employer and its Affiliates: (a) records, data, specifications, trade secrets and customer lists; (b) the names, buying habits and practices of customers; (c) marketing methods and related data; (d) the names of any vendors or suppliers; (e) costs of material and the prices at which products or services are sold; (f) manufacturing and sales costs; (g) lists or other written records used in the business; (h) compensation paid to employees and other terms of employment; and (i) other confidential information of, about or concerning the business, its manner of operation or other confidential data of any kind, nature or description.

"STIP" means TGH's short-term incentive plan.

"TGH" means Textainer Group Holdings Limited, a Bermuda corporation, the parent company of Employer.

AGREEMENT

1. Duties: Employee shall be employed as, and shall perform the duties of Senior Vice President—Marketing of Employer, or shall serve in such other capacity and with such other duties and for such Affiliates as Employer shall hereafter from time to time prescribe.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate as provided in Section 8 hereof.

3. Compensation: In consideration of Employee's services during the term of Employee's employment hereunder, Employee shall be paid compensation and receive benefits from Employer as follows:

(a) Employer shall pay Employee a Base Salary in accordance with Employer's standard compensation policies as they exist from time to time, subject to such deductions, if any, as are required by law, with such increases during the term of this Agreement as may be set by Employer. Employee's Base Salary shall be reviewed at least annually according to Employer's Base Salary Program.

(b) Employee is hereby designated as a participant in the STIP for 1998, a copy of which is incorporated by reference into this Agreement. Employer shall pay Employee an annual incentive award for each calendar year in

accordance with the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Employee shall be entitled to vacation leave in accordance with Employer's standard vacation policy as it exists from time to time. This vacation leave shall be in addition to the public holidays Employer recognizes for its employees. Employee's accrued vacation leave, if any, as of the Effective Date shall be carried forward under this Agreement. Employee shall not accrue vacation leave in excess of the amount allowed under Employer's standard vacation policy for U.S.-based employees, as it exists from time to time. Upon termination of employment for whatever reason, Employee shall receive the economic value of Employee's accrued but unused vacation leave, which value shall be calculated using only Employee's then current Base Salary.

(d) Employee shall also be entitled to fully participate in other Benefit Plans established for Employer's U.S.-based employees. The extent of Employee's participation in or coverage by any such Benefit Plans shall be determined by Employer, but in no case shall be less than the participation and/or coverage provided to other officers and senior executives of Employer or its Affiliates.

Employee shall be responsible for any taxes due related to the receipt of any of the above items of compensation and benefits from Employer. Employee expressly acknowledges and agrees that Employer will not compensate Employee for any such taxes. Employer will deduct and withhold from any amount payable to Employee under this Agreement such amounts as Employer is required by law to deduct and withhold. Employer may also deduct and withhold from any such amount, to the extent permitted by law, such amounts as the Employee may owe to Employer.

4. Indemnity: Employee shall be indemnified in accordance with the Indemnification Agreement entered into between Employee and Employer or one or more of its Affiliates.

5. Exclusivity of Services: Employee agrees to devote Employee's full-time and exclusive services (except for attention to personal interests outside normal office hours) to Employer. Any exception to this must be approved in writing by Employer.

6. Conflict of Interest and Non-Competition: During Employee's employment hereunder, Employee shall not, directly or indirectly, either individually or as an employee, agent, partner, shareholder, consultant, or in any other capacity, participate, engage in, or have any financial or other interest in any business which is competitive in any manner whatsoever with any business in which Employer,

any of its Affiliates, or the successors or assigns of Employer and its Affiliates are now or may hereafter become engaged. This prohibition shall not include ownership by Employee of less than five percent (5%) of the outstanding shares of any publicly-traded corporation, provided that Employee does not otherwise participate in that corporation as a director, officer, or in any other capacity.

7. Confidential Information: Employee realizes that during the course of Employee's employment, Employee will produce and/or have access to Confidential Information. The Parties agree that, as between them, the Confidential Information contains important, material and confidential trade secrets and affects the successful conduct of the business and goodwill of Employer and its Affiliates. The Parties further agree that any breach of any term of this Paragraph is a material breach of this Agreement. During or subsequent to Employee's employment by Employer, Employee shall hold in confidence and shall not directly or indirectly disclose, use, copy or make lists of any such Confidential Information, except to the extent authorized in writing by Employer or an Affiliate or where Employee is compelled or required to do so in a Court of Law or in conjunction with any legal proceedings. All records, files, drawings, documents, equipment and the like, or copies thereof, relating to the business of Employer and its Affiliates, which Employee shall prepare, use or come into contact with shall be and remain the sole property of Employer and its Affiliates, shall not be removed by Employee from the premises of Employer or its Affiliates without the prior consent of Employer or the relevant Affiliate, except in the normal course of carrying out Employee's responsibilities, and shall be promptly returned by Employee to Employer or the relevant Affiliate upon any termination of this Agreement.

8. Termination:

(a) With or Without Cause: Notwithstanding any other provision of this Agreement, either party may terminate this Agreement and Employee's employment at any time, for any reason, with or without cause, and with or without notice.

(b) Death: In the event of Employee's death, this Agreement shall terminate automatically.

(c) Incapacity: If Employee is materially incapacitated from fully performing Employee's duties pursuant to this Agreement by reason of illness or other incapacity or by reason of any statute, law, ordinance, regulation, order, judgment or decree, Employer may terminate this Agreement and Employee's employment by written notice to Employee, but only in the event that such conditions shall aggregate not less than ninety (90) days during any twelve (12) month period during Employee's term of employment.

9. Severance: In the event Employer terminates Employee's employment pursuant to Paragraph 8(a) for any reason other than as a result of gross misconduct on the part of Employee, Employee shall be entitled to receive from Employer:

(a) if Employee has been in the employ of Employer (whether pursuant to this Agreement or otherwise) at the time of termination (the "Termination Date") for an aggregate period of less than ten (10) years after the Employment Date:

(i) severance pay in an amount equal to one-half of the Base Salary of Employee in effect at the Termination Date, payable in full on the Termination Date, plus

(ii) for a period of six (6) months after the Termination Date, Benefit Plans which are similar in nature and scope to the Benefit Plans provided to Employee during the six- (6-) month period immediately prior to the Termination Date, at a cost to Employee no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer; or

(b) if Employee has been in the employ of Employer (whether pursuant to this Agreement or otherwise) for an aggregate period of ten (10) years or more after the Employment Date:

(i) severance pay in an amount equal to the Base Salary of Employee in effect at the Termination Date, payable in full on the Termination Date, plus

(ii) for a period of twelve (12) months after the Termination Date, Benefit Plans which are similar in nature and scope to the Benefit Plans provided to Employee during the six- (6-) month period immediately prior to the Termination Date, at a cost to Employee no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

10. Remedies - Injunction: In the event of a breach or threatened breach by Employee of any of the provisions of this Agreement, Employee agrees that Employer and its Affiliates, in addition to and not in limitation of any other rights, remedies, or damages available to Employer at law or in equity, shall be entitled to seek a preliminary and a permanent injunction from a court of competent jurisdiction in order to prevent or restrain any such breach by Employee or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee. Nothing in Paragraph 11 below shall limit the Employer from applying to any court

of competent jurisdiction for the equitable relief noted in this Paragraph to which the Employer may be entitled without reference to an arbitrator for any decision whatsoever under Paragraph 11.

11. Arbitration: All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Paragraph 10 above), including but not limited to all claims of discrimination based on age, race, creed, color, sex, national origin, disability, gender preference or any other claim of discrimination arising under any state or federal law, including, but not limited to the federal Title VII of the Civil Rights Act, as amended, and the California Fair Employment and Housing Act, shall be subject to final and binding arbitration in accordance with the Code of Civil Procedure of the State of California or under such other procedures as the Parties may hereafter agree to in writing.

12. Return of Information: In the event of termination of Employee's employment for any reason, Employee shall immediately deliver to Employer or the relevant Affiliate all originals and copies in Employee's custody or control of any and all Confidential Information, equipment, and written materials obtained by Employee from Employer, any Affiliate of Employer or any representative or client of Employer during the period of employment.

13. Post-Employment Non-Solicitation of Other Employees: Employee agrees that for a period of one (1) year after termination of Employee's employment, Employee will not solicit or otherwise discuss with any other employee of Employer or any of its Affiliates, for as long as such employee remains employed by Employer, any terms or conditions relating to such employee's leaving the employ of Employer.

14. Representation and Warranty Regarding Prior Obligations of Confidentiality: Employee represents and warrants that Employee's performance of all the terms of this Agreement does not and will not breach any agreement previously entered into by Employee to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to Employee's employment by Employer. Employee represents that Employee has not entered into, and agrees not to enter into, any agreement, either written or oral, which is or may be in conflict with this Agreement.

15. Survival of Provisions: Each of the provisions contained in this Agreement shall survive the termination of Employee's employment with Employer to the extent that each provision remains enforceable and relevant to any post-termination proceedings.

16. Notices: Any notice under this Agreement shall be deemed sufficient if addressed in writing and delivered or mailed to Employer or Employee at the

address set forth below or to such other address as Employer or Employee may designate by notice in writing to the other.

If to Employer: Textainer Equipment Management (U.S.) Limited
650 California Street, 16th Floor
San Francisco, CA 94108 U.S.A.
ATTN: Chief Executive Officer

If to Employee: Robert D. Pedersen
[ADDRESS OMITTED]

17. Assignment; Successors: This Agreement is not assignable by either party. This Agreement shall be binding upon Employee and Employee's heirs, assigns, executors and administrators, and shall be binding upon and inure to the benefit of Employer, Employer's successors and assigns, including without limitation any person, partnership, or corporation which may acquire all or substantially all of Employer or Employer's assets or business or with or into which Employer may be consolidated or merged, and this provision also shall apply in the event of any subsequent merger, consolidation, or transfer of Employer or of Employer's assets or businesses.

18. Modification, Amendment, Waiver: This Agreement is the entire agreement between the Parties and it may not be modified, amended or waived or any provision thereof modified, amended or waived unless approved in writing by the Employer and the Employee. No subsequent conduct of the Parties and no prior or subsequent policy of the Employer shall in any way be deemed to be a modification of this Agreement unless the Parties expressly intend that such conduct or policy become a modification of this Agreement and such intention is reduced to a written agreement signed by the Parties.

19. Severability: Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

In the event any document incorporated into this Agreement by reference conflicts with any provision contained in this Agreement, the provision contained in this Agreement shall control and the provision contained in the incorporated document shall be deemed ineffective and invalid, without invalidating the remainder of the incorporated document.

20. Choice of Law: All questions concerning the construction, validity and interpretation of this Agreement shall be governed by the internal laws of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate as of the date first above written.

ROBERT D. PEDERSEN

/s/ Robert D. Pedersen

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED

BY: /s/ John A. Maccarone
John A. Maccarone
President and Chief Executive Officer

Subject:
2007 Short-Term Incentive Plan

Approved By:
Human Resources Committee

t **2007 Short-Term Incentive Plan**

Applicability
e Eligible Employees of Textainer.

x **Effective Date**
1 January 2007

Supersedes
1 January 2006

Purpose

To set forth the principles, policies, and procedures that will guide the administration of the Textainer short-term incentive plan (the "STIP").

Philosophy of the STIP

The philosophy underlying the STIP is to recognize and encourage the direct, immediate relationship between: (i) employee incentive awards ("Incentive Awards"), (ii) net operating income ("NOI") generated for the owners of managed containers, and (iii) Textainer's Net After-tax Income measured as a return on average shareholder equity ("Return on Equity" or "ROE").

A key objective of the STIP is to motivate Textainer Employees to increase NOI, which is the primary driver of profitability for the container owners and Textainer. Improvement in NOI benefits Textainer because of Textainer's direct interest in the performance of the containers owned by TL, as well as through the performance-based management fees earned from other container owners. Other objectives include the encouragement of long-term employment and the control of overhead expenses both of which benefit both container owners (e.g., Textainer public limited partnerships) and Textainer.

Policy

STIP Year

A STIP for calendar year 2007 (the "STIP Year") for Textainer Employees has been approved. The STIP is effective as of the 1st day of January of the STIP Year.

Eligibility for Participation

A All Employees of Textainer who are not in a temporary or introductory status (including Employees of TEM's dedicated agencies) are considered Eligible Employees.

B Because one of the objectives of the STIP is to encourage long-term employment, in order to receive an Actual Incentive Award Eligible Employees must remain employed at

Textainer from the date they become Eligible Employees until the date that any payments are made under the STIP and, subject to section F below, must be Employees of Textainer on this date (see Summary of Administration below). The Human Resources Committee may, at its sole discretion and on a case-by-case basis, consider exceptions when otherwise Eligible Employees during the STIP Year are not employed by Textainer on the date that a payment is made under the STIP.

C Eligible Employees who have fulfilled the requirements of sections A and B above are considered participants ("Participants") in the STIP.

D Eligible Employees who become Participants during the STIP Year will receive a prorated Incentive Award based on the percentage of the STIP Year over which the Eligible Employee was employed by Textainer. Participants who move from one level of Incentive Award to another during the STIP Year will receive a prorated Incentive Award based on the percentage of time spent at each level during the STIP Year.

E Part-time Employees will receive a prorated percentage of the Incentive Award based on hours worked during the STIP year compared to a standard Textainer Full-time schedule.

F An Employee on a leave of absence which has been properly authorized in accordance with current company policy is eligible to receive a prorated percentage of the Incentive Award, based on his or her completed days of service during the STIP Year.

Target Incentive Award

An Incentive Award target ("Target Incentive Award"), based on a ROE of 14.0%, has been assigned to each respective job classification. Each Eligible Employee will be notified of his/her Target Incentive Award at the beginning of the STIP Year or on the first day he/she becomes an Eligible Employee.

Actual Incentive Award Calculation

The Incentive Award to be paid to each Participant ("Actual Incentive Award") is based on Textainer's Return on Equity. Textainer will calculate the Actual Incentive Award for each Participant based on the ROE for the STIP Year as calculated from the annual audited financial statements of Textainer Group Holdings Limited and subsidiaries. If Textainer's ROE for the STIP Year is exactly 14%, each Participant's Actual Incentive Award will equal 100% of his/her Target Incentive Award. As shown on Exhibit A, ROE above or below 14% will result in an Actual Incentive Award higher or lower than 100% of the Target Incentive Award.

Summary of Administration

A Any payments of Actual Incentive Awards will be made to Participants on the fifth working day of April following the end of the STIP Year.

B Although care has been taken to develop an Incentive Award formula that minimizes the need for change during the STIP Year, it is possible that unforeseen changes in Textainer's business or capital structure will necessitate such change, including termination of the STIP, at any time during the STIP Year. Such change will be effective immediately upon notice to the Eligible Employees. Any such changes are the responsibility and at the sole discretion of Textainer's Board of Directors and shall be conclusive and binding upon all Eligible Employees.

C No ceiling shall be established on the size of the Incentive Awards, except as described herein. However, no Incentive Award will be paid if Textainer's ROE is less than or equal to 9%.

D The existence of the STIP and the eligibility of any Textainer Employee to participate therein is entirely at the Board of Directors' discretion. A Textainer Employee who is not a Participant shall have no right, claim or entitlement to any payments under the STIP.

E It is intended that interim unaudited information regarding Textainer's performance will be made available at least quarterly to all Eligible Employees.

F The STIP will be in effect only for the STIP Year. The Board of Directors, in its sole discretion, shall determine on an annual basis whether or not a bonus plan shall be approved for any subsequent fiscal year and, if so, what form such plan will take.

G Nothing in this STIP supersedes, modifies or affects (a) any employment contract or any other agreement with an Employee relating to employment, or (b) any policy, procedure or practice of Textainer in effect now or as adopted from time to time in the future.

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Exhibit A

Textainer's Net Income as a percentage of Average Shareholder Equity ("Return on Equity" or "ROE") is targeted at 14.0%, and the target Incentive Award amount for each Participant has been set assuming this percentage is achieved. However, should Textainer achieve more or less than this percentage, the Incentive Award amounts for each Participant will vary according to the following schedule.

TEXTAINER 2007 SHORT-TERM INCENTIVE PLAN

TGH After-tax Profit as a Percentage of Avg. Equity (ROE)	2007 STIP Payments (% of Base)	TGH After-tax Profit as a Percentage of Avg. Equity (ROE)	2007 STIP Payments (% of Base)	TGH After-tax Profit as a Percentage of Avg. Equity(ROE)	2007 STIP Payments (% of Base)
9.0%	0.0%	12.5%	70.0%	16.0%	116.3%
9.1%	2.0%	12.6%	72.0%	16.1%	117.2%
9.2%	4.0%	12.7%	74.0%	16.2%	118.1%
9.3%	6.0%	12.8%	76.0%	16.3%	119.1%
9.4%	8.0%	12.9%	78.0%	16.4%	120.0%
9.5%	10.0%	13.0%	80.0%	16.5%	120.9%
9.6%	12.0%	13.1%	82.0%	16.6%	121.8%
9.7%	14.0%	13.2%	84.0%	16.7%	122.7%
9.8%	16.0%	13.3%	86.0%	16.8%	123.7%
9.9%	18.0%	13.4%	88.0%	16.9%	124.7%
10.0%	20.0%	13.5%	90.0%	17.0%	125.7%
10.1%	22.0%	13.6%	92.0%	17.1%	126.7%
10.2%	24.0%	13.7%	94.0%	17.2%	127.7%
10.3%	26.0%	13.8%	96.0%	17.3%	128.7%
10.4%	28.0%	13.9%	98.0%	17.4%	129.7%
10.5%	30.0%	14.0%	100.0%	17.5%	130.7%
10.6%	32.0%	14.1%	100.8%	17.6%	131.7%
10.7%	34.0%	14.2%	101.5%	17.7%	132.8%
10.8%	36.0%	14.3%	102.3%	17.8%	133.8%
10.9%	38.0%	14.4%	103.1%	17.9%	134.9%
11.0%	40.0%	14.5%	103.8%	18.0%	136.0%
11.1%	42.0%	14.6%	104.6%	18.1%	137.1%
11.2%	44.0%	14.7%	105.4%	18.2%	138.1%
11.3%	46.0%	14.8%	106.1%	18.3%	139.2%
11.4%	48.0%	14.9%	106.9%	18.4%	140.3%
11.5%	50.0%	15.0%	107.7%	18.5%	141.3%
11.6%	52.0%	15.1%	108.6%	18.6%	142.5%
11.7%	54.0%	15.2%	109.4%	18.7%	143.6%
11.8%	56.0%	15.3%	110.3%	18.8%	144.8%
11.9%	58.0%	15.4%	111.1%	18.9%	145.9%
12.0%	60.0%	15.5%	111.9%	19.0%	147.1%
12.1%	62.0%	15.6%	112.8%	19.1%	148.2%
12.2%	64.0%	15.7%	113.6%	19.2%	149.4%
12.3%	66.0%	15.8%	114.5%	19.3%	150.5%
12.4%	68.0%	15.9%	115.4%	19.4%	151.7%

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TGH After-tax Profit as a Percentage of Avg. Equity (ROE)	2007 STIP Payments (% of Base)	TGH After-tax Profit as a Percentage of Avg. Equity (ROE)	2007 STIP Payments (% of Base)	TGH After-tax Profit as a Percentage of Avg. Equity (ROE)	2007 STIP Payments (% of Base)
19.5%	152.9%	24.3%	220.4%	29.0%	307.4%
19.6%	154.1%	24.4%	222.0%	29.1%	309.5%
19.7%	155.4%	24.5%	223.6%	29.2%	311.6%
19.8%	156.6%	24.6%	225.3%	29.3%	313.6%
19.9%	157.8%	24.7%	227.0%	29.4%	315.8%
20.0%	159.0%	24.8%	228.6%	29.5%	317.9%
20.1%	160.3%	24.9%	230.3%	29.6%	320.1%
20.2%	161.5%	25.0%	232.0%	29.7%	322.2%
20.3%	162.7%	25.1%	233.7%	29.8%	324.3%
20.4%	164.0%	25.2%	235.4%	29.9%	326.5%
20.5%	165.3%	25.3%	237.1%	30.0%	328.6%
20.6%	166.6%	25.4%	238.8%	30.1%	330.8%
20.7%	167.9%	25.5%	240.6%	30.2%	333.0%
20.8%	169.2%	25.6%	242.3%	30.3%	335.2%
20.9%	170.5%	25.7%	244.1%	30.4%	337.4%
21.0%	171.8%	25.8%	245.9%	30.5%	339.7%
21.1%	173.1%	25.9%	247.6%	30.6%	341.9%
21.2%	174.4%	26.0%	249.4%	30.7%	344.1%
21.3%	175.8%	26.1%	251.1%	30.8%	346.3%
21.4%	177.2%	26.2%	253.0%	30.9%	348.5%
21.5%	178.6%	26.3%	254.8%	31.0%	350.8%
21.6%	179.9%	26.4%	256.7%	31.1%	353.1%
21.7%	181.3%	26.5%	258.5%	31.2%	355.4%
21.8%	182.7%	26.6%	260.3%	31.3%	357.7%
21.9%	184.1%	26.7%	262.2%	31.4%	360.0%
22.0%	185.5%	26.8%	264.0%	31.5%	362.3%
22.1%	186.8%	26.9%	265.8%	31.6%	364.6%
22.2%	188.3%	27.0%	267.8%	31.7%	366.9%
22.3%	189.7%	27.1%	269.7%	31.8%	369.3%
22.4%	191.2%	27.2%	271.6%	31.9%	371.7%
22.5%	192.6%	27.3%	273.5%	32.0%	374.0%
22.6%	194.1%	27.4%	275.4%	32.1%	376.4%
22.7%	195.6%	27.5%	277.3%	32.2%	378.8%
22.8%	197.0%	27.6%	279.2%	32.3%	381.2%
22.9%	198.5%	27.7%	281.2%	32.4%	383.5%
23.0%	200.0%	27.8%	283.2%	32.5%	385.9%
23.1%	201.5%	27.9%	285.1%	32.6%	388.4%
23.2%	203.1%	28.0%	287.1%	32.7%	390.8%
23.3%	204.6%	28.1%	289.1%	32.8%	393.3%
23.4%	206.1%	28.2%	291.1%	32.9%	395.7%
23.5%	207.7%	28.3%	293.1%	33.0%	398.2%
23.6%	209.2%	28.4%	295.1%	33.1%	400.6%
23.7%	210.7%	28.5%	297.1%	33.2%	403.1%
23.8%	212.3%	28.6%	299.2%		
23.9%	213.9%	28.7%	301.2%		
24.0%	215.5%	28.8%	303.3%		
24.1%	217.2%	28.9%	305.4%		
24.2%	218.8%				

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TGH After-tax Profit as a Percentage of Avg. Equity (ROE)	2007 STIP Payments (% of Base)
33.3%	405.5%
33.4%	408.0%
33.5%	410.6%
33.6%	413.1%
33.7%	415.6%
33.8%	418.1%
33.9%	420.7%
34.0%	423.2%
34.1%	425.7%
34.2%	428.3%
34.3%	430.9%
34.4%	433.5%
34.5%	436.1%
34.6%	438.7%
34.7%	441.3%
34.8%	444.0%
34.9%	446.6%
35.0%	449.2%

Exhibit B

Net After-tax Income (a)	$ 34,822
Average Equity (b)	$248,730
Net Income % Average Equity (a)/(b)	14.0%
Actual Incentive Award (per Exhibit A)	100.0%

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Exhibit 10.7

TEXTAINER GROUP HOLDINGS LIMITED

2007 SHARE INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions. The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supercede the definition contained in this Section 2.

(a) "Administrator" means the Board or any of the Committees appointed to administer the Plan.

(b) "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

(c) "Applicable Laws" means the legal requirements relating to the Plan and the Awards under applicable provisions of U.S. federal securities laws, foreign or state corporate and securities laws, the Code, the rules of any applicable share exchange or national market system, and the rules of any non-U.S. jurisdiction applicable to Awards granted to residents therein.

(d) "Assumed" means that pursuant to a Corporate Transaction either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by the successor entity or its Parent in connection with the Corporate Transaction with appropriate adjustments to the number and type of securities of the successor entity or its Parent subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction as determined in accordance with the instruments evidencing the agreement to assume the Award.

(e) "Award" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Shares, Restricted Share Unit or other right or benefit under the Plan.

(f) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto.

(g) "Board" means the Board of Directors of the Company.

(h) "Cause" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that such termination is for "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the

detriment of the Company or a Related Entity; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person; provided, however, that with regard to any agreement that defines "Cause" on the occurrence of or in connection with a Corporate Transaction or a Change in Control, such definition of "Cause" shall not apply until a Corporate Transaction or a Change in Control actually occurs.

(i) "Change in Control" means a change in ownership or control of the Company after the Registration Date effected through either of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's issued and outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such shareholders accept, or

(ii) a change in the composition of the Board over a period of twelve (12) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(j) "Code" means the U.S. Internal Revenue Code of 1986, as amended.

(k) "Committee" means any committee composed of members of the Board appointed by the Board to administer the Plan.

(l) "Common Shares" means the common shares of the Company.

(m) "Company" means Textainer Group Holdings Limited, a Bermuda company, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(n) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(o) "Continuing Directors" means members of the Board who either (i) have been Board members continuously for a period of at least twelve (12) months or (ii) have been Board members for less than twelve (12) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.

(p) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. A Grantee's Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Grantee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave. For purposes of each Incentive Stock Option granted under the Plan, if such leave exceeds three (3) months, and reemployment upon expiration of such leave is not guaranteed by statute or contract, then the Incentive Stock Option shall be treated as a Non-Qualified Stock Option on the day three (3) months and one (1) day following the expiration of such three (3) month period.

(q) "Corporate Transaction" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) a merger, amalgamation or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iii) the complete liquidation or dissolution of the Company;

(iv) any reverse merger or amalgamation or series of related transactions culminating in a reverse merger or amalgamation (including, but not limited to, a tender offer followed by a reverse merger or amalgamation) in which the Company is the surviving or continuing entity but (A) the Common Shares issued and outstanding immediately prior to such merger or amalgamation are converted or exchanged by virtue of the merger or amalgamation into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's issued and outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or amalgamation or the initial transaction culminating in such merger or amalgamation; or

(v) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the

Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's issued and outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(r) "Covered Employee" means an Employee who is a "covered employee" under Section 162(m)(3) of the Code.

(s) "Director" means a member of the Board or the board of directors of any Related Entity.

(t) "Disability" means as defined under the long-term disability policy of the Company or the Related Entity to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Related Entity to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(u) "Dividend Equivalent Right" means a right entitling the Grantee to compensation measured by dividends paid with respect to Common Shares.

(v) "Employee" means any person, including an Officer or Director, who is in the employ of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(w) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(x) "Fair Market Value" means, as of any date, the value of Common Shares determined as follows:

(i) If the Common Shares are listed on one or more established stock exchanges or national market systems, including without limitation, the New York Stock Exchange, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Common Shares are listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such share as quoted on such system or by

such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Common Share shall be the mean between the high bid and low asked prices for the Common Share on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Shares of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(y) "Grantee" means an Employee, Director or Consultant who receives an Award under the Plan.

(z) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(aa) "Non-Qualified Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(bb) "Officer" means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(cc) "Option" means an option to purchase Shares pursuant to an Award Agreement granted under the Plan.

(dd) "Parent" means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code.

(ee) "Performance-Based Compensation" means compensation qualifying as "performance-based compensation" under Section 162(m) of the Code.

(ff) "Plan" means this 2007 Share Incentive Plan.

(gg) "Registration Date" means the first to occur of (i) the closing of the first sale to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended, of (A) the Common Shares or (B) the same class of securities of a successor or continuing corporation (or its Parent) issued pursuant to a Corporate Transaction in exchange for or in substitution of the Common Shares; and (ii) in the event of a Corporate Transaction, the date of the consummation of the Corporate Transaction if the same class of securities of the successor corporation (or its Parent) issuable in such Corporate Transaction shall have been sold to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, on or prior to the date of consummation of such Corporate Transaction.

(hh) "Related Entity" means any Parent or Subsidiary of the Company.

(ii) "Replaced" means that pursuant to a Corporate Transaction the Award is replaced with a comparable share award or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Award existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Award. The determination of Award comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(jj) "Restricted Shares" means Shares issued under the Plan to a Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator.

(kk) "Restricted Share Units" means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator.

(ll) "Rule 16b-3" means Rule 16b-3 promulgated under the Exchange Act or any successor thereto.

(mm) "SAR" means a share appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Common Shares.

(nn) "Share" means a Common Share.

(oo) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Shares Subject to the Plan.

(a) Subject to the provisions of Section 10, below, the maximum aggregate number of Shares which may be issued pursuant to Awards shall be eight percent (8%) of the number of Shares issued and outstanding as of the date which is forty-five (45) days following the Registration Date, but in no event shall the maximum aggregate number of Shares which may be issued pursuant to Awards exceed four million (4,000,000) Shares (the "Maximum Limit"); and of these four million shares, as many as four million may be available for grant as Incentive Stock Options. The Shares to be issued pursuant to Awards may be authorized, but unissued, or reacquired Common Shares.

(b) Any Shares covered by an Award (or portion of an Award) which is forfeited, canceled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan, except that if unvested Shares are forfeited, or repurchased by the Company at the lower of their original purchase price or their Fair Market Value at the time of repurchase, such

Shares shall become available for future grant under the Plan. To the extent not prohibited by the listing requirements of the New York Stock Exchange (or other established stock exchange or national market system on which the Common Shares are traded) or Applicable Law, any Shares covered by an Award which are tendered to the Plan (i) in payment of the Award exercise or purchase price (including pursuant to the "net exercise" of an option pursuant to Section 7(b)(v)) or (ii) in satisfaction of tax withholding obligations incident to the exercise of an Award shall be deemed not to have been issued for purposes of determining the maximum number of Shares which may be issued pursuant to all Awards under the Plan, unless otherwise determined by the Administrator.

4. Administration of the Plan.

(a) Plan Administrator.

(i) Administration with Respect to Directors and Officers. With respect to grants of Awards to Directors or Employees who are also Officers or Directors of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws and to permit such grants and related transactions under the Plan to be exempt from Section 16(b) of the Exchange Act in accordance with Rule 16b-3. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(ii) Administration With Respect to Consultants and Other Employees. With respect to grants of Awards to Employees or Consultants who are neither Directors nor Officers of the Company, the Plan shall be administered by (A) the Board or (B) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. The Board may authorize one or more Officers to grant such Awards and may limit such authority as the Board determines from time to time.

(iii) Administration With Respect to Covered Employees. Notwithstanding the foregoing, as of and after the date that the exemption for the Plan under Section 162(m) of the Code expires, as set forth in Section 18 below, grants of Awards to any Covered Employee intended to qualify as Performance-Based Compensation shall be made only by a Committee (or subcommittee of a Committee) which is comprised solely of two or more Directors eligible to serve on a committee making Awards qualifying as Performance-Based Compensation. In the case of such Awards granted to Covered Employees, references to the "Administrator" or to a "Committee" shall be deemed to be references to such Committee or subcommittee.

(iv) Administration Errors. In the event an Award is granted in a manner inconsistent with the provisions of this subsection (a), such Award shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and

except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

(i) to select the Employees, Directors and Consultants to whom Awards may be granted from time to time hereunder;

(ii) to determine whether and to what extent Awards are granted hereunder;

(iii) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder;

(vi) to amend the terms of any outstanding Award granted under the Plan, provided that (A) any amendment that would adversely affect the Grantee's rights under an outstanding Award shall not be made without the Grantee's written consent, provided, however, that an amendment or modification that may cause an Incentive Stock Option to become a Non-Qualified Stock Option shall not be treated as adversely affecting the rights of the Grantee, (B) the reduction of the exercise price of any Option awarded under the Plan and the base appreciation amount of any SAR awarded under the Plan shall be subject to shareholder approval and (C) canceling an Option or SAR at a time when its exercise price or base appreciation amount (as applicable) exceeds the Fair Market Value of the underlying Shares, in exchange for another Option, SAR, Restricted Shares, or other Award shall be subject to shareholder approval, unless the cancellation and exchange occurs in connection with a Corporate Transaction. Notwithstanding the foregoing, canceling an Option or SAR in exchange for another Option, SAR, Restricted Shares, or other Award with an exercise price, purchase price or base appreciation amount (as applicable) that is equal to or greater than the exercise price or base appreciation amount (as applicable) of the original Option or SAR shall not be subject to shareholder approval;

(vii) to construe and interpret the terms of the Plan and Awards, including without limitation, any notice of award or Award Agreement, granted pursuant to the Plan;

(viii) to grant Awards to Employees, Directors and Consultants employed outside the United States on such terms and conditions different from those specified in the Plan as may, in the judgment of the Administrator, be necessary or desirable to further the purpose of the Plan; and

(ix) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator; provided that the Administrator may not

exercise any right or power reserved to the Board. Any decision made, or action taken, by the Administrator or in connection with the administration of this Plan shall be final, conclusive and binding on all persons having an interest in the Plan.

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law (but not, for the avoidance of doubt, for their fraud or dishonesty) on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Award granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

5. Eligibility. Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants. Incentive Stock Options may be granted only to Employees of the Company or a Parent or a Subsidiary of the Company. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards. Awards may be granted to such Employees, Directors or Consultants who are residing in non-U.S. jurisdictions as the Administrator may determine from time to time.

6. Terms and Conditions of Awards.

(a) Types of Awards. The Administrator is authorized under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, (ii) cash or (iii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, sales or bonuses of Restricted Shares, Restricted Share Units or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

(b) Designation of Award. Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, an Option will qualify as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. The $100,000 limitation of

Section 422(d) of the Code is calculated based on the aggregate Fair Market Value of the Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary of the Company). For purposes of this calculation, Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the grant date of the relevant Option. In the event that the Code or the regulations promulgated thereunder are amended after the date the Plan becomes effective to provide for a different limit on the Fair Market Value of Shares permitted to be subject to Incentive Stock Options, then such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

(c) Conditions of Award. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. The performance criteria established by the Administrator may be based on any one of, or combination of, the following: (i) increase in share price, (ii) earnings per share, (iii) total shareholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow, (xiii) revenue, (xiv) expenses, (xv) earnings before interest, taxes and depreciation, (xvi) economic value added and (xvii) market share. The performance criteria may be applicable to the Company, Related Entities and/or any individual business units of the Company or any Related Entity. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement. In addition, the performance criteria shall be calculated in accordance with generally accepted accounting principles, but excluding the effect (whether positive or negative) of any change in accounting standards and any extraordinary, unusual or nonrecurring item, as determined by the Administrator, occurring after the establishment of the performance criteria applicable to the Award intended to be performance-based compensation. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of performance criteria in order to prevent the dilution or enlargement of the Grantee's rights with respect to an Award intended to be performance-based compensation.

(d) Acquisitions and Other Transactions. The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger or amalgamation, share purchase, asset purchase or other form of transaction.

(e) Deferral of Award Payment. The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms,

conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(f) Separate Programs. The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

(g) Individual Limitations on Awards.

(i) Individual Limit for Options and SARs. Following the date that the exemption from application of Section 162(m) of the Code described in Section 18 (or any exemption having similar effect) ceases to apply to Awards, the maximum number of Shares with respect to which Options and SARs may be granted to any Grantee in any calendar year shall be two million (2,000,000) Shares. In connection with a Grantee's commencement of Continuous Service, a Grantee may be granted Options and SARs for up to an additional two million (2,000,000) Shares which shall not count against the limit set forth in the previous sentence. The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10, below. To the extent required by Section 162(m) of the Code or the regulations thereunder, in applying the foregoing limitations with respect to a Grantee, if any Option or SAR is canceled, the canceled Option or SAR shall continue to count against the maximum number of Shares with respect to which Options and SARs may be granted to the Grantee. For this purpose, the repricing of an Option (or in the case of a SAR, the base amount on which the share appreciation is calculated is reduced to reflect a reduction in the Fair Market Value of the Common Shares) shall be treated as the cancellation of the existing Option or SAR and the grant of a new Option or SAR.

(ii) Individual Limit for Restricted Shares and Restricted Share Units. Following the date that the exemption from application of Section 162(m) of the Code described in Section 18 (or any exemption having similar effect) ceases to apply to Awards, for awards of Restricted Shares and Restricted Share Units that are intended to be Performance-Based Compensation, the maximum number of Shares with respect to which such Awards may be granted to any Grantee in any calendar year shall be two million (2,000,000) Shares. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalization pursuant to Section 10, below.

(h) Deferral. If the vesting or receipt of Shares under an Award is deferred to a later date, any amount (whether denominated in Shares or cash) paid in addition to the original number of Shares subject to such Award will not be treated as an increase in the number of Shares subject to the Award if the additional amount is based either on a reasonable rate of interest or on one or more predetermined actual investments such that the amount payable by the Company at the later date will be based on the actual rate of return of a specific investment (including any decrease as well as any increase in the value of an investment).

(i) Early Exercise. The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares

received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(j) Term of Award. The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term of an Incentive Stock Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company or any Parent or Subsidiary of the Company, the term of the Incentive Stock Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award.

(k) Transferability of Awards. Incentive Stock Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee. Other Awards shall be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Administrator.

(l) Time of Granting Awards. The date of grant of an Award shall for all purposes be the date on which the Administrator makes the determination to grant such Award, or such other date as is determined by the Administrator.

7. Award Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:

(i) In the case of an Incentive Stock Option:

(A) granted to an Employee who, at the time of the grant of such Incentive Stock Option owns shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company or any Parent or Subsidiary of the Company, the per Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or

(B) granted to any Employee other than an Employee described in the preceding paragraph, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) In the case of Awards intended to qualify as Performance-Based Compensation, the exercise or purchase price, if any, shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iv) In the case of SARs, the base appreciation amount shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(v) In the case of other Awards, such price as is determined by the Administrator.

(vi) Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(d), above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award including the method of payment, shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

(i) cash;

(ii) check;

(iii) repurchase of Shares which have a Fair Market Value on the date of repurchase equal to the aggregate exercise price of the Shares as to which said Award shall be exercised;

(iv) with respect to Options, if the exercise occurs on or after the Registration Date, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction;

(v) with respect to Options, payment through a “net exercise” such that, without the payment of any funds, the Grantee may exercise the Option and receive the net number of Shares equal to (i) the number of Shares as to which the Option is being exercised, multiplied by (ii) a fraction, the numerator of which is the Fair Market Value per Share (on such date as is determined by the Administrator) less the Exercise Price per Share, and the denominator of which is such Fair Market Value per Share (the number of net Shares to be received shall be rounded down to the nearest whole number of Shares); or

(vi) any combination of the foregoing methods of payment.

The Administrator may at any time or from time to time, by adoption of or by amendment to the standard forms of Award Agreement described in Section 4(b)(iv), or by other means, grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., federal, state, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by repurchase of the whole number of Shares covered by the Award sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an Award (reduced to the lowest whole number of Shares if such number of Shares withheld would result in withholding a fractional Share with any remaining tax withholding settled in cash).

8. Exercise of Award.

(a) Procedure for Exercise; Rights as a Shareholder .

(i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

(ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iv).

(b) Exercise of Award Following Termination of Continuous Service .

(i) An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement.

(ii) Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

(iii) Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee's Continuous Service shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Award Agreement.

9. Conditions Upon Issuance of Shares.

(a) If at any time the Administrator determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful under Applicable Laws, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Administrator determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance. The Company shall have no obligation to effect any registration or qualification of the Shares under federal or state laws.

(b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

10. Adjustments Upon Changes in Capitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, the maximum number of Shares with respect to which Awards may be granted to any Grantee in any calendar year, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a share split, reverse share split, share dividend, share subdivision or consolidation, bonus issue, combination or reclassification of the Shares, or similar transaction affecting the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) any other transaction with respect to Common Shares including a corporate merger, amalgamation, consolidation, acquisition of property or shares, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however, that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." In connection with the foregoing adjustments, the Administrator may, in its discretion, prohibit the exercise of Awards or other issuance of Shares, cash or other consideration pursuant to Awards during certain periods of time. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

11. Corporate Transactions and Changes in Control.

(a) Termination of Award to Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed in connection with the Corporate Transaction.

(b) Acceleration of Award Upon Corporate Transaction or Change in Control.

(i) Corporate Transaction. Except as provided otherwise in an individual Award Agreement, in the event of a Corporate Transaction and:

(A) for the portion of each Award that is Assumed or Replaced, then such Award (if Assumed), the replacement Award (if Replaced), or the cash incentive program (if Replaced) automatically shall become fully vested, exercisable and payable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such Assumed or Replaced portion of the Award, immediately upon termination of the Grantee's Continuous Service if such Continuous Service is terminated by the successor company or the Company without Cause within twelve (12) months after the Corporate Transaction; and

(B) for the portion of each Award that is neither Assumed nor Replaced, such portion of the Award shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such portion of the Award, immediately prior to the specified effective date of such Corporate Transaction, provided that the Grantee's Continuous Service has not terminated prior to such date. For Awards that have an exercise feature, the portion of the Award that is not Assumed shall terminate under subsection (a) of this Section 11 to the extent not exercised prior to the consummation of such Corporate Transaction.

(ii) Change in Control. Except as provided otherwise in an individual Award Agreement, following a Change in Control (other than a Change in Control which also is a Corporate Transaction) and upon the termination of the Continuous Service of a Grantee if such Continuous Service is terminated by the Company or Related Entity without Cause within twelve (12) months after a Change in Control, each Award of such Grantee which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately upon the termination of such Continuous Service.

(c) Effect of Acceleration on Incentive Stock Options. Any Incentive Stock Option accelerated under this Section 11 in connection with a Corporate Transaction or Change in Control shall remain exercisable as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded.

12. Effective Date and Term of Plan. The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated. Subject to Section 17, below, and Applicable Laws, Awards may be granted under the Plan upon its becoming effective.

13. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the

Company's shareholders to the extent such approval is required by Applicable Laws, or if such amendment would lessen the shareholder approval requirements of Section 4(b)(vi) or this Section 13(a).

(b) No Award may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 11, above) shall adversely affect any rights under Awards already granted to a Grantee.

14. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. No Effect on Terms of Employment/Consulting Relationship. The Plan shall not confer upon any Grantee any right with respect to the Grantee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Grantee's Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee's Continuous Service has been terminated for Cause for the purposes of this Plan.

16. No Effect on Retirement and Other Benefit Plans. Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the U.S. Employee Retirement Income Security Act of 1974, as amended.

17. Shareholder Approval. The grant of Incentive Stock Options under the Plan shall be subject to approval by the shareholders of the Company within twelve (12) months before or after the date the Plan is adopted excluding Incentive Stock Options issued in substitution for outstanding Incentive Stock Options pursuant to Section 424(a) of the Code. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws. The Administrator may grant Incentive Stock Options under the Plan prior to approval by the shareholders, but until such approval is obtained, no such Incentive Stock Option shall be exercisable. In the event that shareholder approval is not obtained within the twelve (12) month

period provided above, all Incentive Stock Options previously granted under the Plan shall be exercisable as Non-Qualified Stock Options.

18. Effect of Section 162(m) of the Code. Section 162(m) of the Code does not apply to the Plan prior to the Registration Date. Following the Registration Date, the Plan, and all Awards issued thereunder, are intended to be exempt from the application of Section 162(m) of the Code, which restricts under certain circumstances the U.S. Federal income tax deduction for compensation paid by a public company to named executives in excess of $1 million per year. The exemption is based on U.S. Treasury Regulation Section 1.162-27(f), in the form existing on the effective date of the Plan, with the understanding that such regulation generally exempts from the application of Section 162(m) of the Code compensation paid pursuant to a plan that existed before a company becomes publicly held. Under such Treasury Regulation, this exemption is available to the Plan for the duration of the period that lasts until the earlier of (i) the expiration of the Plan, (ii) the material modification of the Plan, (iii) the exhaustion of the maximum number of Common Shares available for Awards under the Plan, as set forth in Section 3(a), (iv) the first meeting of shareholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Company first becomes subject to the reporting obligations of Section 12 of the Exchange Act, or (v) such other date required by Section 162(m) of the Code and the rules and regulations promulgated thereunder. To the extent that the Administrator determines as of the date of grant of an Award that (i) the Award is intended to qualify as Performance-Based Compensation and (ii) the exemption described above is no longer available with respect to such Award, such Award shall not be effective until any shareholder approval required under Section 162(m) of the Code has been obtained.

19. Unfunded Obligation. Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee's creditors in any assets of the Company or a Related Entity. The Grantees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

20. Construction. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

21. Nonexclusivity of The Plan. Neither the adoption of the Plan by the Board, the submission of the Plan to the shareholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

22. Governing Law. The Plan is to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties. Should any provision of the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.

TEXTAINER GROUP HOLDINGS LIMITED
2008 BONUS PLAN

SECTION 1
ESTABLISHMENT AND PURPOSE

1.1 Purpose. Textainer Group Holdings Limited hereby establishes the Textainer Group Holdings Limited 2008 Bonus Plan (the "Plan"). The Plan is intended to increase stockholder value and the success of the Company by motivating our employees (a) to perform to the best of their abilities, and (b) to achieve the Company's objectives. The Plan's goals are to be achieved by providing such employees with incentive awards based on the achievement of goals relating to performance of the Company and its individual business units.

1.2 Effective Date. The Plan shall be effective upon its adoption by the Board.

SECTION 2
DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period. The Actual Award is determined by the Payout Formula for the Performance Period, subject to the Committee's authority under Section 3.5 to reduce the award otherwise determined by the Payout Formula.

2.2 "Base Salary" means as to any Performance Period, 100% of the Participant's average annualized salary rate over the Performance Period. Such Base Salary shall be before both (a) deductions for taxes or benefits, and (b) deferrals of compensation pursuant to Company-sponsored plans.

2.3 "Beneficiary" shall mean the person(s) or entity(ies) designated to receive payment of an Actual Award in the event of a Participant's death in accordance with Section 4.5 of the Plan. The Beneficiary designation shall be effective when it is submitted in writing to and acknowledged by the Company during the Participant's lifetime on the Beneficiary Designation form provided by the Company. The submission of a new Beneficiary Designation form shall cancel all prior Beneficiary Designations.

2.4 "Board" means the Company's Board of Directors.

2.5 "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific Section of the Code shall include such Section, any valid regulation promulgated thereunder, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

2.6 "Committee" means the committee appointed by the Board to administer the Plan. The Committee shall consist of no fewer than two members of the Board. The members of the Committee shall be appointed by, and serve at the pleasure of, the Board. Following the date that the exemption for the Plan under 162(m) of the Code expires, as set forth in Section 6.6 below, each member of the Committee shall qualify as an "outside director" under Code Section 162(m).

2.7 "Company" means Textainer Group Holdings Limited, a Bermuda company.

2.8 "Corporate Transaction" means any of the following transactions, provided, however, that the Committee shall determine under parts iv and v whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the shares of Company common stock outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.9 "Determination Date" means as to any Performance Period, (a) the first day of the Performance Period, or (b) if later, the latest date possible which will not jeopardize the Plan's qualification as performance-based compensation under Code Section 162(m).

2.10 "Maximum Award" means as to any Participant for any Performance Period, TWO MILLION DOLLARS ($2,000,000). The Maximum Award is the maximum amount which may be paid to a Participant for any Performance Period.

2.11 "Participant" means as to any Performance Period, an employee of the Company or an affiliate of the Company, including but not limited to the Company's dedicated agents, who has been selected by the Committee for participation in the Plan for that Performance Period.

2.12 "Payout Formula" means as to any Performance Period, the formula or payout matrix established by the Committee pursuant to Section 3.4, below, in order to determine the Actual Awards (if any) to be paid to Participants. The formula or matrix may differ from Participant to Participant.

2.13 "Performance Goals" means the goal(s) (or combined goal(s)) determined by the Committee (in its discretion) to be applicable to a Participant for a Performance Period. As determined by the Committee, the Performance Goals applicable to each Participant shall provide for a targeted level or levels of achievement using one or more of the following measures: (a) increase in share price, (b) earnings per share, (c) total stockholder return, (d) operating margin, (e) gross margin, (f) return on equity, (g) return on assets, (h) return on investment, (i) operating income, (j) net operating income, (k) pre-tax income, (l) cash flow, (m) revenue, (n) expenses, (o) earnings before interest, taxes and depreciation, (p) economic value added, (q) market share, (r) corporate overhead costs, (s) liquidity management, (t) net interest income, (u) net interest income margin, (v) return on capital invested, (w) stockholders' equity, (x) income (before income tax expense), (y) residual earnings after reduction for certain compensation expenses, (z) net income, (aa) profitability of an identifiable business unit or product, (bb) performance of the Company relative to a peer group of companies on any of the foregoing measures and (cc) those measures as set forth in clauses (a) through (bb) herein with regard to a line of business, services or products, including but not limited to, corporate finance underwriting and advisory business, institutional sales and research products and services, and private or public investment funds, partnerships or accounts. The Performance Goals may be applicable to the Company and/or any of its subsidiaries or individual business units and may differ from Participant to Participant. In addition, the Committee shall have the authority to make appropriate adjustments in Performance Goal(s) to reflect the impact of extraordinary items not reflected in such goals. For purposes of the Plan, extraordinary items shall be defined as (1) any profit or loss attributable to acquisitions or dispositions of stock or assets, (2) any changes in accounting standards or treatments that may be required or permitted by the Financial Accounting Standards Board or adopted by the Company after the goal is established, (3) all items of gain, loss or expense for the year related to restructuring charges for the Company, (4) all items of gain, loss or expense related to the disposal of a segment of a business, (5) all items of gain, loss or expense for the year related to discontinued operations that do not qualify as a segment of a business as defined in APB Opinion No. 30 (or successor literature), (6) adjustments to compensation expense as disclosed and described in the Company's public filings to exclude compensation expense attributable to equity-based awards granted prior to or in connection with the Company's initial public offering of its common stock, and (7) such other items as may be prescribed by Section 162(m) of the Code and the Treasury Regulations thereunder as may be in effect from time to time.

2.14 "Performance Period" means any fiscal period of the Company not to exceed three (3) Plan Years.

2.15 "Plan Year" means the fiscal year of the Company beginning in 2008 and each succeeding fiscal year of the Company.

2.16 "Target Award" means the target award payable under the Plan to a Participant for the Performance Period, expressed as a percentage of his or her Base Salary or an amount, as determined by the Committee in accordance with Section 3.3.

SECTION 3
SELECTION OF PARTICIPANTS AND DETERMINATION OF AWARDS

3.1 Selection of Participants. On or prior to the Determination Date, the Committee, in its sole discretion, shall select the individuals who shall be Participants for the Performance Period. In selecting Participants, the Committee shall choose individuals who are likely to have a significant impact on the performance of the Company. Participation in the Plan is in the sole discretion of the Committee, and on a Performance Period by Performance Period basis. Accordingly, an individual who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Periods.

3.2 Determination of Performance Goals. On or prior to the Determination Date, the Committee, in its sole discretion, shall establish the Performance Goals for each Participant for the Performance Period. Such Performance Goals shall be set forth in writing.

3.3 Determination of Target Awards. On or prior to the Determination Date, the Committee, in its sole discretion, shall establish a Target Award for each Participant. Each Participant's Target Award shall be determined by the Committee in its sole discretion, and each Target Award shall be set forth in writing.

3.4 Determination of Payout Formula or Formulae. On or prior to the Determination Date, the Committee, in its sole discretion, shall establish a Payout Formula or Formulae for purposes of determining the Actual Award (if any) payable to each Participant. Each Payout Formula shall (a) be in writing, (b) be based on a comparison of actual performance to the Performance Goals, (c) provide for the payment of a Participant's Target Award if the Performance Goals for the Performance Period are achieved, and (d) provide for an Actual Award greater than or less than the Participant's Target Award, depending upon the extent to which actual performance exceeds or falls below the Performance Goals. Notwithstanding the preceding, no participant's Actual Award under the Plan may exceed the Maximum Award.

3.5 Determination of Actual Awards. After the end of each Performance Period, the Committee shall certify in writing the extent to which the Performance Goals applicable to each Participant for the Performance Period were achieved or exceeded. The Actual Award for each Participant shall be determined by applying the Payout Formula to the level of actual performance which has been certified by the Committee. Notwithstanding any contrary provision of the Plan, (a) the Committee, in its sole discretion, may eliminate or reduce the Actual Award payable to any Participant below that which otherwise would be payable under the Payout Formula, (b) if a Participant terminates employment with the Company prior to the date the Actual Award for the Performance Period is paid, the Committee shall reduce his or her Actual Award proportionately based on the date of termination (and subject to further reduction or elimination under clause (a) of this sentence). Notwithstanding anything in the Plan to the contrary, once Performance Goals are achieved, the Committee may not have the discretion to increase the amount payable hereunder.

SECTION 4
PAYMENT OF AWARDS

4.1 Right to Receive Payment. Each Actual Award that may become payable under the Plan shall be paid solely from the general assets of the Company. Nothing in this Plan shall be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which he or she may be entitled.

4.2 Timing of Payment. Payment of each Actual Award shall be made within two and one-half months after the Committee determines the amount of the Actual Award (if any) under Section 3.5.

4.3 Form of Payment. Each Actual Award normally shall be paid in cash (or its equivalent) in a single lump sum. However, the Committee, in its sole discretion, may declare any Actual Award, in whole or in part, payable in the form of a stock bonus (whether restricted or unrestricted) granted under the Company's 2007 Share Incentive Plan or successor equity compensation plan. The number of shares granted shall be determined by dividing the cash amount of the Actual Award by the fair market value of a share of Company common stock on the date that the cash payment otherwise would have been made. For this purpose, "fair market value" shall be defined as provided in the Company's 2007 Share Incentive Plan or successor equity compensation plan.

4.4 Other Deferral of Actual Awards. The Committee may establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of Actual Awards. The Committee may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts so deferred, and such other terms, conditions, rules and procedures that the Committee deems advisable for the administration of any such deferral program.

4.5 Payment in the Event of Death. If a Participant dies prior to the payment of an Actual Award earned by him or her for a Performance Period, the Actual Award shall be paid to the Participant's Beneficiary. In addition, if a Participant dies prior to the completion of a Performance Period, the Performance Goal for such Performance Period will be deemed achieved and a Participant's Target Award shall be paid to the Participant's Beneficiary; provided, however, the Committee, in its sole discretion, may eliminate or reduce the Target Award payable to any Participant's Beneficiary below that which otherwise would be payable. If a Participant fails to designate a Beneficiary or if each person designated as a Beneficiary predeceases the Participant or dies prior to distribution of the Participant's benefits, then the Committee shall direct the distribution of such benefits to the Participant's estate.

4.6 Payment in the Event of a Corporate Transaction. In the event of a Corporate Transaction, the Performance Goal for the Performance Period in which such Corporate Transaction takes place shall be deemed achieved as of the date immediately prior to the

effective date of such Corporate Transaction and a Participant's Target Bonus shall be paid on the effective date of such Corporate Transaction; provided, however, the Committee, in its sole discretion, may eliminate or reduce the Target Award payable to any Participant below that which otherwise would be payable.

SECTION 5
ADMINISTRATION

5.1 Administrator. The Plan shall be administered by the Board, or if so delegated, by the Committee.

5.2 Committee Authority. The Committee shall have all discretion and authority necessary or appropriate to administer the Plan and to interpret the provisions of the Plan. Any determination, decision or action of the Committee in connection with the construction, interpretation, administration or application of the Plan shall be final, conclusive, and binding upon all persons, and shall be given the maximum deference permitted by law.

5.3 Tax Withholding. The Company shall withhold all applicable taxes from any payment, including any non-U.S., federal, state, and local taxes.

SECTION 6
GENERAL PROVISION

6.1 Nonassignability. A Participant shall have no right to assign or transfer any interest under this Plan.

6.2 No Effect on Employment. The establishment and subsequent operation of the Plan, including eligibility as a Participant, shall not be construed as conferring any legal or other rights upon any Participant for the continuation of his or her employment for any Performance Period or any other period. Generally, employment with the Company is on an at will basis only. Except as may be provided in an employment contract with the Participant, the Company expressly reserves the right, which may be exercised at any time during a Performance Period, to terminate any individual's employment without cause and without regard to the effect such termination might have upon the Participant's receipt of an Actual Award under the Plan.

6.3 No Individual Liability. In addition to such other rights of indemnification as they may have as members of the Board or as officers or employees of the Company, members of the Board and any officers or employees of the Company to whom authority to act for the Board, the Committee or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

6.4 Severability; Governing Law. If any provision of the Plan is found to be invalid or unenforceable, such provision shall not affect the other provisions of the Plan, and the Plan shall be construed in all respects as if such invalid provision has been omitted. The provisions of the Plan shall be governed by and construed in accordance with the laws of the State of California, without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California.

6.5 Affiliates of the Company. Requirements referring to employment with the Company or payment of awards may, in the Committee's discretion, be performed through the Company or any affiliate of the Company.

6.6 Effect of Section 162(m) of the Code. Section 162(m) of the Code does not apply to the Plan prior to the Company's initial public offering. Following the Company's initial public offering, the Plan, and all Actual Awards issued thereunder, are intended to be exempt from the application of Section 162(m) of the Code, which restricts under certain circumstances the Federal income tax deduction for compensation paid by a public company to named executives in excess of $1 million per year. The exemption is based on Treasury Regulation Section 1.162-27(f), in the form existing on the effective date of the Plan, with the understanding that such regulation generally exempts from the application of Section 162(m) of the Code compensation paid pursuant to a plan that existed before a company becomes publicly held. Under such Treasury Regulation, this exemption is available to the Plan for the duration of the period that lasts until the earlier of (i) the expiration of the Plan, (ii) the material modification of the Plan, (iii) the first meeting of stockholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Company first becomes subject to the reporting obligations of Section 12 of the Exchange Act, or (iv) such other date required by Section 162(m) of the Code and the rules and regulations promulgated thereunder. Actual Awards in excess of THIRTY MILLION DOLLARS ($30,000,000) in the aggregate shall not be paid in reliance on this exemption. To the extent that the Administrator determines as of the Determination Date that the exemption described above is no longer available with respect to such Target Award, such Target Award shall not be effective until any stockholder approval required under Section 162(m) of the Code has been obtained.

SECTION 7
AMENDMENT AND TERMINATION

7.1 Amendment and Termination. The Board may amend or terminate the Plan at any time and for any reason; provided, however, that if and to the extent required to ensure the Plan's qualification under Code Section 162(m), any such amendment shall be subject to stockholder approval.

Exhibit 10.9

FORM OF INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (this "Agreement") is made and entered into this day of , 20 (the "Effective Date") by and between Textainer Group Holdings Limited, a company incorporated under the laws of Bermuda (the " Company"), and (the "Indemnitee").

WHEREAS, the Company believes it is essential to retain and attract qualified directors and officers;

WHEREAS, the Indemnitee is a director and/or officer of the Company or any of its subsidiaries;

WHEREAS, both the Company and the Indemnitee recognize the increased risk of litigation and other claims being asserted against directors and officers of public companies;

WHEREAS, the Company had entered into certain other indemnification agreements with the Indemnitee and other officers and directors at different times in the past and would like to standardize its indemnification agreement with all of its directors and executive officers; and

WHEREAS, in recognition of the Indemnitee's need for (i) substantial protection against personal liability, and (ii) an inducement to continue to provide effective services to the Company as a director and/or officer thereof, the Company wishes to provide for the indemnification of the Indemnitee and the Indemnitee's immediate family members to the extent they are subject to liability due to Indemnitee's service with the Company and to advance expenses to the Indemnitee to the fullest extent permitted by law and as set forth in this Agreement, and, to the extent insurance is maintained by the Company, to provide for the continued coverage of the Indemnitee under the Company's directors' and officers' liability insurance policies;

NOW, THEREFORE, in consideration of the premises contained herein and of the Indemnitee continuing to serve the Company directly or, at its request, with another enterprise, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Certain Definitions.**

(a) A "Change in Control" shall be deemed to have occurred if:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "Exchange Act"), other than (a) a trustee or other fiduciary holding securities under an employee benefit plan of the Company; (b) a company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their share interest in the Company; or (c) any current beneficial shareholder or group, as defined by Rule 13d-5 of the Exchange Act, including the heirs, assigns and successors thereof, of beneficial ownership, within the meaning of Rule 13d-3 of the Exchange Act, of securities possessing more than 50% of the total

combined voting power of the Company's issued and outstanding securities; hereafter becomes the "beneficial owner," as defined in Rule 13d-3 of the Exchange Act, directly or indirectly, of securities of the Company representing 20% or more of the total combined voting power represented by the Company's then issued and outstanding Voting Securities (as defined below);

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Company's Board of Directors (the "Board") and any new director whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) the shareholders of the Company approve a merger, amalgamation or consolidation of the Company with any other entity, other than a merger, amalgamation or consolidation which would result in the Voting Securities of the Company issued and outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Securities of the surviving entity) at least 80% of the total voting power represented by the Voting Securities of the Company or such surviving or continuing entity, issued and outstanding immediately after such merger, amalgamation or consolidation, or the shareholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company, in one transaction or a series of transactions, of all or substantially all of the Company's assets.

(b) "DGCL" shall mean the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended or interpreted.

(c) "Expense" shall mean attorneys' fees and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing for any of the foregoing, any Proceeding relating to any Indemnifiable Event.

(d) "Family Member" shall mean the Indemnitee's immediate family member, including his or her spouse, domestic partner, child, stepchild, parent, stepparent, or sibling.

(e) "Indemnifiable Event" shall mean any event or occurrence that takes place either prior to or after the execution of this Agreement, related to the fact that the Indemnitee is or was a director or officer of the Company or any of its subsidiaries, or is or was serving at the request of the Company as a director, officer, employee, or agent of another foreign or domestic corporation or partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, or by reason of anything done or not done by the Indemnitee in any such capacity.

(f) "Proceeding" shall mean any threatened, pending or completed action, suit, investigation or proceeding, and any appeal thereof, whether civil, criminal, administrative or investigative and/or any inquiry or investigation, whether conducted by the Company or any other party, that the Indemnitee in good faith believes might lead to the institution of any such action.

(g) "Reviewing Party" shall mean any appropriate person or body consisting of a member or members of the Board or any other person or body appointed by the Board (including the special independent counsel referred to in Section 6) who is not a party to the particular Proceeding with respect to which the Indemnitee or Family Member is seeking indemnification.

(h) "Voting Securities" shall mean any securities of the Company which vote generally in the election of directors.

2. **Indemnification.** In the event the Indemnitee or Family Member was or is a party to or is involved (as a party, witness, or otherwise) in any Proceeding by reason of (or arising in part out of) an Indemnifiable Event, whether the basis of the Proceeding is the Indemnitee's alleged action in an official capacity as a director or officer of the Company or any of its subsidiaries or not, the Company shall indemnify the Indemnitee or the Family Member to the fullest extent permitted by the DGCL and the Companies Act of 1981 of Bermuda (the "Companies Act") against any and all Expenses, liability, and loss (including judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed thereon, and any federal, state, local, or foreign taxes imposed on any director or officer of the Company or any of its subsidiaries as a result of the actual or deemed receipt of any payments under this Agreement) (collectively, "Liabilities") reasonably incurred or suffered by such person in connection with such Proceeding. The Company shall provide indemnification pursuant to this Section 2 as soon as practicable, but in no event later than 30 days after it receives written demand from the Indemnitee. Notwithstanding anything in this Agreement to the contrary and except as provided in Section 5 below, the Indemnitee or Family Member shall not be entitled to indemnification pursuant to this Agreement (i) in connection with any Proceeding initiated by the Indemnitee or Family Member against the Company or any director or officer of the Company or any of its subsidiaries unless the Company has joined in or consented to the initiation of such Proceeding; (ii) in connection with any Proceedings where the Indemnitee or Family Member is adjudged to be liable to the Company; (iii) on account of the Indemnitee's conduct failing to meet the good faith and best interest requirements under Section 145 of the DGCL; or (iv) on account of any suit in which a final non-appealable judgment is rendered against the Indemnitee with respect to Indemnitee's fraud or dishonesty.

3. **Advancement of Expenses.** The Company shall advance Expenses to the Indemnitee or the Family Member within 30 business days of such request (an "Expense Advance"); provided, however, that if required by applicable corporate laws, such Expenses shall be advanced only upon delivery to the Company of an undertaking by or on behalf of the Indemnitee or the Family Member to repay such amount if it is ultimately determined that the Indemnitee or the Family Member is not entitled to be indemnified by the Company; and provided further, that the Company shall make such advances only to the extent permitted by law. Expenses incurred by the Indemnitee while not acting in his/her capacity as a director or officer, including service with respect to employee benefit plans, may be advanced upon such terms and conditions as the Board (excluding the Indemnitee), in its sole discretion, deems appropriate.

4. **Review Procedure for Indemnification.**

(a) Notwithstanding the foregoing, (i) the obligations of the Company under Sections 2 and 3 above shall be subject to the condition that the Reviewing Party shall not have

determined (in a written opinion, in any case in which the special independent counsel referred to in Section 6 hereof is involved) that the Indemnitee or Family Member would not be permitted to be indemnified under applicable law, and (ii) the obligation of the Company to make an Expense Advance pursuant to Section 3 above shall be subject to the condition that, if, when and to the extent that the Reviewing Party determines that the Indemnitee or Family Member would not be permitted to be so indemnified under applicable law, the Company shall be entitled to be reimbursed by the Indemnitee or Family Member (who hereby agrees to reimburse the Company) for all such amounts theretofore paid; provided, however, that if the Indemnitee or Family Member has commenced legal proceedings in a court of competent jurisdiction pursuant to Section 5 below to secure a determination that the Indemnitee or Family Member should be indemnified under applicable law, any determination made by the Reviewing Party that the Indemnitee or Family Member would not be permitted to be indemnified under applicable law shall not be binding and the Indemnitee or Family Member shall not be required to reimburse the Company for any Expense Advance until a final judicial determination is made with respect thereto (as to which all rights of appeal therefrom have been exhausted or have lapsed). The Indemnitee's and the Family Member's obligation to reimburse the Company for Expense Advances pursuant to this Section 4 shall be unsecured and no interest shall be charged thereon. The Reviewing Party shall be selected by the Board, unless there has been a Change in Control, other than a Change in Control which has been approved by a majority of the Board who were directors immediately prior to such Change in Control, in which case the Reviewing Party shall be the special independent counsel referred to in Section 6 hereof.

(b) The Company shall be permitted to settle any action or claim except that it shall not settle any action or claim in any manner which would impose any penalty or limitation on the Indemnitee without Indemnitee's written consent, which shall not be unreasonably withheld.

5. **Enforcement of Indemnification Rights.**

(a) If the Reviewing Party determines that the Indemnitee or Family Member substantively would not be permitted to be indemnified in whole or in part under applicable law, or if the Indemnitee or Family Member has not otherwise been paid in full pursuant to Sections 2 and 3 above within 30 days after a written demand has been received by the Company, the Indemnitee or Family Member shall have the right to commence litigation in any court in the State of California having subject matter jurisdiction thereof and in which venue is proper to recover the unpaid amount of the demand (an " Enforcement Proceeding") and, if successful in whole or in part, the Indemnitee or Family Member shall be entitled to be paid any and all Expenses in connection with such Enforcement Proceeding. The Company hereby consents to service of process for such Enforcement Proceeding and to appear in any such Enforcement Proceeding. Any determination by the Reviewing Party otherwise shall be conclusive and binding on the Company, the Indemnitee and the Family Member.

(b) Indemnitee and the Family Member shall cooperate with the Reviewing Party with respect to Indemnitee's or the Family Member's entitlement to indemnification, including providing to such person upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee or the Family Member and reasonably necessary to make such determination.

6. **Change in Control**. The Company agrees that if there is a Change in Control of the Company, other than a Change in Control which has been approved by a majority of the Board who were directors immediately prior to such Change in Control, then with respect to all matters thereafter arising concerning the rights of the Indemnitee or Family Member to indemnity payments and Expense Advances under this Agreement or any other agreement or under applicable law or the Company's Bye-laws now or hereafter in effect relating to indemnification for Indemnifiable Events, the Company shall seek legal advice only from special independent counsel selected by the Indemnitee and approved by the Company, which approval shall not be unreasonably withheld. Such special independent counsel shall not have otherwise performed services for the Company, the Indemnitee or the Family Member, other than in connection with such matters, within the last five years. Such independent counsel shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company, the Indemnitee or the Family Member in an action to determine the Indemnitee's or the Family Member's rights under this Agreement. Such counsel, among other things, shall render its written opinion to the Company and the Indemnitee or the Family Member as to whether and to what extent the Indemnitee or the Family Member would be permitted to be indemnified under applicable law. The Company agrees to pay the reasonable fees of the special independent counsel referred to above and to indemnify fully the Indemnitee or the Family Member against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to the engagement of such special independent counsel pursuant to this Agreement.

7. **Partial Indemnity**. If the Indemnitee or Family Member is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses and Liabilities, but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify the Indemnitee or the Family Member for the portion thereof to which the Indemnitee or the Family Member is entitled.

8. **Contribution**. If the indemnification provided in Sections 2 and 3 is unavailable and may not be paid to Indemnitee or Family Member for any reason other than those set forth in Sections 4 and 20, then in respect of any Proceeding in which the Company is or is alleged to be jointly liable with Indemnitee or the Family Member (or would be if joined in such Proceeding), to the fullest extent permissible under applicable law, including under the Companies Act, the Company, in lieu of indemnifying and holding harmless Indemnitee or the Family Member, shall contribute to the amount of Expenses and Liabilities actually and reasonably incurred and paid or payable by Indemnitee or the Family Member in such proportion as is appropriate to reflect (a) the relative benefits received by the Company, and (b) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events which resulted in such Expenses and Liabilities, as well as any other relevant equitable considerations that the law may require to be considered. The relative fault of each of the Company and Indemnitee shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such Expenses and Liabilities.

9. **Non-exclusivity**. The rights of the Indemnitee or Family Member hereunder shall be in addition to any other rights the Indemnitee or the Family Member may have under any statute, provision of the Company's Bye-laws, or upon approval of shareholders or disinterested

directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, *provided however*, that this Agreement constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, to the extent arising as a contractual matter among the parties, with respect to the subject matter hereof. In addition, to the extent that a change in the Companies Act permits greater indemnification by agreement than would be afforded currently under the Company's Bye-laws and this Agreement, it is the intent of the parties hereto that the Indemnitee or the Family Member shall enjoy by this Agreement the greater benefits so afforded by such change.

10. **Liability Insurance**. For the duration of Indemnitee's service as a director and/or officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Proceeding by reason of (or arising in part out of) an Indemnifiable Event, the Company shall, to the extent available at commercially reasonable terms (taking into account the scope and amount of coverage available relative to the cost thereof), cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and officers of the Company that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, the Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any director or officer of the Company or any of its subsidiaries.

11. **Settlement of Claims**. The Company shall not be liable to indemnify the Indemnitee or Family Member under this Agreement (a) for any amounts paid in settlement of any action or claim effected without the Company's written consent, which consent shall not be unreasonably withheld; or (b) for any judicial award if the Company was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

12. **Presumption and Effect of Certain Proceedings**. Upon making a request for indemnification, Indemnitee or Family Member shall be presumed to be entitled to indemnification under this Agreement, and the Company shall have the burden of proof to overcome the presumption in reaching any contrary determination. Moreover, notwithstanding any other provision of this Agreement, to the extent that the Indemnitee or Family Member has been successful on the merits or otherwise in defense of any or all Proceedings relating in whole or in part to an Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, the Indemnitee or the Family Member shall be indemnified against all Expenses incurred in connection therewith. For purposes of this Agreement, to the fullest extent permitted by law, the termination of any Proceeding, action, suit or claim, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee or the Family Member did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

13. **Period of Limitations**. No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Company or any affiliate of the Company against the Indemnitee, the Indemnitee's Family Members, heirs, executors or personal or legal representatives after the

expiration of two years from the date of accrual of such cause of action, or such longer period as may be required by applicable law under the circumstances, and any claim or cause of action of the Company or its affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

14. **Consent and Waiver by Third Parties**. The Indemnitee hereby represents and warrants that he or she has obtained all waivers and/or consents from third parties which are necessary for his or her employment or service with the Company on the terms and conditions set forth herein and to execute and perform this Agreement without being in conflict with any other agreement, obligation or understanding with any such third party. The Indemnitee represents that he or she is not bound by any agreement or any other existing or previous business relationship which conflicts with, or may conflict with, the performance of his or her obligations hereunder or prevent the full performance of his or her duties and obligations hereunder.

15. **Amendment of this Agreement**. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

16. **Subrogation**. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnitee or any Family Member, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

17. **No Duplication of Payments**. The Company shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee or any Family Member to the extent the Indemnitee or the Family Member has otherwise actually received payment (under any insurance policy, Bye-law, agreement or otherwise) of the amounts otherwise indemnifiable hereunder.

18. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, amalgamation, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, amalgamation, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect regardless of whether the Indemnitee continues to serve as a director or officer of the Company or any of its subsidiaries or of any other enterprise at the Company's request.

19. **Severability**. The provisions of this Agreement shall be severable in the event that any of the provisions hereof (including any provision within a single section, paragraph or sentence) is held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law. Furthermore, to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, which is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

20. **Limitation of Indemnification**. Notwithstanding any other term of this Agreement, nothing herein shall indemnify the Indemnitee or any Family Member against, or exempt the Indemnitee or the Family Member from, any liability in respect of the Indemnitee's or the Family Member's fraud or dishonesty.

21. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such State without giving effect to the principles of conflicts of laws.

22. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. **Notices**. All notices, demands, and other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand, against receipt, or mailed, postage prepaid, certified or registered mail, return receipt requested, and addressed to the Company at:

_____

_____

_____

_____

and to the Indemnitee at:

_____

_____

_____

_____

Notice of change of address shall be effective only when done in accordance with this Section. All notices complying with this Section shall be deemed to have been received on the date of delivery or on the third business day after mailing.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day first set forth above.

THE COMPANY:

TEXTAINER GROUP HOLDINGS LIMITED

By: _____

Name: _____

Title: _____

INDEMNITEE:

_____

Signature

Print Name: _____

Exhibit 10.10

EXECUTION VERSION

TEXTAINER MARINE CONTAINERS LIMITED
Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
Indenture Trustee

SECOND AMENDED AND RESTATED INDENTURE

Dated as of May 26, 2005

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This Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended or supplemented from time to time as permitted hereby, the "Indenture"), between Textainer Marine Containers Limited, a company organized and existing under the laws of Bermuda (the " Issuer"), and Wells Fargo Bank, National Association, a national banking association, as Indenture Trustee (the " Indenture Trustee").

WITNESSETH:

WHEREAS, the Issuer and The Bank of New York, as indenture trustee entered into an Amended and Restated Indenture, dated as of November 29, 2001 (the "Prior Agreement");

WHEREAS, the Issuer and The Bank of New York, as indenture trustee, entered into Amendment Number 1, dated as of December 20, 2002, to the Prior Agreement, Amendment Number 2, dated as of February 12, 2004, to the Prior Agreement, and Amendment Number 3, dated as of October 28, 2004 to the Prior Agreement (each, an "Amendment", and collectively, the "Amendments");

WHEREAS, the Issuer and the Indenture Trustee wish to amend and restate the Prior Agreement as of May 26, 2005 (the " Restatement Effective Date"), it being understood that The Bank of New York will be replaced as indenture trustee by Wells Fargo Bank, National Association on the Restatement Effective Date;

NOW THEREFORE, in consideration of the mutual agreements herein contained, each party agrees as follows for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider:

GRANTING CLAUSE

To secure the payment of the Aggregate Outstanding Obligations and the performance of all of the Issuer's covenants and agreements in this Indenture and each other Related Document to which it is a party, the Issuer hereby grants, assigns, conveys, mortgages, pledges, charges, hypothecates and transfers to Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider, a first priority perfected security interest in and to all assets and property of the Issuer, whether now existing or hereafter acquired including, without limitation, all of the Issuer's right, title and interest in, to and under the following whether now existing or hereafter created or acquired (with respect to clauses (v) through (xv) below, only to the extent such assets or property arise out of or in any way relate to (but only to the extent they relate to) the Managed Containers):

(i) the Managed Containers and all other Transferred Assets;

(ii) all Deposit Accounts and all Securities Accounts, including the Trust Account, the Restricted Cash Account, the Counterparty Collateral Account and any Series Account, and all cash and cash equivalents, Eligible Investments, Financial Assets, Investment Property, Securities Entitlements and other instruments or amounts credited or deposited from time to time in any of the foregoing;

(iii) the Contribution and Sale Agreement, the Management Agreement, each Acquisition Agreement, Interest Rate Hedge Agreement and each other Related Document to which the Issuer is a party;

(iv) all collections received by the Issuer from the operation of the Managed Containers, including any Issuer Proceeds and Pre-Adjustment Issuer Proceeds, on deposit in the Manager Account;

(v) all Accounts;

(vi) all Chattel Paper, and all Leases and all schedules, supplements, amendments, modifications, renewals, extensions and all guaranties and other credit support with respect to the foregoing and all rentals, payments and monies due and to become due in respect of the foregoing, and all rights to terminate or compel performance thereof;

(vii) all Contracts;

(viii) all Documents;

(ix) all General Intangibles;

(x) all Instruments;

(xi) all Inventory;

(xii) all Supporting Obligations;

(xiii) all Equipment;

(xiv) all Letter of Credit Rights;

(xv) all Commercial Tort Claims;

(xvi) all property of the Issuer held by the Indenture Trustee including, without limitation, all property of every description now or hereafter in the possession or custody of or in transit to the Indenture Trustee for any purpose, including, without limitation, safekeeping, collection or pledge, for the account of the Issuer, or as to which the Issuer may have any right or power;

(xvii) the right of the Issuer to terminate, perform under, or compel performance of the terms of the Container Related Agreements and all claims for damages arising out of the breach of any Container Related Agreement;

(xviii) any guarantee of the Container Related Agreements and any rights of the Issuer in respect of any subleases or assignments permitted under the Container Related Agreements;

(xix) all or any part of insurance proceeds of all or any part of the Collateral and all proceeds of the voluntary or involuntary disposition of all or any part of the Collateral or such proceeds;

(xx) any and all payments made or due to the Issuer in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority and any other cash or non-cash receipts from the sale, exchange, collection or other disposition of all or any part of the Collateral;

(xxi) to the extent not otherwise included, all income, payments and Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing.

All of the property described in this Granting Clause is herein collectively called the " Collateral" and as such is security for the payment of the Aggregate Outstanding Obligations and the performance of all of the Issuer's covenants and agreements in this Indenture and each other Related Document to which it is a party.

In furtherance of the foregoing, the Issuer hereby grants to the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider (i) a fixed charge over the Contribution and Sale Agreement, each Interest Rate Hedge Agreement, each Acquisition Agreement and the Management Agreement and (ii) a floating charge over all other assets of the Issuer.

In furtherance of the foregoing, the Issuer hereby appoints the Indenture Trustee as its designee for purposes of exercising the power of attorney granted by the Manager pursuant to Section 11.4 of the Management Agreement.

The Indenture Trustee acknowledges such Grant, accepts the trusts hereunder in accordance with the provisions hereof, and agrees to perform the duties herein required as hereinafter provided. Notwithstanding the foregoing, the Indenture Trustee does not assume, and shall have no liability to perform, any of the Issuer's obligations under any agreement included in the Collateral and shall have no liability arising from the failure of the Issuer or any other Person to duly perform any such obligations. The Issuer hereby confirms and the Indenture Trustee hereby acknowledges that the Issuer does not currently have any rights with respect to Commercial Tort Claims on the Restatement Effective Date.

The Issuer hereby irrevocably authorizes the Indenture Trustee at any time, and from time to time, to file in any filing office in any UCC jurisdiction any financing statements (including any such financing statements claiming a security interest in all assets of the Issuer) and amendments thereto that (i) indicate the Collateral, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, and (ii) provide any other information required by Article 9 of the UCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether the Issuer is an organization, the type of organization and any organizational identification number issued to the Issuer. The Issuer agrees to furnish any such information to the Indenture Trustee promptly upon the Indenture Trustee's request. The Issuer also ratifies its authorization for the Indenture Trustee to

have filed in any jurisdiction any similar initial financing statements or amendments thereto if filed prior to the date hereof.

ARTICLE I

DEFINITIONS

Section 101. Defined Terms.

Capitalized terms used in this Indenture shall have the following meanings and the definitions of such terms shall be equally applicable to both the singular and plural forms of such terms:

Account: Any "account", as such term is defined in Section 9-102(a)(2) of the UCC.

Account Debtor: Any "account debtor", as such term is defined in Section 9-102(a)(3) of the UCC .

Acquisition Agreement: This term shall have the meaning as set forth in Section 3.3 of the Management Agreement.

Administrative Agent: The Person performing the duties of the Administrative Agent under the Administrative Agreement; initially, Wachovia Capital Markets, LLC, acting under the trade name Wachovia Securities.

Administrative Agent Fee: This term shall have the meaning set forth in the Administration Agreement, as such agreement may be amended, modified and restated from time to time in accordance with its terms.

Administration Agreement: The Amended and Restated Administration Agreement, dated as of the Restatement Effective Date, among the Issuer, the Manager, the Administrative Agent and the Indenture Trustee, as such agreement may be amended, modified and restated from time to time in accordance with its terms.

Advance Rate: Eighty percent (80.0%) or such other amount as may be mutually agreed upon by the Issuer, the Control Party for each Series of Notes and the Requisite Global Majority, *provided* that the Rating Agency Condition is satisfied in connection with each such change.

Affiliate: With respect to a specified Person, any other Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

Aggregate Net Book Value: As of any date of determination, an amount equal to the sum of the Net Book Values of all Eligible Containers.

Aggregate Outstanding Obligations: As of any date of determination, an amount equal to the sum of (i) the Outstanding Obligations for all Series of Notes then Outstanding, and (ii) all other amounts owing by the Issuer to the Indenture Trustee, any Series Enhancer, any Noteholder, or any Interest Rate Hedge Provider pursuant to the terms of any Related Document.

Aggregate Principal Balance: As of any date of determination, an amount equal to the sum of the then unpaid principal balance of all Series of Notes then Outstanding.

Ambac: Ambac Assurance Corporation, a Wisconsin domiciled stock insurance corporation.

Applicable Law: With respect to any Person or Managed Container, all law, treaties, judgment, decrees, injunctions, waits, rules, regulations, orders, directives, concessions, licenses and permits of any Governmental Authority applicable to such Person or its Property or in respect of its operations.

Asset Base: As of any Payment Date, an amount equal to the sum of (a) the product of (i) the Advance Rate and (ii) the Aggregate Net Book Value, determined as of the end of the immediately preceding Collection Period, and (b) the amount on deposit in the Restricted Cash Account on such Payment Date, after giving effect to all deposits to and withdrawals from the Restricted Cash Account on such date.

Asset Base Deficiency: The condition that exists on any date of determination if the then Aggregate Principal Balance (calculated to include all principal payments actually paid on such date) exceeds the Asset Base.

Asset Base Report: A certificate with appropriate insertions setting forth the components of the Asset Base as of the date of determination for which such certificate is submitted, which certificate shall be substantially in the form of Exhibit A to the Management Agreement and shall be certified by an Authorized Signatory of the Manager or one of its permitted Affiliates on behalf of the Manager.

Authorized Signatory: Any Person designated by written notice delivered to the Indenture Trustee and the related Series Enhancer as authorized to execute documents and instruments on behalf of a Person.

Available Distribution Amount: For any Payment Date, an amount equal to the sum (without duplication) of (i) the Pre-Adjustment Issuer Proceeds and (without duplication) Issuer Proceeds received from the Manager during the immediately preceding Collection Period, less certain sums deducted in accordance with the terms of the Management Agreement, (ii) all amounts received by the Issuer on the related Determination Date pursuant to any Interest Rate Hedge Agreement, (iii) all Warranty Purchase Amounts and Manager Advances received by the Issuer since the immediately preceding Determination Date and (iv) any earnings on Eligible Investments in the Trust Account to the extent that such earnings were credited to such account during the related Collection Period.

Bankruptcy Code: The United States Bankruptcy Reform Act of 1978, as amended.

Book-Entry Custodian: The Person appointed pursuant to the terms of this Indenture to act in accordance with a certain letter of representations agreement such Person has with the Depositary, in which the Depositary delegates its duties to maintain the Book-Entry Notes to such Person and authorizes such Person to perform such duties.

Book-Entry Notes: Collectively, the Rule 144A Book-Entry Notes, the Regulation S Temporary Book-Entry Notes and the Unrestricted Book-Entry Notes.

Business Day: Any day other than a Saturday, a Sunday or a day on which the New York Stock Exchange, the Federal Reserve Bank or banking institutions in San Francisco, California, New York, New York, London, United Kingdom, Amsterdam, The Netherlands or the city in which the Corporate Trust Office is located, are authorized or are obligated by law, executive order or governmental decree to be closed.

Casualty Loss: Any of the following events with respect to any Managed Container: (a) the actual total loss or compromised total loss of such Managed Container, (b) the loss, theft or destruction of such Managed Container, (c) thirty (30) days following a determination by, or on behalf of, the Issuer that such Managed Container is damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, (d) the seizure, condemnation or confiscation of such Managed Container for a period exceeding sixty (60) days or (e) if such Managed Container is subject to a Lease, such Managed Container shall have been deemed under its Lease to have suffered a casualty loss as to the entire Managed Container. In determining the date on which a Casualty Loss occurred, the application of the time frames set forth in clauses (a) through (e) above shall in no event result in the deemed occurrence of a Casualty Loss prior to the date on which an officer of the Issuer or the Manager obtains actual knowledge of such Casualty Loss.

Casualty Proceeds: This term shall have the meaning set forth in the Management Agreement.

CEU: A cost-equivalent unit which is a fixed unit of measurement based on the cost of a Container relative to the cost of a twenty-foot standard dry freight Container.

Chattel Paper: Any lease (including any Finance Lease) or other "chattel paper", as such term is defined in Section 9-102(a)(11) of the UCC.

Class: With respect to any Series, all Notes within such Series having the same rights to payment under the related Supplement.

Closing Date: This term shall have the meaning set forth in the related Supplement.

Code: The Internal Revenue Code of 1986, as amended, or any successor statute thereto.

Collateral: This term shall have the meaning set forth in the Granting Clause of this Indenture.

Collection Period. With respect to the first Payment Date, the period commencing on May 1, 2005 and ending on May 31, 2005 and, for any subsequent Payment Date, the period from the first day of the calendar month immediately preceding the month in which such Payment Date occurs through and including the last day of such calendar month.

Collections: With respect to any Collection Period, all payments (including any cash proceeds) actually received by the Issuer, or by the Manager on behalf of the Issuer, with respect to the Managed Containers and the other items of Collateral.

Commercial Tort Claims: Any "commercial tort claim", as such term is defined in 9-102(a)(13) of the UCC.

Competitor: Any Person engaged and competing with any of the Issuer, Textainer Limited, Textainer Group Holdings Limited or the Manager in the Container leasing business; *provided, however,* that in no event shall any insurance company, bank, bank holding company, savings institution or trust company, fraternal benefit society, pension, retirement or profit sharing trust or fund, or any collateralized bond obligation fund or similar fund (or any trustee of any such fund) or any holder of any obligations of any such fund (solely as a result of being such a holder) be deemed to be a Competitor.

Container: Any dry freight cargo, high cube or other type of marine or intermodal container.

Container Related Agreement: Any agreement relating to the Managed Containers or agreements relating to the use or management of such Managed Containers whether in existence on any Series Issuance Date or thereafter acquired, including, but not limited to, all Leases, the Management Agreement, the Contribution and Sale Agreement, the Acquisition Agreements (if any) and the Chattel Paper.

Container Representations and Warranties: This term shall have the meaning set forth in the Contribution and Sale Agreement.

Contracts: All contracts, undertakings, franchise agreements or other agreements (other than rights evidenced by Chattel Paper, Documents or Instruments), arising out of or in any way related to the Managed Containers or to the Notes, in or under which Issuer may now or hereafter have any right, title or interest, including, without limitation, the Management Agreement, the Contribution and Sale Agreement, any Acquisition Agreement, any Interest Rate Hedge Agreements and any related agreements, security interests or UCC or other financing statements and, with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof; *provided* that the Members Agreement shall not be included in this definition.

Contribution and Sale Agreement: The Amended and Restated Contribution and Sale Agreement, dated as of November 29, 2001, among the Issuer, Textainer Limited and

Fortis, as such agreement may be amended, modified or supplemented from time to time in accordance with its terms.

Control Agreement: A control agreement, among the Issuer, the Indenture Trustee and the Securities Intermediary, which shall be substantially in the form of Exhibit G to this Indenture, for each of the Trust Account, the Restricted Cash Account and each Series Account.

Control Party: This term shall have the meaning set forth in the Supplement for the related Series.

Conversion Date: With respect to any Series of Warehouse Notes, the date on which a Conversion Event occurs with respect to such Series of Warehouse Notes.

Conversion Event: With respect to any Series of Warehouse Notes, any event that will result in the termination of the revolving period for such Series and the commencement of principal amortization of such Series as set forth in the related Supplement.

Corporate Trust Office: The principal office of the Indenture Trustee at which at any particular time its corporate trust business shall be administered. As of the Restatement Effective Date, such office is located at Sixth Street and Marquette Avenue in Minneapolis, Minnesota 55479.

Corporate Trust Officer: Any Treasurer, Assistant Treasurer, Assistant Trust Officer, Trust Officer, Assistant Vice President, Vice President or Senior Vice President of the Indenture Trustee or any other officer who customarily performs functions similar to those performed by the Persons who at the time shall be such officers to whom any corporate trust matter is referred because of their knowledge of and familiarity with the particular subject.

Counterparty Collateral Account: The account or accounts established by and held in the name of the Indenture Trustee as provided in Section 627(i).

Default Interest: The incremental interest specified in the related Supplement payable by the Issuer resulting from (i) the failure of the Issuer to pay when due any principal of or interest on the Notes of the related Series or (ii) the occurrence of an Event of Default with respect to such Series.

Definitive Note: A Note issued in physical form pursuant to the terms and conditions of Section 202 hereof.

Deposit Account: Any "deposit account," as such term is defined in Section 9-102(a)(29) of the UCC.

Depositary: The Depository Trust Company until a successor depositary shall have become such pursuant to the applicable provisions of this Indenture and thereafter "Depositary" shall mean or include each Person who is then a Depositary hereunder. For purposes of this Indenture, unless otherwise specified pursuant to Section 202, any successor Depositary shall, at the time of its designation and at all times while it serves as Depositary, be a

clearing agency registered under the Exchange Act, and any other applicable statute or regulation.

Depositary Participants: A broker, dealer, bank, other financial institution or other Person for whom from time to time the Depositary effects book-entry transfers and pledges of securities deposited with the Depositary.

Depreciation Expense: With respect to any calculation of the Asset Base, means either (i) the Depreciation Policy or (ii) such other depreciation policy as may be utilized by the Manager from time to time, with the prior written consent of the Control Party for each Series.

Depreciation Policy: The depreciation policy set forth as Exhibit B hereto, as it may be amended from time to time in accordance with this Indenture.

Determination Date: The fourth (4th) Business Day prior to the related Payment Date.

Director Services Provider: AMACAR Investments LLC, a Delaware limited liability company, and its successors and assigns.

Disposition Fees: This term shall have the meaning set forth in the Management Agreement.

Documents: Any "documents," as such term is defined in Section 9-102(a)(30) of the UCC.

Dollars: Dollars and the sign "$" means lawful money of the United States of America.

Early Amortization Event: The occurrence of any of the events or conditions set forth in Section 1201 hereof.

EBIT: For any fiscal quarter, earnings (loss) before Interest Expense and taxes, determined in accordance with GAAP, including gains and losses from the sale of assets and foreign exchange transactions, but excluding gains or losses resulting from changes in the Depreciation Policy.

EBIT Ratio: For the Issuer as of any date of determination, the ratio of (a) aggregate EBIT to (b) aggregate Interest Expense, in each case for the most recently concluded six (6) fiscal quarters.

Eligible Account: Any of (a) a segregated account with an Eligible Institution, (b) a segregated trust account with the corporate trust department of a depository institution organized under the laws of the United States or any of the states thereof, including the District of Columbia (or any domestic branch of a foreign bank), and acting as a trustee for funds deposited in such account, so long as the senior securities of such depository institution shall have a credit rating from each of Moody's and Standard & Poor's in one of its generic credit

rating categories no lower than "A3" or "A-", as the case may be, or (c) an account held with the Indenture Trustee.

Eligible Container: As of any date of determination, any Managed Container which, when considered with all other Managed Containers, shall comply with various customary requirements including each of the following requirements which are subject to modification upon satisfaction of the Rating Agency Condition and receipt of the prior written consent of each Series Enhancer:

(i) Maximum Concentration of Specialized Containers. The sum of the Net Book Values of all specialized Containers (other than twenty foot (20') dry freight, forty foot (40') dry freight or forty foot (40') high cube dry freight cargo Containers) then owned by the Issuer shall not exceed an amount equal to ten percent (10%) of the Aggregate Net Book Value on such date;

(ii) Specifications. The Container conforms to the standard specifications used by the Manager for Containers purchased by and on behalf of Container owners other than the Issuer for that category of Container and to any applicable standards promulgated by applicable international standards organizations;

(iii) Finance Leases. The sum of the Net Book Values of all Eligible Containers then owned by the Issuer whose initial Leases were Finance Leases shall not exceed an amount equal to ten percent (10%) of the Aggregate Net Book Value on such date, *provided*, that the Issuer, or the Manager, on behalf of the Issuer, has to the extent necessary, taken the actions specified in Section 3.5 of the Management Agreement with respect to such Finance Leases;

(iv) Casualty Losses. Such Container shall not have suffered a Casualty Loss;

(v) Title. The related Seller shall have had good and marketable title to such Container at the time of sale to the Issuer;

(vi) No Violation. The contribution and conveyance of such Container to the Issuer does not violate any agreement of the related Seller;

(vii) Assignability. Except with respect to the U.S. Lease Contract or other Leases with the U.S. government, the Lease rights with respect to such Container are freely assignable;

(viii) All Necessary Actions Taken. The related Seller and the Issuer shall have taken all necessary actions to transfer title to such Container and all related Leases from such Seller to the Issuer;

(ix) Non-Monthly Leases. The percentage of CEUs of all Eligible Containers that are subject to Leases specifying that rental payments are payable less frequently than monthly shall not exceed two percent (2%) of the aggregate number of CEUs of all Eligible Containers on such date;

(x) Non-United States Dollar Leases. The percentage of CEUs of all Eligible Containers that are subject to Leases specifying payment in a currency other than United States Dollars and that are not sufficiently hedged in accordance with the currency hedging policy approved by the Requisite Global Majority shall not exceed two percent (2%) of the aggregate number of CEUs of all Eligible Containers on such date;

(xi) General Trading Terms. Substantially all of the Leases for such Containers shall contain the general trading terms the Manager uses in its normal course of business;

(xii) Ordinary Course. The Leases relating to such Container arose in the ordinary course of the related Seller's or the Manager's business, whichever may be applicable;

(xiii) Purchase Price. In the case of a purchase (as opposed to a capital contribution) of a Container, the purchase price paid by the related Seller and/or the Issuer for such Container was not greater than the fair market value of the Container at the time of acquisition;

(xiv) Lessees. The sum of the CEUs of all Eligible Containers that are subject to Leases to Persons for use other than the intermodal transportation of cargo shall not exceed seven percent (7%) of the aggregate CEUs of all Eligible Containers on such date;

(xv) No Adverse Selection Procedures. The selection procedures in selecting any Container to be transferred to the Issuer did not or shall not, as the case may be, discriminate against the Issuer as to the type of Containers, utilization potential, lease rates, lessees, age of Containers or Lease terms, in comparison to the Fleet, except for any such adverse selection as may result from the compliance with paragraphs (ix) and/or (x) above;

(xvi) No Prohibited Person or Prohibited Jurisdiction. Such Container is then not on lease to a Prohibited Person, and to the actual knowledge of the Issuer or the Manager, is not subleased to a Prohibited Person or located, operated or used in a Prohibited Jurisdiction unless it is used by the government of the United States or one of its allies or pursuant to a license granted by the Office of Foreign Assets Control of the United States Treasury Department;

(xvii) Good Title; No Liens. The Issuer has good and marketable title to such Managed Container, free and clear of all Liens other than Permitted Encumbrances;

(xviii) Container Representations and Warranties. Each Managed Container complies with the Container Representations and Warranties applicable to such Managed Container;

(xix) Restrictions on Acquisitions from Affiliates. Any Lease to which such Managed Container is subject is not with the Manager, the Issuer or an Affiliate of the Manager or the Issuer as lessee;

(xx) Bankrupt Lessees under Finance Leases. Such Managed Container is not then under a Finance Lease to a lessee which, to the best knowledge of the Manager, is the subject of an Insolvency Proceeding;

(xxi) Maximum Concentration for Single Lessee. The sum of the Net Book Values of all Eligible Containers that are on Lease to any single lessee (or sublessee) shall not exceed 25% of the Aggregate Net Book Value;

(xxii) Maximum Concentration of Top Ten Lessees. The sum of the Net Book Values of all Eligible Containers that are on Lease to any ten (10) lessees (or sublessees) shall not exceed 75% of the Aggregate Net Book Value;

(xxiii) U.S. Government Leases. The sum of the Net Book Values of all Eligible Containers that are on Lease to the U.S. government under the U.S. Lease Contract and any other Lease under which the U.S. government is the Lessee shall not exceed 15% of the Aggregate Net Book Value; *provided*, any Containers subject to any such Lease shall not count against the limitation contained in this paragraph (xxiii) following the execution by the appropriate U.S. governmental official(s) of a consent to assignment with respect thereto; and

(xxiv) Maximum Concentration of Finance Leases by Lessee. The sum of the Net Book Values of all Eligible Containers that are subject to Finance Leases with a single Lessee shall not exceed five percent (5%) of the Aggregate Net Book Value on such date.

Eligible Institution: Any one or more of the following institutions: (i) the corporate trust department of the Indenture Trustee; *provided* that the Indenture Trustee maintains a long-term unsecured senior debt rating of at least "A" or better from Standard & Poor's or "A2" or better from Moody's (so long an Notes deemed Outstanding hereunder are rated by Moody's), or (ii) a depositary institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any domestic branch of a foreign bank), (a) which has both (x) a long-term unsecured senior debt rating of not less than "A" by Standard & Poor's Ratings Group and "A2" by Moody's Investors Service, Inc., and (y) a short-term unsecured senior debt rating rated in the highest rating category by each Rating Agency and (b) whose deposits are insured by the Federal Deposit Insurance Corporation.

Eligible Interest Rate Hedge Provider: At the time of execution and delivery of the related Interest Rate Hedge Agreement, any bank or other financial institution (or any party providing credit support on such Person's behalf) that (A) has (x) a long-term senior unsecured debt rating of at least "A" from S&P and "A2" from Moody's, and (y) a short-term unsecured debt rating of "A1" from S&P and "P1" from Moody's, or (B) is otherwise approved by each Control Party for each Series of Notes and satisfies the Rating Agency Condition.

Eligible Investments: One or more of the following:

(i) direct obligations of, and obligations fully guaranteed as to the timely payment of principal and interest by, the United States or obligations of any agency or

instrumentality thereof when such obligations are backed by the full faith and credit of the United States;

(ii) certificates of deposit and bankers' acceptances (which shall each have an original maturity of not more than three hundred sixty-five (365) days) of any United States depository institution or trust company incorporated under the laws of the United States or any State and subject to supervision and examination by federal and/or State authorities, *provided* that the long-term unsecured senior debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated "AA-/Aa3" or the equivalent or better by the Rating Agencies, or the short-term unsecured senior debt obligations of such depository institution or trust company are rated by each Rating Agency in its highest rating category;

(iii) commercial paper (having original maturities of not more than two hundred seventy (270) days) of any corporation incorporated under the laws of the United States or any State thereof which on the date of acquisition has been rated by each Rating Agency in the highest short-term unsecured commercial paper rating category;

(iv) any money market fund that has been rated by each Rating Agency in its highest rating category (including any designations of "plus" or "minus") or that invests solely in Eligible Investments;

(v) eurodollar deposits (which shall each have an original maturity of not more than three hundred sixty-five (365) days) of any depository institution or trust company, *provided* that the long-term unsecured senior debt obligations of such depository institution or trust company at the date of acquisition thereof have been rated "AA-/Aa3" or the equivalent or better by the Rating Agencies, or the short-term unsecured senior debt obligations of such depository institution or trust company are rated by each Rating Agency in its highest rating category; and

(vi) other obligations or securities that are acceptable to the related Series Enhancer and each Rating Agency as an Eligible Investment hereunder and will not result in a reduction or withdrawal in the then current rating of the Notes as evidenced by a letter to such effect from each Rating Agency and the related Series Enhancer.

Nothing in the definition of "Eligible Investments" is intended to prohibit the Issuer from acquiring (to the extent permitted above) an Eligible Investment issued by the Indenture Trustee or an Affiliate of the Indenture Trustee.

Enhancement Agreement: Any agreement, instrument or document governing the terms of any Series Enhancement or pursuant to which any Series Enhancement is issued or outstanding.

Entitlement Order: Any "entitlement order" as defined in Section 8-102(8) of the UCC.

Equipment: Any "equipment" as defined in Section 9-102(a)(33) of the UCC.

ERISA: The Employee Retirement Income Security Act of 1974, as amended.

ERISA Affiliate: With respect to any Person, any other Person meeting the requirements of paragraphs (b), (c), (m) or (o) of Section 414 of the Code.

Event of Default: With respect to any Series, the occurrence of any of the events or conditions set forth in Section 801 of this Indenture.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Existing Commitment: With respect to any Series, either or both of the following: (A) before the Conversion Date for any Series of Warehouse Notes, with respect to each Series of Notes Outstanding the aggregate Initial Commitment to issue Notes, consisting of one or more classes, expressed as a dollar amount, as set forth in the related Supplement and subject to reduction from time to time in accordance with the related Supplement, and/or (B) after the Conversion Date for any Series of Warehouse Notes, with respect to each Series of Notes Outstanding the then unpaid principal balance of the Notes of such Series.

Expected Final Payment Date: With respect to any Series, the date on which the principal balance of the Outstanding Notes of such Series are expected to be paid in full. The Expected Final Payment Date for a Series shall be set forth in the related Supplement.

Finance Lease: This term shall have the meaning set forth in the Management Agreement.

Financial Asset: Any "financial asset" as such term is defined in Section 8-102(a)(9) of the UCC.

Fleet: As of any date of determination, both of the following collectively: (i) the Managed Containers and (ii) without duplication of clause (i), all other Containers then managed by Manager.

Fortis: Fortis Bank (Nederland) N.V., a company organized and existing under the laws of the Kingdom of the Netherlands, and its permitted successors and assigns.

General Intangibles: Any "general intangible" as such term is defined in Section 9-102(a)(42) of the UCC.

Generally Accepted Accounting Principles or GAAP: With respect to any Person, those generally accepted accounting principles and practices which are recognized as such by (i) the American Institute of Certified Public Accountants acting through its Accounting Principles Board or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof consistently applied as to the party in question or (ii) such other equivalent entity(ies) that has or have authority for promulgating accounting principles and practices applicable to such Person.

Governmental Authority: Any of the following: (i) any national, state or other sovereign government, and any federal, regional, state, provincial, local, city government or

other political subdivision, (ii) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, (iii) any court or administrative tribunal or (iv) with respect to any Person, any arbitration tribunal or other non-governmental authority to whose jurisdiction that Person has consented.

Grant: To grant, bargain, sell, convey, assign, transfer, mortgage, pledge, create and perfect a security interest in and right of set-off against, deposit, set over and confirm.

Holder: See *Noteholder.*

Indebtedness: With respect to any Person means, without duplication, (a) any obligation of such Person for borrowed money, including, without limitation, (i) any obligation incurred through the issuance and sale of bonds, debentures, notes or other similar debt instruments, and (ii) any obligation for borrowed money which is non-recourse to the credit of such Person but which is secured by any asset of such Person, (b) any obligation of such Person on account of deposits or advances, (c) any obligation of such Person for the deferred purchase price of any property or services, except accounts payable arising in the ordinary course of such Person's business, (d) any obligation of such Person as lessee under a capital lease, (e) any Indebtedness of another secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, (f) any obligation in respect of interest rate or foreign exchange hedging agreements, (g) liabilities and obligations of others for which such Person is directly or indirectly liable, by way of guaranty (whether by direct guaranty, suretyship, discount, endorsement, take-or-pay agreement, agreement to purchase or advance or keep in funds or other agreement having the effect of a guaranty) and (h) any obligation of such Person to reimburse the issuer of any letter of credit issued for the account of such Person upon which a draw has been made.

Indenture: This Second Amended and Restated Indenture, dated as of the Restatement Effective Date, between the Issuer and the Indenture Trustee and all amendments hereof and supplements hereto, including, with respect to any Series or Class, the related Supplement.

Indenture Trustee: The Person performing the duties of the Indenture Trustee under this Indenture.

Indenture Trustee Fee: The compensation payable to the Indenture Trustee for its services under this Indenture and the other Related Documents to which it is a party. Indenture Trustee Fees do not include Indenture Trustee Indemnified Amounts.

Indenture Trustee Indemnified Amounts: Any indemnities payable to the Indenture Trustee pursuant to Section 905 of the Indenture.

Independent Accountants: KPMG LLP or other independent certified public accountants of internationally recognized standing selected by Issuer and acceptable to the Administrative Agent and each Series Enhancer.

Initial Commitment: With respect to any Series, the aggregate initial commitment, expressed as a dollar amount, to purchase up to a specified principal balance of all Classes of such Series, which commitments shall be set forth in the related Supplement.

Insolvency Law: The Bankruptcy Code, the Bermuda Companies Act 1981 or similar Applicable Law in any other applicable jurisdiction.

Insolvency Proceeding: Any Proceeding under any applicable Insolvency Law.

Instrument: Any "instrument," as such term is defined in Section 9-102(a)(47) of the UCC.

Insurance Agreement: Any Insurance and Indemnification Agreement among the Issuer, the Manager, the Indenture Trustee and the related Series Enhancer.

Intangible Assets: As of any date of determination, with respect to any Person, the intangible assets of such Person determined in accordance with GAAP.

Interest Expense: For any period, the aggregate amount of interest expense as shown for such period on the income statement of the Issuer, determined in accordance with GAAP.

Interest Payment: For each Series of Notes Outstanding on any Payment Date, all amounts to be paid from the related Series Account on such Payment Date which represent payments of (i) interest (but not Default Interest or Step Up Warehouse Interest) on such Series of Notes, (ii) commitment fees or deal agent fees payable to the Holders of such Series of Notes, and (iii) other fees acceptable to any Series Enhancer. If any Interest Payments are paid by a Series Enhancer, then any reimbursement obligations of the Issuer to such Series Enhancer in respect of such payments, including interest thereon shall be included in the calculation of the Interest Payments for such Series and shall be paid to the Series Enhancer to the extent that such payment would not cause a shortfall in other Interest Payments for the Noteholders of such Series.

Interest Rate Hedge Agreement: An ISDA interest rate cap agreement, ISDA interest rate swap agreement, ISDA interest rate ceiling agreement, ISDA interest rate floor agreement or any combination of the foregoing or other similar agreement entered into pursuant to Section 627 of this Indenture between the Issuer and an Interest Rate Hedge Provider named therein, including any schedules and confirmations prepared and delivered in connection therewith, pursuant to which the provisions of Section 627(d) of this Indenture, and approved by each Series Enhancer to the extent provided for in Section 627(g) hereof, shall be incorporated by reference and recourse by the Interest Rate Hedge Provider to the Issuer is limited to the Collateral and the Available Distribution Amount which pursuant to the terms of the Indenture is available for such purpose.

Interest Rate Hedge Provider: Any Eligible Interest Rate Hedge Provider or any counterparty to a cap, collar or other hedging instrument permitted to be entered into pursuant to this Indenture.

Interest Rate Hedge Provider Required Rating Downgrade Event: Unless waived in writing by Control Party for each Series, the Interest Rate Hedge Provider's (or any party providing credit support on its behalf) rating with respect to its unsecured and unsubordinated debt, deposit or letter of credit obligations are rated as set forth in the table below:

Rating of Interest Rate Hedge Provider	
S&P	**Moody's**
Long-term of "A-" or lower	Long-term of "A3" or lower

Interest Rate Hedge Provider Required Rating Replacement Event: Unless waived in writing by Control Party for each Series, the Interest Rate Hedge Provider's (or any party providing credit support on its behalf) rating with respect to its unsecured and unsubordinated debt, deposit or letter of credit obligations are rated as set forth in the table below:

Rating of Interest Rate Hedge Provider	
S&P	**Moody's**
Long-term of "BB+" or lower	Long-term of "Ba1" or lower

Inventory: Any "inventory," as such term is defined in Section 9-102(a)(48) of the UCC.

Investment: When used in connection with any Person, any investment by or of that Person, whether by means of purchase or other acquisition of securities of any other Person or by means of loan, advance, capital contribution, guaranty or other debt or equity participation or interest in any other Person including any partnership and joint venture interests of each Person in any other Person. The amount of any Investment shall be the original principal or capital amount thereof, plus additional paid in capital (including, without limitation, share premium and contributed surplus), plus retained earnings, less all returns of principal or equity thereon (and without adjustment by reason of the financial condition of such other Person) and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property.

Investment Property: Any "investment property" as such term is defined in Section 9-102(a)(49) of the UCC.

Issuer: Textainer Marine Containers Limited, a company organized and existing under the laws of Bermuda.

Issuer Expenses: For any Collection Period an amount equal to overhead and all other costs, expenses and liabilities of the Issuer (other than Operating Expenses paid pursuant to the Management Agreement and any Management Fee) payable during such Collection Period (including costs and expenses permitted to be paid to or by the Manager in connection with the conduct of the Issuer's business), in each case determined on a cash basis, including but not limited to the following:

(A) administration expenses;

(B) accounting and audit expenses of the Issuer, and tax preparation, filing and audit expenses of the Issuer;

(C) premiums for liability, casualty, fidelity, directors and officers and other insurance;

(D) directors' fees and expenses, including fees and expenses of the Director Services Provider;

(E) legal fees and expenses;

(F) other professional fees;

(G) taxes (including personal or other property taxes and all sales, value added, use and similar taxes but excluding any such amounts that are included as an Operating Expense);

(H) taxes imposed in respect of any and all issuances of equity interests, stock exchange listing fees, registrar and transfer expenses and trustee's fees with respect to any outstanding securities of the Issuer;

(I) the fees, if any, due under any Enhancement Agreement, if any, or any agreement relating thereto;

(J) surveillance fees assessed by the Rating Agencies; and

(K) the expenses, if any, incurred by the Manager in performing its duties pursuant to (1) Sections 3.4, 7.11 and 7.12 of the Management Agreement and (2) the Series 2005-1 Note Purchase Agreement.

Notwithstanding the foregoing, Issuer Expenses shall not include (i) depreciation or amortization on the Managed Containers, (ii) payments of principal, interest and premium, if any, on or with respect to the Notes, or (iii) funds used to acquire additional Containers. In no event shall the Manager be obligated to pay any Issuer Expenses from its own funds.

Issuer Proceeds: This term shall have the meaning set forth in the Management Agreement.

Lease: This term shall have the meaning set forth in the Management Agreement.

Legal Final Payment Date: With respect to any Series, the date on which the unpaid principal balance of, and accrued interest on, the Notes of such Series will be due and payable. The Legal Final Payment Date for a Series shall be set forth in the related Supplement.

Letter of Credit Right: Any "letter-of-credit right," as such term is defined in Section 9-102(a)(51) of the UCC.

Lien: Any security interest, lien, charge, pledge, equity or encumbrance of any kind.

Long-Term Lease: A Lease, other than a Finance Lease, having an initial term of twenty-four (24) months or more.

Managed Containers: As of any date of determination, all Containers then owned by the Issuer.

Management Agreement: The Second Amended and Restated Management Agreement, dated as of the Restatement Effective Date, between the Manager and the Issuer, as such agreement shall be amended, supplemented or modified from time to time in accordance with its terms.

Management Fee: For any Collection Period, the Management Fee calculated in accordance with the terms of the Management Agreement.

Management Fee Arrearage: For any Payment Date, an amount equal to any unpaid Management Fee from all prior Collection Periods.

Manager: The Person performing the duties of the Manager under the Management Agreement; initially, TEML.

Manager Account: The term shall have the meaning as set forth in the Management Agreement.

Manager Advance: The term shall have the meaning as set forth in the Management Agreement.

Manager Default: The occurrence of any of the events or conditions set forth in Section 11.1 of the Management Agreement.

Manager Report: A written informational statement in the form attached as Exhibit A to the Management Agreement to be provided by the Manager in accordance with the Management Agreement and furnished to the Indenture Trustee (for distribution to Noteholders), the Administrative Agent, each Interest Rate Hedge Provider, each Series Enhancer and the Rating Agencies.

Manager Representations and Warranties: The term shall have the meaning as set forth in the Management Agreement.

Manager Termination Notice: A written notice to be provided to the Manager and other specified Persons pursuant to Section 405(b) of this Indenture.

Manager Transfer Facilitator: The Person performing the duties of the Manager Transfer Facilitator under the Manager Transfer Facilitator Agreement; initially, Fortis.

Manager Transfer Facilitator Agreement: The Amended and Restated Manager Transfer Facilitator Agreement, dated as of Restatement Effective Date, by and among the Manager Transfer Facilitator, the Issuer and the Indenture Trustee, as such agreement shall be amended, supplemented or modified from time to time in accordance with its terms.

Manager Transfer Facilitator Fee: This term shall have the meaning set forth in the Manager Transfer Facilitator Agreement.

Managing Officer: Any representative of the Manager involved in, or responsible for, the management of the day-to-day operations of the Issuer and the administration and servicing of the Managed Containers whose name appears on a list of managing officers furnished to Issuer, the Series Enhancer and the Indenture Trustee by the Manager, as such list may from time to time be amended.

Master Lease: A Lease other than a Long-Term Lease or a Finance Lease.

Material Adverse Change: Any set of circumstances or events which (i) has, or could reasonably be expected to have, any material adverse effect whatsoever upon the validity or enforceability of any Related Document or the security for any of the Notes, (ii) is, or could reasonably be expected to be, material and adverse to the condition (financial or otherwise) or business operations of Issuer or Manager, individually or taken together as a whole, (iii) materially impairs, or could reasonably be expected to materially impair, the ability of Issuer or Manager to perform any of their respective obligations under the Related Documents, or (iv) materially impairs, or could reasonably be expected to materially impair, the ability of Indenture Trustee or the Series Enhancer to enforce any of its or their respective legal rights or remedies pursuant to the Related Documents.

Maximum Principal Withdrawal Amount: With respect to the Legal Final Payment Date of any Series, an amount equal to the product of (i) all funds and Eligible Investments on deposit in the Restricted Cash Account on such Payment Date (calculated after giving effect to the disbursements to be made from the Restricted Cash Account on such Payment Date to pay interest shortfalls on all Series of Notes) and (ii) a fraction, the numerator of which is the then unpaid principal balance of the Series for which the Legal Final Payment Date has occurred and the denominator of which is the then Aggregate Principal Balance.

Members Agreement: The Members Agreement, dated as of November 29, 2001, among the Issuer, Textainer Limited and MeesPierson Transport & Logistics Holding B.V., (now known as FB Aviation & Intermodal Finance Holding B.V.), as such agreement shall be amended, supplemented or modified from time to time in accordance with its terms.

Minimum Principal Payment Amount: With respect to any Series, the amount identified as such in the related Supplement.

Moody's: Moody's Investors Service, Inc. and any successor thereto.

Net Book Value: With respect to a Container that is not subject to Finance Lease, as of any date of determination, an amount equal to the Original Equipment Cost of such Container, less any accumulated depreciation, calculated utilizing the Depreciation Policy; and with respect to a Container that is subject to a Finance Lease, the then net book value of such Finance Lease, as determined in accordance with GAAP.

Net Issuer Proceeds: This term shall have the meaning set forth in the Management Agreement.

Noteholder or Holder: The Person in whose name a Note is registered in the Note Register, except that, solely for the purposes of giving any consent, waiver, request or demand, the interest evidenced by any Note registered in the name of either of the Sellers or the Issuer or any Affiliate of any of them known to be such an Affiliate by the Indenture Trustee shall not be taken into account in determining whether the requisite percentage of the Aggregate Principal Balance of the Outstanding Notes necessary to effect any such consent, waiver, request or demand is represented.

Note Purchase Agreement: Any underwriting agreement or other agreement for the Notes of any Series or Class.

Note Register: The register maintained by the Indenture Trustee pursuant to Section 205 of this Indenture.

Note Registrar: This term shall have the meaning set forth in Section 205(a) of this Indenture.

Notes: One or more of the promissory notes or other securities executed by the Issuer pursuant to this Indenture and authenticated by, or on behalf of, the Indenture Trustee, substantially in the form attached to the related Supplement.

Officer's Certificate: A certificate signed by a duly authorized officer of the Person who is required to sign such certificate.

Operating Expenses: This term shall have the meaning set forth in the Management Agreement.

Opinion of Counsel: A written opinion of counsel, in each case reasonably acceptable to the Person or Persons to whom such Opinion of Counsel is to be delivered. Unless otherwise specified, the counsel rendering such opinion may be counsel employed by the Issuer, any Seller, or the Manager, as the context may require. The counsel rendering such opinion may rely (i) as to factual matters, on a certificate of a Person whose duties relate to the matters being certified, and (ii) insofar as the opinion relates to local law matters, upon opinions of local counsel.

Original Equipment Cost: With respect to each Container, an amount equal to the sum of (i) the vendor's or manufacturer's invoice price of the related Container, (ii) all

reasonable and customary inspection, transport, and initial positioning costs necessary to put such Container in service and (iii) reasonable acquisition fees and other fees not to exceed 2.5% of the amounts described in clauses (i) and (ii) above.

Outstanding: When used with reference to the Notes and as of any particular date, any Note theretofore and thereupon being authenticated and delivered except:

(i) any Note canceled by the Indenture Trustee or proven to the satisfaction of the Indenture Trustee to have been duly canceled by the Issuer at or before said date;

(ii) any Note, or portion thereof, called for payment or redemption for which monies equal to the principal amount or redemption price thereof, as the case may be, with interest to the date of maturity or redemption, shall have theretofore been deposited with the Indenture Trustee (whether upon or prior to maturity or the redemption date of such Note);

(iii) any Note in lieu of or in substitution for which another Note shall subsequently have been authenticated and delivered; and

(iv) any Note held by the Issuer, the Sellers or any Affiliate of either the Issuer or Sellers; *provided, however*, that any Note held by Fortis Bank S.A. or any of its wholly-owned Subsidiaries shall not be excluded solely pursuant to the provisions of this clause (iv) so long as such entities do not control (as defined in the definition of Affiliate) the Issuer.

Notwithstanding the foregoing, any Note on which any portion of principal or interest has been paid by a Series Enhancer pursuant to an Enhancement Agreement, shall be Outstanding until such Series Enhancer has been reimbursed in full therefor in accordance with the related Enhancement Agreement.

Outstanding Obligations: As of any date of determination for any Series of Notes issued under this Indenture or any Supplement thereto, an amount equal to the sum of (i) all accrued interest payable on such Series of Notes (including, for any Series of Notes for which the related Noteholder has funded or maintains its investment through the issuance of commercial paper, interest accrued through the last maturing tranche, interest or fixed period, as applicable), (ii) the then outstanding principal balance of such Series of Notes, (iii) all other amounts owing by the Issuer to Noteholders or to any Person under this Indenture or any Supplement hereto and any amounts owed to the Series Enhancer and (iv) amounts owing by the Issuer under any Interest Rate Hedge Agreement.

Overdue Rate: The rate of interest specified in the related Supplement applicable to a Note then earning Default Interest, but in no event to exceed two percent (2%) over the interest rate per annum otherwise then applicable to such Note.

Ownership Interest: An ownership interest in a Book-Entry Note.

Payment Date: With respect to any Series, the fifteenth (15th) calendar day of each calendar month; *provided*, *however*, if such day is not a Business Day, then the immediately succeeding Business Day.

Permitted Encumbrance: With respect to the Collateral, any of the following: (i) Liens for taxes not yet due or which are being contested in good faith by appropriate Proceedings and for the payment of which adequate reserves are provided by the Manager; (ii) with respect to the Managed Containers, carriers', warehousemen's, mechanics', or other like Liens arising in the ordinary course of business and relating to amounts not yet due or which shall not have been overdue for a period of more than sixty (60) days or which are being contested in good faith by appropriate Proceedings and for the payment of which adequate reserves are provided for by the Manager; (iii) with respect to the Managed Containers, Leases entered into in the ordinary course of business providing for the leasing of Managed Containers; (iv) Liens created by this Indenture; and (v) the rights of the Manager under the Management Agreement; *provided, however,* that Proceedings described in (i) and (ii) above could not reasonably subject the Series Enhancer, the Indenture Trustee or the Noteholders to any civil or criminal penalty or liability or involve any material risk of loss, sale or forfeiture of any of the Collateral.

Permitted Payment Date Withdrawals: Both of the following with respect to each Series of Notes: (i) on any Payment Date other than the Legal Final Payment Date for a Series of Notes, the amounts required to pay any shortfall in interest on each Series of Notes (calculated after giving effect to the application of all Available Distribution Amounts on such Payment Date); and (ii) on the Legal Final Payment Date for a Series of Notes, the amount (not to exceed the Maximum Principal Withdrawal Amount for such Series of Notes) required to pay any shortfall in the unpaid principal balance of such Series of Notes (calculated after giving effect to the application of the Available Distribution Amount on such Payment Date).

Person: An individual, a partnership, a limited liability company, a corporation, a joint venture, an unincorporated association, a joint-stock company, a trust, or other entity or a Governmental Authority.

Plan: An "employee benefit plan," as such term is defined in Section 3(3) of ERISA, or a plan described in Section 4975(e)(1) of the Code of the Issuer or its ERISA Affiliates.

Policy: This term shall have the meaning set forth in each Supplement.

Pre-Adjustment Issuer Proceeds: This term shall have the meaning set forth in the Management Agreement.

Premium: A fee or premium payable to a Series Enhancer for guaranteeing all or a portion of the Notes of a Series (or a Class thereof).

Prepayment: Any mandatory or optional prepayment of principal of any Series of Notes prior to the Expected Final Payment Date of such Series including, without limitation, any prepayment made in accordance with the provisions of Article VII of this Indenture.

Principal Terms: With respect to any Series, (i) the name or designation of such Series; (ii) the initial principal amount of the Notes to be issued for such Series (or method for calculating such amount) and the Minimum Principal Payment Amounts and the Scheduled Principal Payment Amount for each Payment Date (or method for calculating such amount); (iii) the interest rate to be paid with respect to each Class of Notes for such Series (or method for the determination thereof); (iv) the Payment Date and the date or dates from which interest shall accrue and principal shall be paid; (v) the designation of any Series Accounts and the terms governing the operation of any such Series Accounts including the Permitted Payment Date Withdrawals with respect to such Series; (vi) the terms of any form of Series Enhancement with respect thereto; (vii) the Expected Final Payment Date for the Series; (viii) the Legal Final Payment Date for the Series; (ix) the number of Classes of Notes of the Series and, if the Series consists of more than one Class, the rights and priorities of each such Class; (x) the priority of the Series with respect to any other Series; (xii) the designation of such Series on its Series Issuance Date as either a Term Note or a Warehouse Note; and (xiii) the Control Party with respect to such Series; and (xii) any other terms of such Series.

Prior Agreement: This term shall have the meaning set forth in the recitals hereof.

Proceeding: Any suit in equity, action at law, or other judicial or administrative proceeding.

Proceeds: Any "proceeds," as such term is defined in Section 9-102(a)(64) of the UCC.

Prohibited Jurisdiction: Any country or jurisdiction, from time to time, that is the subject of a prohibition order (or any similar order or directive), sanctions or restrictions promulgated or administered by the Office of Foreign Assets Control of the United States Treasury Department.

Prohibited Person: Any Person appearing on the Specially Designated Nationals List compiled and disseminated by the Office of Foreign Assets Control of the United States Treasury Department, as the same may be amended from time to time.

Prospective Owner: This term shall have the meaning as set forth in Section 205 of this Indenture.

Purchaser Letter: This term shall have the meaning set forth in Section 205(h) of this Indenture.

Rated Institutional Noteholder: An institutional Noteholder whose long term unsecured debt obligations are then rated "BBB-" or better by Standard & Poor's and "Baa3" or better by Moody's.

Rated Institutional Person: One or more of the following: (i) FB Aviation & Intermodal Finance Holding B.V. or other wholly-owned subsidiary of Fortis; (ii) one or more institutional investors (not covered by clause (i)) whose long-term indebtedness is rated on a composite basis for all such investors (weighted in accordance with the amount of their

respective Investments) not less than "A/A2" (or the equivalent) by either Rating Agency; or (iii) any other Person acceptable to the Requisite Global Majority.

Rating Agency or Rating Agencies: With respect to any Outstanding Series, each statistical rating agency selected by the Issuer (with the approval of any Series Enhancer for such Series) to rate such Series which has an outstanding rating with respect to such Series.

Rating Agency Condition: With respect to any action shall mean that each Rating Agency shall have notified the Issuer, the Manager, the Administrative Agent, any related Series Enhancer and the Indenture Trustee in writing that such action will not result in a reduction or withdrawal of any rating at issuance of any Outstanding Notes with respect to which it is a Rating Agency, including any underlying rating issued to a Series Enhancer of such Notes as if such Notes were issued without the benefit of any credit enhancement provided by such Series Enhancer.

Record Date: With respect to any Payment Date, the last Business Day of the month preceding the month in which the related Payment Date occurs, except as otherwise provided with respect to a Series in the related Supplement.

Regulation S Book-Entry Notes: Collectively, the Unrestricted Book-Entry Notes and the Regulation S Temporary Book-Entry Notes.

Regulation S Temporary Book-Entry Notes: The temporary book-entry notes in fully registered form without coupons that represent the Notes sold in offshore transactions within the meaning of and in compliance with Regulation S under the Securities Act and which will be registered with the Depositary.

Reimbursement Amount: Reimbursement and other amounts payable by the Issuer to a Series Enhancer under an Insurance Agreement, Policy or a premium letter for the related Series Enhancer.

Related Documents: With respect to any Series, the Contribution and Sale Agreement, this Indenture, the related Supplement, each Acquisition Agreement (upon execution thereof), the Notes of such Series, the Note Purchase Agreement for such Series, the Management Agreement, the Enhancement Agreement for such Series (if any), each Policy, each Interest Rate Hedge Agreement (upon execution thereof), the Insurance Agreement for such Series (if any), each premium letter and each other document or instrument executed in connection with the issuance of any Series, as any of the foregoing may from time to time be amended, modified, supplemented or renewed; *provided*, the term "Related Documents" shall not include the Members Agreement.

Release Date: The date on which Released Assets are transferred by the Issuer to a Seller or its Affiliate pursuant to the terms of the Related Documents.

Released Asset Proceeds: This term shall have the meaning set forth in the Contribution and Sale Agreement.

Released Assets: This term shall have the meaning set forth in the Contribution and Sale Agreement.

Released Containers: This term shall have the meaning set forth in the Contribution and Sale Agreement.

Replacement Manager: Any Person appointed to replace the then Manager as manager of the Managed Containers, which Person shall be acceptable to the Requisite Global Majority.

Reportable Event: This term shall have the meaning given to such term in ERISA.

Required Deposit Rating: With regard to an institution, the short-term unsecured senior debt rating of such institution is in the highest category by each Rating Agency.

Requisite Global Majority: As of any date of determination, the determination of whether a Requisite Global Majority exists with respect to a particular course of action shall be determined in accordance with Section 503 of this Indenture.

Restatement Effective Date: This term shall have the meaning set forth in the recitals of this Indenture.

Restricted Cash Account: This term shall have the meaning set forth in Section 306 of this Indenture.

Restricted Cash Amount: As of any Payment Date, the amount required to be deposited or maintained in the Restricted Cash Account, which shall be equal to the product of (i) five (5), (ii) one-twelfth, (iii) the weighted average (based on the then Aggregate Principal Balance, calculated after giving effect to any principal payments paid on such Payment Date) of the annual rates of interest payable on all Series of Notes then Outstanding (or, if any Series bears interest at a variable rate of interest, the interest rate then in effect on such Series of Notes), and (iv) the Aggregate Principal Balance, calculated after giving effect to all advances of principal and principal payments made on such Payment Date.

Rule 144A: Rule 144A under the Securities Act, as such Rule may be amended from time to time.

Rule 144A Book-Entry Notes: The permanent book-entry notes in fully registered form without coupons that represent the Notes sold in reliance on Rule 144A and which will be registered with the Depositary.

Sale: This term shall have the meaning set forth in Section 816 of this Indenture.

Sales Proceeds: This term shall have the meaning set forth in the Management Agreement.

Scheduled Principal Payment Amount: With respect to any Series of Notes, the amount identified as such in the related Supplement.

Securities Account: Any "securities account," as such term is defined in Section 8-501 of the UCC.

Securities Act: The Securities Act of 1933, as amended from time to time.

Securities Entitlement: Any "securities entitlement," as such term is defined in Section 8-102(a)(17) of the UCC.

Securities Intermediary: Any "securities intermediary", as such term is defined in Section 8-102 of the UCC.

Seller(s): Any or all, as the context may require, of Textainer Limited, a company organized and existing under the laws of Bermuda, and Fortis.

Series: Any series of Notes established pursuant to a Supplement.

Series Account: Any deposit, trust, escrow or similar account maintained for the benefit of the Noteholders of any Series or Class as specified in the related Supplement.

Series Enhancement: The rights and benefits provided to the Noteholders of any Series or Class pursuant to any surety bond, financial guaranty insurance policy, insurance agreement or other similar arrangement. The subordination of any Class to another Class shall not be deemed to be a Series Enhancement.

Series Enhancer: For each Series, the Person as set forth in the related Supplement then providing any Series Enhancement, other than the Noteholders of any Class which is subordinated to another Class.

Series Enhancer Default: The applicable Series Enhancer shall have defaulted in its obligation to make a payment under the respective Policy when due and such default shall be continuing.

Series Enhancer Expenses: For any Collection Period, an amount equal to all reasonable out-of-pocket expenses incurred by any Series Enhancer pursuant to the Related Documents.

Series Issuance Date: With respect to any Series, the date on which the Notes of such Series are to be originally issued in accordance with Section 1006 of this Indenture and the related Supplement.

Standard & Poor's: Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

Step Up Warehouse Interest: The incremental interest payable by the Issuer on the Warehouse Notes upon the occurrence and continuance of an Early Amortization Event or Event of Default.

Structuring Agent: Wachovia Capital Markets.

Subsidiary: A subsidiary of a Person means any corporation, association, partnership, limited liability company, joint venture or other business entity of which more than fifty percent (50.0%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled directly or indirectly by such Person, or one or more of the Subsidiaries of such Person, or a combination thereof.

Supplement: Any supplement to the Indenture executed in accordance with Article X of this Indenture.

Supplemental Principal Payment Amount: With respect to any Series of Notes on any Payment Date, an amount equal to the excess, if any, of (x) the then Aggregate Principal Balance (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Payment Date), over (y) the Asset Base on such Payment Date.

Supporting Obligation: Any "supporting obligation" as defined in Section 9-102(a)(77) of the UCC.

TEML: Textainer Equipment Management Limited, a company continued into and existing under the laws of Bermuda, and its successors and permitted assigns.

TEML(US): Textainer Equipment Management (U.S.) Limited, a Delaware corporation.

Term Lease: This term shall have the meaning set forth in the Management Agreement.

Term Note: Any Note that pays principal and interest on each Payment Date from and after its date of issuance.

TEU: A twenty (20) foot equivalent unit, an industry standard measure based on the physical dimensions of a Container.

TEU Factor: Either (a) one, in the case of a twenty (20) foot Container or (b) two, in the case of a forty (40) foot Container.

Transfer Date: The date on which a container is contributed or sold by a Seller to the Issuer pursuant to the terms of the Contribution and Sale Agreement.

Transferred Assets: This term shall have the meaning set forth in the Contribution and Sale Agreement.

Transferred Container: This term shall have the meaning set forth in the Contribution and Sale Agreement.

Trust Account: The account or accounts established by the Indenture Trustee, in the name of the Indenture Trustee, for the benefit of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer pursuant to Section 302 hereof.

UCC: The Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; *provided, however,* in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Indenture Trustee's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

Unrestricted Book-Entry Notes: The permanent book-entry notes in fully registered form without coupons that are exchangeable for Regulation S Temporary Book-Entry Notes after the expiration of the 40-day distribution compliance period and which will be registered with the Depositary.

U.S. Lease Contract: The Container Management Streamlining Contract (Contract No. DAMTO1-03-D-0173) effective as of June 24, 2003, between TEML (US) and The Surface Deployment and Distribution Command (f/k/a The Military Traffic Management Command), as such agreement may be further amended, supplemented or modified from time to time in accordance with its terms.

Wachovia Capital Markets: Wachovia Capital Markets, LLC, a Delaware limited liability company, and its permitted successors and assigns.

Warehouse Note: Any Series of Notes that has a revolving period during which periodic payments of principal are not scheduled to be paid.

Warranty Purchase Amount: With respect to any Container, an amount equal to the sum of (i) the Net Book Value of such Container and (ii) the fair market value of the related assets, in each case, calculated as of the date of repurchase by a Seller from the Issuer pursuant to the Contribution and Sale Agreement or purchase by Textainer Limited pursuant to the Management Agreement, as applicable.

Weighted Average Age: For any date of determination shall be equal to the quotient of (A) the sum of the products of (i) the age in years (determined from the date of the initial sale thereof by the manufacturer) of each Managed Container being evaluated, multiplied by (ii) the TEU Factor of such Managed Container being evaluated, divided by (B) the sum of the TEU Factors of all Managed Containers being evaluated.

Section 102. Other Definitional Provisions.

(a) With respect to any Series, all terms used herein and not otherwise defined herein shall have meanings ascribed to them in the related Supplement.

(b) All terms defined in this Indenture shall have the defined meanings when used in any agreement, certificate or other document made or delivered pursuant hereto, including any Supplement, unless otherwise defined therein.

(c) As used in this Indenture and in any certificate or other document made or delivered pursuant hereto or thereto, accounting terms not defined in this Indenture or in any such certificate or other document, and accounting terms partly defined in this Indenture or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under GAAP, consistently applied. To the extent that the definitions of accounting terms in this Indenture or in any such certificate or other document are inconsistent with the meanings of such terms under GAAP or regulatory accounting principles, the definitions contained in this Indenture or in any such certificate or other document shall control.

(d) With respect to any Collection Period, the "related Record Date," the "related Determination Date," and the "related Payment Date," shall mean the Record Date occurring on the last Business Day of such Collection Period and the Determination Date and Payment Date occurring in the month immediately following the end of such Collection Period.

(e) With respect to any Series of Notes, the "related Supplement" shall mean the Supplement pursuant to which such Series of Notes is issued and the "related Series Enhancer" shall mean the Series Enhancer for such Series of Notes.

(f) References to the Manager's financial statements shall mean the financial statements of the Manager and its consolidated Subsidiaries.

(g) With respect to any ratio analysis required to be performed as of the most recently completed fiscal quarter, the most recently completed fiscal quarter shall mean the fiscal quarter for which financial statements were required hereunder to have been delivered.

(h) With respect to the calculation of any financial ratio set forth in this Indenture or any other Related Document, the components of such calculations are to be determined in accordance with GAAP, consistently applied, with respect to the Issuer or the Manager, as the case may be.

Section 103. Computation of Time Periods.

Unless otherwise stated in this Indenture or any Supplement issued pursuant to the terms hereof, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

Section 104. Statutory References.

References in this Indenture and any other Related Document to any section of the UCC shall mean, on or after the effective date of adoption of any revision to the UCC in the applicable jurisdiction, such revised or successor section thereto.

Section 105. Duties of Administrative Agent and Manager Transfer Facilitator .

All of the duties and responsibilities of the Administrative Agent and Manager Transfer Facilitator set forth in this Indenture, any Supplement or any other Related Document issued pursuant hereto are subject in all respects to the terms and conditions of the Administration Agreement and the Manager Transfer Facilitator Agreement, respectively. Each of the Issuer, the Indenture Trustee and, by acceptance of its Notes, each Noteholder hereby acknowledges the terms of the Administration Agreement and the Manager Transfer Facilitator Agreement, respectively, and agrees to cooperate with the Administrative Agent and the Manager Transfer Facilitator in their execution of its respective duties and responsibilities.

ARTICLE II

THE NOTES

Section 201. Authorization of Notes.

(a) The number of Series or Classes of Notes which may be created by this Indenture is not limited; *provided*, *however*, that, the issuance of any Series of Notes shall not result in, or with the giving of notice or the passage of time or both would result in, the occurrence of an Early Amortization Event. The aggregate principal amount of Notes of each Series which may be issued, authenticated and delivered under this Indenture is not limited except as shall be set forth in any Supplement and as restricted by the provisions of this Indenture.

(b) The Notes issuable under this Indenture shall be issued in such Series, and such Class or Classes within a Series, as may from time to time be created by a Supplement pursuant to this Indenture. Each Series shall be created by a different Supplement and shall be designated to differentiate the Notes of such Series from the Notes of any other Series.

(c) Upon satisfaction of and compliance with the requirements and conditions to closing set forth in the related Supplement, Notes of the Series to be executed and delivered on a particular Series Issuance Date pursuant to such related Supplement, may be executed by the Issuer and delivered to the Indenture Trustee for authentication following the execution and delivery of the related Supplement creating such Series or from time to time thereafter, and the Indenture Trustee shall authenticate and deliver Notes upon an Issuer request set forth in an Officer's Certificate of the Issuer signed by one of its Authorized Signatories, without further action on the part of the Issuer.

Section 202. Form of Notes; Book-Entry Notes.

(a) Notes of any Series or Class may be issued, authenticated and delivered, at the option of the Issuer, as Regulation S Book-Entry Notes, Rule 144A Book-Entry Notes, or as Definitive Notes or as may otherwise be set forth in a Supplement and shall be substantially in the form of the exhibits attached to the related Supplement. Notes of each Series shall be dated the date of their authentication and shall bear interest at such rate, be payable as to principal, premium, if any, and interest on such date or dates, and shall contain such other terms and provisions as shall be established in the related Supplement. Except as otherwise provided in any Supplement, the Notes shall be issued in minimum denominations of $250,000 and in integral multiples of $250,000 in excess thereof; *provided* that one Note of each Class may be issued in a nonstandard denomination.

(b) If the Issuer shall choose to issue Regulation S Book-Entry Notes or Rule 144A Book-Entry Notes, such notes shall be issued in the form of one or more Regulation S Book-Entry Notes or one or more Rule 144A Book-Entry Notes which (i) shall represent, and shall be denominated in an aggregate amount equal to, the aggregate principal amount of all Notes to be issued hereunder, (ii) shall be delivered as one or more Notes held by the Book-Entry Custodian, or, if appointed to hold such Notes as provided below, the Notes shall be registered in

the name of the Depositary or its nominee, (iii) shall be substantially in the form of the exhibits attached to the related Supplement, with such changes therein as may be necessary to reflect that each such Note is a Book-Entry Note, and (iv) shall each bear a legend substantially to the effect included in the form of the exhibits attached to the related Supplement.

(c) Notwithstanding any other provisions of this Section 202 or of Section 205, unless and until a Book-Entry Note is exchanged in whole for Definitive Notes, a Book-Entry Note may be transferred, in whole, but not in part, and in the manner provided in this Section 202, only by (i) the Depositary to a nominee of such Depositary, or (ii) by a nominee of such Depositary to such Depositary or another nominee of such Depositary or (iii) by such Depositary or any such nominee to a successor Depositary selected or approved by the Issuer or to a nominee of such successor Depositary or in the manner specified in Section 202(d). The Depositary shall order the Note Registrar to authenticate and deliver any Book-Entry Notes and any Book-Entry Note for each Class of Notes having an aggregate initial outstanding principal balance equal to the initial outstanding balance of such Class. Noteholders shall hold their respective Ownership Interests in and to such Notes through the book-entry facilities of the Depositary. Without limiting the foregoing, any Book-Entry Noteholders shall hold their respective Ownership Interests, if any, in Book-Entry Notes only through Depositary Participants.

(d) If (i) the Issuer elects to issue Definitive Notes, (ii) the Depositary for the Notes represented by one or more Book-Entry Notes at any time notifies the Issuer that it is unwilling or unable to continue as Depositary of the Notes or if at any time the Depositary shall no longer be a clearing agency registered under the Exchange Act and any other applicable statute or regulation, and a successor Depositary is not appointed or approved by the Issuer within 90 days after the Issuer receives such notice or becomes aware of such condition, as the case may be, (iii) the Indenture Trustee, at the written direction of the Noteholders representing more than 50% of the outstanding principal balance of the Notes, elects to terminate the book-entry system through the Depositary or (iv) after an Event of Default or a Manager Default, Noteholders notify the Depositary, or Book-Entry Custodian, as the case may be, in writing that the continuation of a book-entry system through the Depositary, or the Book-Entry Custodian, as the case may be, is no longer in the Noteholders' best interest, upon the request of the Noteholders, the Issuer will promptly execute, and the Indenture Trustee, upon receipt of an Officer's Certificate evidencing such determination by the Issuer, will promptly authenticate and make available for delivery, Definitive Notes, in authorized denominations and in an aggregate principal amount equal to the principal amount of the Book-Entry Note then outstanding in exchange for such Book-Entry Note or as an original issuance of Notes and this Section 202(d) shall no longer be applicable to the Notes. Upon the exchange of the Book-Entry Notes for such Definitive Notes without coupons, in authorized denominations, such Book-Entry Notes shall be canceled by the Indenture Trustee. All Definitive Notes shall be issued without coupons. Such Definitive Notes issued in exchange of the Book-Entry Notes pursuant to this Section 202(d) shall be registered in such names and in such authorized denominations as the Depositary, in the case of an exchange, or the Note Registrar, in the case of an original issuance, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Indenture Trustee. The Indenture Trustee may conclusively rely on any such instructions furnished by the Depositary or the Note Registrar, as the case may be, and shall not be liable for any delay in

delivery of such instructions. The Indenture Trustee shall make such Notes available for delivery to the Persons in whose names such Notes are so registered.

(e) As long as the Notes outstanding are represented by one or more Book-Entry Notes:

(i) the Note Registrar and the Indenture Trustee may deal with the Depositary for all purposes (including the payment of principal of and interest on the Notes) as the authorized representative of the Noteholders;

(ii) the rights of Noteholders shall be exercised only through the Depositary and shall be limited to those established by law and agreements between such Noteholders and the Depositary and/or the Depositary Participants. Unless and until Definitive Notes are issued, the Depositary will make book-entry transfers among the Depositary Participants and receive and transmit payments of principal of, and interest on, the Notes to such Depositary Participants; and

(iii) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders of Notes evidencing a specified percentage of the voting rights of a particular series, the Depositary shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Noteholders and/or Depositary Participants owning or representing, respectively, such required percentage of the beneficial interest in the Notes (or Class of Notes) and has delivered such instruction to the Indenture Trustee.

(f) Whenever a notice or other communication to the Noteholders is required under this Indenture, unless and until Definitive Notes have been issued to Noteholders, the Indenture Trustee shall give all such notices and communications to the Depositary.

(g) The Indenture Trustee is hereby initially appointed as the Book-Entry Custodian and hereby agrees to act as such in accordance with the agreement that it has with the Depositary authorizing it to act as such. The Book-Entry Custodian may, and, if it is no longer qualified to act as such, the Book-Entry Custodian shall, appoint, by written instrument delivered to the Issuer and the Depositary, any other transfer agent (including the Depositary or any successor Depositary) to act as Book-Entry Custodian under such conditions as the predecessor Book-Entry Custodian and the Depositary or any successor Depositary may prescribe, *provided* that the predecessor Book-Entry Custodian shall not be relieved of any of its duties or responsibilities by reason of any such appointment of other than the Depositary. If the Indenture Trustee resigns or is removed in accordance with the terms hereof, the successor Indenture Trustee or, if it so elects, the Depositary shall immediately succeed to its predecessor's duties as Book-Entry Custodian. The Issuer shall have the right to inspect, and to obtain copies of, any Notes held as Book-Entry Notes by the Book-Entry Custodian.

(h) The provisions of Section 205(h) shall apply to all transfers of Definitive Notes, if any, issued in respect of Ownership Interests in the Rule 144A Book-Entry Notes.

(i) No transfer of any Note or interest therein shall be made unless that transfer is made pursuant to an effective registration statement under the Securities Act, and effective registration or qualification under applicable state securities laws, or is made in a transaction that does not require such registration or qualification. If a transfer of any Definitive Note is to be made without registration under the Securities Act (other than in connection with the initial issuance thereof or a transfer thereof by the Depositary or one of its Affiliates), then the Note Registrar shall refuse to register such transfer unless it receives (and upon receipt, may conclusively rely upon) either: (i) a certificate from such Noteholder substantially in the form attached as Exhibit C hereto or such other certification reasonably acceptable to the Indenture Trustee and a certificate from such Noteholder's prospective transferee substantially in the form attached as Exhibit C hereto or such other certification reasonably acceptable to the Indenture Trustee; or (ii) an Opinion of Counsel satisfactory to the Indenture Trustee to the effect that such transfer may be made without registration under the Securities Act (which Opinion of Counsel shall not be an expense of the Issuer or any Affiliate thereof or of the Depositary, the Manager or Affiliate thereof, the Indenture Trustee or the Note Registrar in their respective capacities as such), together with the written certification(s) as to the facts surrounding such transfer from the Noteholder desiring to effect such transfer and/or such Noteholder's prospective transferee on which such Opinion of Counsel is based. If such a transfer of any interest in a Book-Entry Note is to be made without registration under the Securities Act, the transferor will be deemed to have made each of the representations and warranties set forth on Exhibit C hereto in respect of such interest as if it was evidenced by a Definitive Note and the transferee will be deemed to have made each of the representations and warranties set forth in Exhibit C hereto in respect of such interest as if it was evidenced by a Definitive Note. None of the Depositary, the Issuer, the Indenture Trustee or the Note Registrar is obligated to register or qualify any Class of Notes under the Securities Act or any other securities law or to take any action not otherwise required under this Indenture to permit the transfer of any Note or interest therein without registration or qualification. Any Noteholder desiring to effect such a transfer shall, and does hereby agree to, indemnify the Depositary, the Issuer, the Indenture Trustee and the Note Registrar against any liability that may result if the transfer is not so exempt or is not made in accordance with such federal and state laws.

Section 203. Execution, Recourse Obligation.

The Notes shall be executed on behalf of the Issuer by an Authorized Signatory of the Issuer. The Notes shall be dated the date of their authentication by the Indenture Trustee.

In case any Authorized Signatory of the Issuer whose signature shall appear on the Notes shall cease to be an Authorized Signatory of the Issuer before the authentication by the Indenture Trustee and delivery of such Notes, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes.

All Notes and the interest thereon shall be full recourse obligations of the Issuer and shall be secured by all of the Issuer's right, title and interest in the Collateral. The Notes shall never constitute obligations of the Indenture Trustee, the Manager, the Seller or of any shareholder or any Affiliate of any Seller (other than the Issuer) or any member or shareholder of the Issuer, or any officers, directors, employees or agents of any thereof, and no recourse may be had under or upon any obligation, covenant or agreement of this Indenture, any Supplement or of

any Notes, or for any claim based thereon or otherwise in respect thereof, against any incorporator or against any past, present, or future owner, partner of an owner or any officer, employee or director thereof or of any successor entity, or any other Person, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed that this Indenture and the obligations issued hereunder are solely obligations of the Issuer, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any other Person under or by reason of this Indenture, any Supplement or any Notes or implied therefrom, or for any claim based thereon or in respect thereof, all such liability and any and all such claims being hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Notes. Except as provided in any Supplement, no Person other than the Issuer shall be liable for any obligation of the Issuer under this Indenture or any Note or any losses incurred by any Noteholder.

Section 204. Certificate of Authentication.

No Notes shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication by the Indenture Trustee, substantially in the form set forth in the form of Note attached to the related Supplement. Such certificate on any Note issued by the Issuer shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

At the written direction of the Issuer, the Indenture Trustee shall authenticate and deliver the Notes. It shall not be necessary that the same Authorized Signatory of the Indenture Trustee execute the certificate of authentication on each of the Notes.

Section 205. Registration; Registration of Transfer and Exchange of Notes.

(a) The Indenture Trustee shall keep at its Corporate Trust Office books for the registration and transfer of the Notes (the "Note Register"). The Issuer hereby appoints the Indenture Trustee as its registrar (the "Note Registrar") and transfer agent to keep such books and make such registrations and transfers as are hereinafter set forth in this Section 205 and also authorizes and directs the Indenture Trustee to provide a copy of such registration record to each of the Administrative Agent and the Manager upon their request. The names and addresses of the Holders of all Notes and all transfers of, and the names and addresses of the transferee of, all Notes will be registered in such Note Register. The Person in whose name any Note is registered shall be deemed and treated as the owner and Holder thereof for all purposes of this Indenture, and the Indenture Trustee, the related Series Enhancer and the Issuer shall not be affected by any notice or knowledge to the contrary. If a Person other than the Indenture Trustee is appointed by the Issuer to maintain the Note Register, the Issuer will give the Indenture Trustee and the Administrative Agent prompt written notice of such appointment and of the location, and any change in the location, of the successor note registrar, and the Indenture Trustee and the related Series Enhancer shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof, and the Indenture Trustee shall have the right to conclusively rely upon a certificate executed on behalf of the Note Registrar by an officer thereof as to the names and addresses of the Noteholders and the principal amounts and number of such Notes.

(b) Payments of principal, premium, if any, and interest on any Note shall be payable on each Payment Date only to the registered Holder thereof on the Record Date immediately preceding such Payment Date. The principal of, premium, if any, and interest on each Note shall be payable at the Corporate Trust Office in immediately available funds in such coin or currency of the United States of America as at the time for payment shall be legal tender for the payment of public and private debts. Except as set forth in any Supplement, all interest payable on the Notes shall be computed on the basis of a 360-day year for the actual number of days which have elapsed in the relevant calculation period. Notwithstanding the foregoing or any provision in any Note to the contrary, if so requested by the registered Holder of any Note by written notice to the Indenture Trustee, all amounts payable to such registered Holder may be paid either (i) by crediting the amount to be distributed to such registered Holder to an account maintained by such registered Holder with the Indenture Trustee or by transferring such amount by wire to such other bank in the United States, including a Federal Reserve Bank, as shall have been specified in such notice, for credit to the account of such registered Holder maintained at such bank, or (ii) by mailing a check to such address as such Holder shall have specified in such notice, in either case without any presentment or surrender of such Note to the Indenture Trustee at the Corporate Trust Office.

(c) All payments on the Notes shall be paid to the Noteholders reflected in the Note Register as of the related Record Date by wire transfer of immediately available funds for receipt prior to 2:00 p.m. (New York City time) on the related Payment Date. Any payments received by the Noteholders after 2:00 p.m. (New York City time) on any day shall be considered to have been received on the next succeeding Business Day; *provided, however*, that if the Issuer has deposited the required funds with the Indenture Trustee by 1:00 p.m. (New York City time), on such date, then the Issuer, upon receipt by the Noteholders of such payment, shall be deemed to have made such payment at the time so required. Notwithstanding the foregoing or any provision in any Note to the contrary, if so requested by the registered Noteholder by written notice to the Indenture Trustee, all amounts payable to such registered Noteholder may be paid by mailing on the related Payment Date a check to such address as such Noteholder shall have specified in such notice, in either case without any presentment or surrender of such Note to the Indenture Trustee at the Corporate Trust Office.

(d) Upon surrender for registration of transfer of any Note at the Corporate Trust Office, the Issuer shall execute and the Indenture Trustee, upon written request, shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes of the same class, of any authorized denominations and of a like aggregate original principal amount.

(e) All Notes issued upon any registration of transfer or exchange of Notes shall be the legal, valid and binding obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture and any Supplement, as the Notes surrendered upon such registration of transfer or exchange.

(f) Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Issuer or the Indenture Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Indenture Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

(g) Any service charge, fees or expenses made or expense incurred by the Indenture Trustee for any such registration, discharge from registration or exchange referred to in this Section 205 shall be paid by the Noteholder. The Indenture Trustee or the Issuer may require payment by the Holder of a sum sufficient to cover any tax expense or other governmental charge payable in connection therewith.

(h) If Notes are issued or exchanged in definitive form under Section 202, such Notes will not be registered by the Indenture Trustee unless each prospective initial Noteholder acquiring a Note, each prospective transferee acquiring a Note and each prospective owner (or transferee thereof) of a beneficial interest in Notes (each, a "Prospective Owner") acquiring such beneficial interest provides the Manager, the Issuer, the Indenture Trustee and any successor Manager with a written representation that the statement in either subsection (1) or (2) of Section 208 is an accurate representation as to all sources of funds to be used to pay the purchase price of the Notes.

(i) No transfer of a Note shall be deemed effective unless (x) the transference of such Note is not to a Competitor and (y) the registration and prospectus delivery requirements of Section 5 of the Securities Act and any applicable state securities laws are complied with, or such transfer is exempt from the registration and prospectus delivery requirements under said Securities Act and laws. In the event that a transfer is to be made without registration or qualification, such Noteholder's prospective transferee shall deliver to the Indenture Trustee an investment letter substantially in the form of Exhibit C hereto (the "Purchaser Letter"). Neither the Indenture Trustee nor the Issuer is under any obligation to register the Notes under the Securities Act or any other securities law or to bear any expense with respect to such registration by any other Person or monitor compliance of any transfer with the securities laws of the United States regulations promulgated in connection thereto or ERISA.

Section 206. Mutilated, Destroyed, Lost and Stolen Notes.

(a) If (i) any mutilated Note is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Indenture Trustee such security or indemnity as it and the Issuer may require to hold the Issuer, the Manager and the Indenture Trustee harmless (the unsecured indemnity of a Rated Institutional Noteholder being deemed satisfactory for such purpose), then the Issuer shall execute and the Indenture Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a replacement Note of the same Series and Class and maturity and of like terms as the mutilated, destroyed, lost or stolen Note; *provided*, *however*, that if any such destroyed, lost or stolen Note, but not a mutilated Note, shall have become, or within seven days shall be due and payable, the Issuer may pay such destroyed, lost or stolen Note when so due or payable instead of issuing a replacement Note.

(b) If, after the delivery of such replacement Note, or payment of a destroyed, lost or stolen Note pursuant to the proviso to the preceding sentence, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the Issuer and the Indenture Trustee shall be entitled to recover upon the security

or indemnity provided therefor to the extent of any and all loss, damage, cost or expense incurred by the Issuer or the Indenture Trustee in connection therewith.

(c) The Indenture Trustee and the Issuer may, for each new Note authenticated and delivered under the provisions of this Section 206, require the advance payment by the Noteholder of the expenses, including counsel fees, service charges and any tax or governmental charge which may be incurred by the Indenture Trustee or the Issuer. Any Note issued under the provisions of this Section 206 in lieu of any Note alleged to be destroyed, mutilated, lost or stolen, shall be equally and proportionately entitled to the benefits of this Indenture with all other Notes of the same Series and Class. The provisions of this Section 206 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 207. Delivery, Retention and Cancellation of Notes.

Each Noteholder is required, and hereby agrees, to return to the Indenture Trustee, within 30 days after the Expected Final Payment Date, any Note on which the final payment due thereon has been made. Any such Note as to which the Indenture Trustee has made or holds the final payment thereon shall be deemed canceled and unless any unreimbursed payment on such Note has been made by a Series Enhancer, shall no longer be Outstanding for any purpose of this Indenture, whether or not such Note is ever returned to the Indenture Trustee. Matured Notes delivered upon final payment to the Indenture Trustee and any Notes transferred or exchanged for other Notes shall be canceled and disposed of by the Indenture Trustee in accordance with its policy of disposal and the Indenture Trustee shall promptly deliver to the Issuer such canceled Notes upon reasonable prior written request. If the Indenture Trustee shall acquire, for its own account, any of the Notes, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Notes. If the Issuer shall acquire any of the Notes, such acquisition shall operate as a redemption or satisfaction of the indebtedness represented by such Notes. Notes which have been canceled by the Indenture Trustee shall be deemed paid and discharged for all purposes under this Indenture.

Section 208. ERISA Deemed Representations.

Each prospective initial Noteholder acquiring Notes and each Prospective Owner will be deemed to have represented by such purchase to Wachovia Capital Markets, LLC, as the initial purchaser of the Notes, the Issuer, the Indenture Trustee, the Manager and any successor Manager that either (1) it is not acquiring the Notes with the assets of a Plan; or (2) the acquisition and holding of the Notes will not give rise to a nonexempt prohibited transaction under Section 406(a) of ERISA or Section 4975 of the Code.

ARTICLE III

PAYMENT OF NOTES; STATEMENTS TO NOTEHOLDERS

Section 301. Principal and Interest.

Distributions of principal, premium, if any, and interest on any Series or Class of Notes shall be made to Noteholders of each Series and Class as set forth in Section 302 of this Indenture and the related Supplement. The maximum Overdue Rate for any Note under any Series shall be equal to the sum of (i) two percent (2.00%) per annum, plus (ii) the interest rate for such Note prior to the occurrence of the relevant Event of Default. If interest or principal amounts are paid by a Series Enhancer, then the Overdue Rate shall be owed to such Series Enhancer and shall not be paid to applicable Noteholders of such Series unless the related Series Enhancer has failed to make payment of such amounts in accordance with the terms of any applicable Enhancement Agreement. Except as set forth in any Supplement, all interest and fees payable on, or with respect to, the Notes shall be computed on the basis of a 360-day year for the actual number of days which have elapsed in the relevant calculation period.

Section 302. Trust Account.

(a) On or prior to the Closing Date, the Indenture Trustee shall establish and maintain the Trust Account into which the following amounts shall be deposited: all (i) Collections, (ii) Warranty Purchase Amounts and (iii) other payments required by this Indenture and other Related Documents to be deposited therein. Such Trust Account shall initially be established and maintained with the Corporate Trust Office in trust for the Indenture Trustee, on behalf of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer, and shall be maintained until the Aggregate Outstanding Obligations are paid in full. The Trust Account shall at all times be an Eligible Account and shall be pledged to the Indenture Trustee pursuant to the terms of this Indenture. The Issuer shall not establish any additional Trust Accounts without prior written notice to the Indenture Trustee and without the prior written consent of the Requisite Global Majority.

(b) The Issuer shall cause the Manager to deposit funds into the Trust Account at the times and in the amounts required pursuant to the terms of the Management Agreement. So long as no Event of Default, Manager Default or an Early Amortization Event of the type described in clauses (1), (2), (3), (4), (5) or (8) of Section 1201 of this Indenture shall have occurred and then be continuing, the Manager shall be permitted to request the Indenture Trustee to withdraw from amounts on deposit in the Trust Account, or otherwise net out, from amounts otherwise required to be deposited into the Trust Account pursuant to Section 302(a) the amount of any Management Fees or Management Fee Arrearage that would otherwise be due and payable on the immediately succeeding Payment Date.

(c) On each Determination Date, the Manager, pursuant to the Management Agreement, shall prepare and deliver to the Issuer (including any holder of the Class A Shares (as defined in the Issuer's bye-laws), the Indenture Trustee, each Interest Rate Hedge Provider, each Series Enhancer, the Administrative Agent and the Rating Agencies, the Manager Report. On each Payment Date, the Indenture Trustee, based on the Manager Report (*provided* that, in

the absence of any Manager Report, the Indenture Trustee shall distribute all funds available for distribution in accordance with written instructions from the Administrative Agent (with a copy to the Issuer (including any holder of the Class A Shares of the Issuer), each Series Enhancer, each Interest Rate Hedge Provider, the Administrative Agent and the Rating Agencies) and shall hold until delivery of such Manager Report (i) any funds otherwise payable to the Issuer and (ii) any other amounts which the Administrative Agent is unable to ascertain or allocate to a specific payment priority set forth in this Indenture), shall distribute funds in an amount equal to the Available Distribution Amount to the following Persons in the following order of priority:

(I) On each Payment Date, if neither an Early Amortization Event nor an Event of Default shall have occurred and then be continuing, the Indenture Trustee will make the following payments from the Available Distribution Amount then on deposit in the Trust Account to the following Persons in the following order of priority:

(1) To the Indenture Trustee by wire transfer of immediately available funds (not to exceed $20,000 annually), all Indenture Trustee Fees then due and payable for all Series then Outstanding;

(2) To the Manager, any unpaid Management Fees and any Management Fee Arrearages to the extent not withheld by the Manager in accordance with the terms of the Management Agreement;

(3) To the Issuer and the Series Enhancer, *pro rata*, to pay Issuer Expenses (in an aggregate amount not to exceed $250,000 annually) and Series Enhancer Expenses (in an aggregate amount not to exceed $250,000 annually) to the extent such payments would not result in the occurrence of an Early Amortization Event or an Event of Default;

(4) To the Manager Transfer Facilitator, the amount of any Manager Transfer Facilitator Fee (including any reimbursements payable to the Manager Transfer Facilitator pursuant to the Manager Transfer Facilitator Agreement);

(5) In payment of the following amounts on a *pro rata* basis: (A) to the Administrative Agent, the amount of Administrative Agent Fee (and any arrearages thereof) then due and payable and (B) to each Series Enhancer, any Premium payments then due and payable;

(6) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all scheduled payments and interest thereon (but excluding termination payments thereunder) then due and payable under the related Interest Rate Hedge Agreement and the amount of any arrearages thereof;

(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series, and (B) to each Series Enhancer, any Reimbursement Amounts then due and payable in respect of Interest Payments paid by such Series Enhancer (including interest thereon at the rate specified

in the Insurance Agreement or the related Supplement) and any arrearages of Premium payments to such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) To the Restricted Cash Account, the amount (if any) necessary to restore amounts on deposit therein to the Restricted Cash Amount for such Payment Date;

(9) To the Series Account for each Series of Notes then Outstanding and subject to the provisions of Section 302(d), an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(10) To the Series Account for each Series of Notes then Outstanding and subject to the provisions of Section 302(d), an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(11) To the Series Account for each Series of Notes in accordance with the provisions of Section 302(e) hereof, an amount equal to the Supplemental Principal Payment Amount then due and payable;

(12) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all remaining amounts then due and payable under the related Interest Rate Hedge Agreement (after giving effect to clause (6) above);

(13) To each Series Account for each Series of Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, increased costs, taxes and indemnity payments identified in the related Supplement;

(14) To the Manager, the amount of any unreimbursed Manager Advances;

(15) To the Indenture Trustee, the amount of any unpaid Indenture Trustee Indemnified Amounts;

(16) To the officers and directors of the Issuer, the amount of any unpaid indemnification payments then due and payable to them by the Issuer;

(17) To the Manager in the amount of any unpaid indemnification payments payable to the Manager pursuant to Section 18.1 of the Management Agreement; and

(18) To the Issuer (or its designee), any remaining Available Distribution Amount.

(II) On each Payment Date, if an Early Amortization Event shall have occurred and then be continuing with respect to any Series then Outstanding, but no Event of Default has occurred and is continuing, the Indenture Trustee will make the following payments from the Available Distribution Amount then on deposit in the Trust Account to the following

Persons in the following order of priority:

(1) To the Indenture Trustee by wire transfer of immediately available funds (not to exceed $20,000 annually), all Indenture Trustee Fees then due and payable for all Series then Outstanding;

(2) To the Manager, any unpaid Management Fees and any Management Fee Arrearages to the extent not withheld by the Manager in accordance with the terms of the Management Agreement;

(3) To the Issuer and the Series Enhancer, *pro rata*, to pay Issuer Expenses (in an aggregate amount not to exceed $250,000 annually) and Series Enhancer Expenses (in an aggregate amount not to exceed $250,000 annually) to the extent such payments would not result in the occurrence of an Event of Default;

(4) To the Manager Transfer Facilitator, the amount of any Manager Transfer Facilitator Fee (including any reimbursements payable to the Manager Transfer Facilitator pursuant to the Manager Transfer Facilitator Agreement);

(5) In payment of the following amounts on a *pro rata* basis: (A) to the Administrative Agent, the amount of Administrative Agent Fee (and any arrearages thereof) then due and payable, and (B) to each Series Enhancer, any Premium payments then due and payable;

(6) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all scheduled payments and interest thereon (but excluding termination payments thereunder) then due and payable under the related Interest Rate Hedge Agreement and the amount of any arrearages thereof;

(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to the Interest Payments then due and payable for such Series and (B) to each Series Enhancer, any Reimbursement Amounts then due and payable in respect of Interest Payments paid by such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement) and any arrearages of Premium payments then due and payable to such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) To the Restricted Cash Account, the amount (if any) necessary to restore amounts on deposit therein to the Restricted Cash Amount for such Payment Date;

(9) To the Series Account for each Series of Notes then Outstanding and subject to the provisions of Section 302 hereof, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(10) To the Series Account for each Series of Notes then Outstanding and subject to the provisions of Section 302 hereof, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(11) To the Series Account for each Series of Notes then Outstanding (other than the Series Account for any Series of Warehouse Notes for which a Conversion Event has *not* occurred) on a *pro rata* basis (based on the unpaid principal balance then Outstanding), all remaining Available Distribution Amount until the principal balance of all Notes then Outstanding are paid in full (including Reimbursement Amounts payable in respect thereof to the Series Enhancer);

(12) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all remaining amounts then due and payable under the related Interest Rate Hedge Agreement (after giving effect to clause (6) above);

(13) To each Series Account for each Series of Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series Enhancer, including, without limitation, Step Up Warehouse Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(14) To the Manager, the amount of any unreimbursed Manager Advances;

(15) To the Indenture Trustee, the amount of any unpaid Indenture Trustee Indemnified Amounts;

(16) To the officers and directors of the Issuer, the amount of any unpaid indemnification payments then due and payable to them by the Issuer;

(17) To the Manager in the amount of any unpaid indemnification payments payable to the Manager pursuant to Section 18.1 of the Management Agreement; and

(18) To the Issuer (or its designee), any remaining Available Distribution Amount.

(III) On each Payment Date, if an Event of Default shall have occurred and then be continuing with respect to any Series then Outstanding, the Indenture Trustee will make the following payments from the Available Distribution Amount then on deposit in the Trust Account to the following Persons in the following order of priority:

(1) To the Indenture Trustee by wire transfer of immediately available funds (not to exceed $20,000 annually), all Indenture Trustee Fees then due and payable for all Series then Outstanding;

(2) To the Manager, any unpaid Management Fees and any Management Fee Arrearages to the extent not withheld by the Manager in accordance with the terms of the Management Agreement;

(3) To the Issuer and the Series Enhancer, *pro rata*, to pay Issuer Expenses (in an aggregate amount not to exceed $250,000 annually) and Series Enhancer Expenses (in an aggregate amount not to exceed $250,000 annually);

(4) To the Manager Transfer Facilitator, the amount of any Manager Transfer Facilitator Fee (including any reimbursements payable to the Manager Transfer Facilitator pursuant to the Manager Transfer Facilitator Agreement);

(5) In payment of the following amounts on a *pro rata* basis: (A) to the Administrative Agent, the amount of Administrative Agent Fee (and any arrearages thereof) then due and payable and (B) to each Series Enhancer, any Premium payments then due and payable;

(6) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all scheduled payments and interest thereon (but excluding termination payments thereunder) then due and payable under the related Interest Rate Hedge Agreement and the amount of any arrearages thereof;

(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series and (B) to each Series Enhancer, any Reimbursement Amounts then due and payable in respect of Interest Payments paid by such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement) and any arrearages of Premium payments to such Series Enhancer (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) One of the following: (A) if the Notes of any Series then Outstanding have been accelerated, each of the following on a *pro rata* and a *pari passu* basis (based on amounts then due), all remaining Available Distribution Amount, (1) to each Series Account, the then unpaid principal balance of the related Notes (*pro rata* based on the amounts unpaid on the date on which such Event of Default first occurs) (including Reimbursement Amounts payable in respect thereof to the Series Enhancer) and (2) to each Interest Rate Hedge Provider, the remaining amounts then due and payable under the related Interest Rate Hedge Agreement, until such amounts are paid in full; or (B) if none of the Notes of any Series then Outstanding has been accelerated, to the Series Account for each Series of Notes then Outstanding (*pro rata* based on the amounts unpaid on the date on which such Event of Default occurs) all remaining Available Distribution Amount until the then unpaid principal balances of all Notes then Outstanding are paid in full (including Reimbursement Amounts payable in respect thereof to the Series Enhancer);

(9) To each Series Account for each Series of Notes then Outstanding on a *pro rata* basis (based on respective amounts then due), an amount equal to all other amounts then due and payable to the Noteholders of such Series and the related Series

Enhancer, including, without limitation, Step Up Warehouse Interest, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(10) To each Interest Rate Hedge Provider on a *pro rata* basis (based on amounts then due and payable under all Interest Rate Hedge Agreements), all remaining amounts then due and payable under the related Interest Rate Hedge Agreement (after giving effect to clauses (6) and (8)(A) above);

(11) To the Manager, the amount of any unreimbursed Manager Advances;

(12) To the Indenture Trustee, the amount of any unpaid Indenture Trustee Indemnified Amounts;

(13) To the officers and directors of the Issuer, the amount of any unpaid indemnification payments then due and payable to them by the Issuer;

(14) To the Manager in the amount of any unpaid indemnification payments payable to the Manager pursuant to Section 18.1 of the Management Agreement; and

(15) To the Issuer (or its designee), any remaining Available Distribution Amount.

(d) If on any Payment Date on which no Event of Default is then continuing there are not sufficient funds to pay, in full, the Minimum Principal Payment Amounts and/or Scheduled Principal Payment Amounts owing to all Series of Notes then Outstanding, as the case may be, then principal payments having the same payment priority will be paid, in full, to the Series first issued (based on their respective dates of issuance or Conversion Dates, as applicable) in chronological order based on their respective dates of issuance or Conversion Dates, as applicable. For purposes of this Section 302(d) only, any Series designated as a Warehouse Note will be deemed to have an issuance date equivalent to its Conversion Date. If two or more Series of the Notes were issued on the same date or have the same Conversion Date, then principal payments having the same payment priority will be allocated among each such Series, on a *pro rata* basis, based on the principal payments then due.

(e) On each Payment Date, any Supplemental Principal Payment Amount then due and owing, shall be applied first to each Series of Warehouse Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of such Warehouse Notes, until the principal balances of all Warehouse Notes have been paid in full, and then to all Series of Term Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of each such Series of Term Notes. Notwithstanding the foregoing, if sufficient funds are not available to allow the Issuer to prepay the principal balance of the Warehouse Notes on such Payment Date in an amount equal to the Asset Base Deficiency, then the amount of any Supplemental Principal Payment Amount to be actually paid on such Payment Date shall be allocated among all Series of Notes then Outstanding (including the Term Notes) on a *pro rata* basis, in proportion to the then unpaid principal balance of such Notes.

(f) If any Series has more than one Class of Notes then Outstanding, then the Available Distribution Amount shall be calculated without regard to the payment priorities of the

Classes of Notes within such Series. Once the Available Distribution Amount has been allocated to each Series, then that portion of the Available Distribution Amount allocable to such Series shall be paid to each Class of Noteholders of such Series in accordance with the priority of payments set forth in the related Supplement.

Section 303. Investment of Monies Held in the Trust Account, the Restricted Cash Account and Series Accounts .

(a) Subject to the provisions of Section 703 hereof, the Indenture Trustee shall invest any cash deposited in the Trust Account, the Restricted Cash Account and each Series Account in such Eligible Investments as the Issuer or its designee (or its authorized agent) shall direct in writing or by telephone, subsequently confirmed in writing. Each Eligible Investment (including reinvestment of the income and proceeds of Eligible Investments) shall be held to its maturity and shall mature or shall be payable on demand not later than the Determination Date immediately preceding the next succeeding Payment Date. If the Indenture Trustee has not received written instructions from the Issuer or its designee by 2:30 p.m. (New York time) on the day such funds are received as to the investment of funds then on deposit in any of the aforementioned accounts, the Issuer hereby instructs the Indenture Trustee to invest such funds in overnight investments in Wells Fargo Bank, National Association of the type described in clause (iv) of the definition of Eligible Investments. Any funds in the Trust Account, each Restricted Cash Account and each Series Account not so invested must be fully insured by the Federal Deposit Insurance Corporation. Eligible Investments shall be made in the name of the Indenture Trustee for the benefit of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer. Any earnings on Eligible Investments in the Trust Account, the Restricted Cash Account and each Series Account shall be retained in each such account and be distributed in accordance with the terms of this Indenture or any related Supplement. The Indenture Trustee shall not be liable or responsible for losses on any investments made by it pursuant to this Section 303.

(b) On or prior to the Closing Date, each of the Issuer and the Securities Intermediary shall enter into Control Agreements each in the form of Exhibit G hereto for each of the Trust Account, the Restricted Cash Account and any Series Accounts. At all times on and after the Closing Date, each such account shall be the subject of a Control Agreement.

(c) The Indenture Trustee, acting in accordance with the terms of this Indenture, shall be entitled to deliver an Entitlement Order to the Securities Intermediary at which such accounts are maintained at any time; provided, however, that the Indenture Trustee agrees not to invoke its right to provide an Entitlement Order unless an Event of Default has occurred and is continuing. The Control Agreements shall provide that upon receipt of the Entitlement Order in accordance with the provisions of this Indenture, the Indenture Trustee shall comply with such Entitlement Order without further consent by the Issuer or any other Person.

(d) Each of the Trust Account, the Restricted Cash Account and the Series Accounts shall be initially established with the Indenture Trustee and, so long as any Outstanding Obligation remains unpaid, shall be maintained with the Indenture Trustee so long as (A) the short-term unsecured debt obligations of the financial institution fulfilling the role of the Indenture Trustee are rated not less than the Required Deposit Rating or (B) each of the Trust

Account, the Restricted Cash Account and the Series Accounts are maintained at the Corporate Trust Office. If any of the Trust Account, the Restricted Cash Account or the Series Accounts are not maintained at the Corporate Trust Office or if the short-term unsecured debt obligations of the Indenture Trustee fall below the Required Deposit Rating, then the Issuer shall within ten (10) days after obtaining knowledge of such condition, with the Indenture Trustee's assistance as necessary, cause each of the Trust Account, the Restricted Cash Account and the Series Accounts to be transferred to either (A) an Eligible Institution which then maintains the Required Deposit Rating and is otherwise acceptable to the Administrative Agent and each Series Enhancer, or (B) with the prior written consent of the Administrative Agent and each Series Enhancer, the Corporate Trust Office of the successor Indenture Trustee. Prior to any of the Trust Account, the Restricted Cash Account or any Series Accounts being maintained with a Person other than the Indenture Trustee, the Issuer shall obtain the prior written consent of the Administrative Agent and each Series Enhancer and shall cause a new Control Agreement to be entered into with such Person as securities intermediary.

(e) Each of the Trust Account, the Restricted Cash Account and the Series Accounts shall be maintained in the State of New York and shall be governed by the laws of the State of New York, regardless of any provision in any other agreement. Each Control Agreement shall provide for purposes of the UCC that New York shall be deemed to be the Securities Intermediary's jurisdiction and each of the Trust Account, the Restricted Cash Account and each Series Account (as well as the Securities Entitlements related thereto) shall be governed by the laws of the State of New York.

(f) The Indenture Trustee, in its capacity as the Securities Intermediary, has not entered into, and until the termination of this Indenture will not enter into, any agreement with any other Person relating to any of the Trust Account, the Restricted Cash Account, any Series Account or any Financial Assets credited thereto pursuant to which it has agreed to comply with Entitlement Orders of such other Person and the Securities Intermediary has not entered into, and until the termination of this Agreement will not enter into, any agreement with the Issuer, any Seller, the Manager or the Indenture Trustee purporting to limit or condition the obligation of the Securities Intermediary to comply with Entitlement Orders as set forth in Section 303(c) hereof.

(g) Except for the claims and interest of the Indenture Trustee and of the Issuer hereunder in each of the Trust Account, the Restricted Cash Account and each Series Account, to the best of its knowledge without independent investigation, the Indenture Trustee, in its capacity as the initial Securities Intermediary, knows of no claim to, or interest in, any of the Trust Account, the Restricted Cash Account, any Series Account or in any Financial Asset credited thereto. If any other Person asserts any Lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against any of the Trust Account, the Restricted Cash Account, any Series Account or in any Financial Asset credited thereto, the Securities Intermediary will promptly notify the Indenture Trustee, the Manager, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the Issuer thereof.

(h) The Indenture Trustee shall possess a perfected security interest in all right, title and interest in and to all funds on deposit from time to time in each of the Trust

Account, the Restricted Cash Account, each Series Account and in all Proceeds thereof. Each of the Trust Account, the Restricted Cash Account and each Series Account shall be in the name of and under the sole dominion and control of the Indenture Trustee for the benefit of the Noteholders, each Interest Rate Hedge Provider and each Series Enhancer. The Indenture Trustee shall make withdrawals and payments from each of the Trust Account, the Restricted Cash Account and each Series Account and apply such amounts in accordance with the provisions of the Indenture and the related Manager Report or, in the absence of any Manager Report, in accordance with written instructions from the Administrative Agent. Effective upon any submission by the Indenture Trustee to each Series Enhancer of a certificate requesting a draw under any related Enhancement Agreement, the Indenture Trustee will be deemed to have assigned to each Series Enhancer all rights under the obligations insured under such Enhancement Agreement in respect of which payment is being requested to each Series Enhancer.

(i) The Issuer shall not direct the Indenture Trustee to make any investment of any funds or to sell any investment held in any of the Trust Account, the Restricted Cash Account and any Series Account unless the security interest of the Indenture Trustee in such account and any funds or investments held therein shall continue to be perfected without any further action by any Person.

(j) The Financial Assets and other items deposited to the accounts will not be subject to deduction, set-off, banker's lien, or any other right in favor of any Person except as created pursuant to this Indenture. For the avoidance of doubt, the fees and expenses of the Indenture Trustee shall be payable solely pursuant to Section 302 or Section 806 of this Indenture and shall not be subject to deduction, set-off, bankers lien or other right of the Indenture Trustee.

Section 304. Copies of Reports to Noteholders, each Interest Rate Hedge Provider and each Series Enhancer .

Upon request, the Indenture Trustee shall promptly furnish to each Noteholder, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer a copy of all reports, financial statements and notices received by the Indenture Trustee pursuant to the Contribution and Sale Agreement, this Indenture, the Management Agreement or any other Related Document.

Section 305. Records.

The Indenture Trustee shall cause to be kept and maintained adequate records pertaining to the Trust Account, each Restricted Cash Account and each Series Account and all receipts and disbursements therefrom. The Indenture Trustee shall deliver at least monthly an accounting thereof in the form of a trust statement to the Issuer, each member of the Issuer, the Manager, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer.

Section 306. Restricted Cash Account.

(a) The Indenture Trustee shall establish and maintain in the name of the Indenture Trustee an Eligible Account in the name of the Indenture Trustee with the Corporate Trust Office which shall be designated the restricted cash account (the "Restricted Cash Account") for all Series and which shall be held by the Indenture Trustee pursuant to this Indenture and the related Supplements. Any and all moneys remitted by the Issuer, or Manager on its behalf, to the Restricted Cash Account from the Trust Account, together with any Eligible Investments in which such moneys are or will be invested or reinvested, shall be held in the Restricted Cash Account for all Series. On the issuance date of any Series, the Issuer will deposit, or cause to be deposited, into the Restricted Cash Account sufficient amount of funds such that, after giving effect to such deposit, the amount of funds on deposit therein shall be equal to the Restricted Cash Amount, and thereafter amounts shall be deposited in the Restricted Cash Account in accordance with Section 302. Any and all moneys remitted by the Indenture Trustee to the Restricted Cash Account shall be invested in Eligible Investments in accordance with this Indenture and shall be distributed in accordance with this Section 306.

(b) On each Determination Date, the Indenture Trustee shall, in accordance with the terms of each applicable Supplement and the Manager Report or, in the absence of a Manager Report, pursuant to written instructions from the Administrative Agent, withdraw from the Restricted Cash Account and deposit into the Series Account for each affected Series an amount equal to the Permitted Payment Date Withdrawals for such Series. Amounts transferred to a Series Account pursuant to the provisions of this Section 306(b) may only be used to pay amounts specified in the definition of "Permitted Payment Date Withdrawals". Any other conditions or restrictions related to such draw for a specific Series shall be set forth in the related Supplement.

(c) On each Payment Date, the Indenture Trustee shall, in accordance with the Manager Report or, in the absence of a Manager Report, pursuant to written instructions from the Administrative Agent, deposit in the Trust Account for distribution in accordance with Section 302 of this Indenture the excess, if any, of (A) amounts then on deposit in the Restricted Cash Account (after giving effect to any withdrawals therefrom on such Payment Date) over (B) the Restricted Cash Amount. On the Legal Final Payment Date for the Series with the latest Legal Final Payment Date, any remaining funds in the Restricted Cash Account shall be deposited in the Trust Account and, subject to the limitations set forth in any Supplement, distributed in accordance with Section 302 of this Indenture and the related Supplements.

(d) If the amount on deposit in the Restricted Cash Account on a Determination Date is not sufficient to pay in full the aggregate Permitted Payment Date Withdrawals referred to in Section 306(b) above, then the amount of funds then available in the Restricted Cash Account will be allocated among the various Series on a *pro rata* basis in proportion to the amount of their respective Permitted Payment Date Withdrawals.

(e) In addition to the withdrawals set forth in Section 306(b) above, on any date on which an Event of Default has occurred and is continuing and the Notes have been accelerated in accordance with the terms of this Indenture, the Indenture Trustee, acting at the direction of the Requisite Global Majority, shall withdraw all amounts on deposit in the

Restricted Cash Account and use such amounts to pay the sum of interest and arrearages then payable on the Notes plus the Aggregate Principal Balance in accordance with the priorities set forth in Section 806 hereof.

Section 307. CUSIP Numbers.

The Issuer in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Indenture Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Indenture Trustee of any change in the "CUSIP" numbers.

Section 308. No Claim.

Indemnity payments payable to any Seller, the Indenture Trustee and Manager shall be non-recourse to the Issuer and shall not constitute a claim against the Issuer or the Collateral in the event such amounts are not paid in accordance with Section 302 or 806 of this Indenture.

Section 309. Compliance with Withholding Requirements.

Notwithstanding any other provision of this Indenture, the Indenture Trustee shall comply with all United States federal income tax withholding requirements with respect to payments to Noteholders of interest, original issue discount, or other amounts that the Indenture Trustee reasonably believes are applicable under the Code. The consent of Noteholders shall not be required for any such withholding.

Section 310. Tax Treatment of Notes.

The Issuer has entered into this Indenture, and the Notes will be issued, with the intention that, for United States federal, state and local income, single business and franchise tax purposes, the Notes will qualify as indebtedness. The Issuer and the Indenture Trustee, by entering into this Indenture, and each Noteholder, by its acceptance of its Note, agree to treat the Notes for United States federal, state and local income, single business and franchise tax purposes as indebtedness.

Section 311. Subordination.

Wells Fargo Bank, National Association, in its capacity as the Securities Intermediary hereby irrevocably subordinates to the security interest of the Indenture Trustee under this Indenture any and all security interest in, liens on and rights of setoff against any and all of the Collateral that the Securities Intermediary may have or acquire on the date hereof or at any time hereafter until all Outstanding Obligations, and all amounts payable by the Issuer under this Indenture and all other Related Documents have been paid in full and all covenants and

agreements of the Issuer in this Indenture and all other Related Documents have been fully performed.

ARTICLE IV

COLLATERAL

Section 401. Collateral.

(a) The Notes and the obligations of the Issuer hereunder shall be obligations of the Issuer as provided in Section 203 hereof. The Noteholders, each Interest Rate Hedge Provider and each Series Enhancer shall also have the benefit of, and the Notes shall be secured by and be payable from, the Issuer's right, title and interest in the Collateral. The income, payments and Proceeds of such Collateral shall be allocated to each such Series of Notes strictly in accordance with the applicable payment priorities set forth in Section 302 and Section 806 hereof.

(b) Notwithstanding anything contained in this Indenture to the contrary, the Issuer expressly agrees that it shall remain liable under each of its Contracts and Leases to observe and perform all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract or Lease, as the case may be.

(c) The Indenture Trustee hereby acknowledges the appointment by the Issuer of the Manager to service and administer the Collateral in accordance with the provisions of the Management Agreement and, so long as such Management Agreement shall not have been terminated in accordance with its terms, the Indenture Trustee hereby agrees to provide the Manager with such documentation and to take all such actions with respect to the Collateral as the Manager may reasonably request in writing in accordance with the express provisions of the Management Agreement; *provided, however*, that the Indenture Trustee shall be entitled to receive from the Issuer reasonable compensation and cost reimbursement for any such action. Until such time as the Management Agreement has been terminated in accordance with its terms, the Manager, on behalf of the Issuer, shall continue to collect all Accounts and payments on the Leases in accordance with the provisions of the Management Agreement and make such deposits into the Trust Account as are required pursuant to the terms of the Management Agreement. Any Proceeds received directly by the Issuer in payment of any Account or Leases or in payment for, or in respect of, any of the Managed Containers or on account of any of the Contracts to which the Issuer is a party shall be promptly deposited by the Issuer in precisely the form received (with all necessary endorsements) in the Trust Account, and until so deposited shall be deemed to be held in trust by the Issuer as the Indenture Trustee's property and shall continue to be collateral security for all of the obligations secured by this Indenture and shall not constitute payment thereof until applied as hereinafter provided. If (i) an Event of Default has occurred, (ii) any Sale of the Collateral pursuant to Section 816 hereof shall have occurred or (iii) a Manager Default has occurred, the Issuer shall at the request of the Indenture Trustee, acting with the consent of or at the direction of the Requisite Global Majority, to the extent practicable and to the extent the Issuer possesses such documents, deliver to the Indenture Trustee (or such other Person as the Indenture Trustee may direct) originals (or, to the extent originals cannot be delivered, copies) of all other documents evidencing, and relating to, the sale and delivery of the Managed Containers and the Issuer shall, to the extent practicable and to the extent the Issuer

possesses such documents, deliver originals (or, to the extent originals cannot be delivered, copies) of all other documents evidencing and relating to, the performance of any labor, maintenance, remarketing or other service which created such Accounts, including, without limitation, all original orders, invoices and shipping receipts. The Issuer shall be required to deliver or disclose any information, data, document or agreement which is proprietary to the Issuer, only to the extent required by the terms of the Management Agreement.

Section 402. Pro Rata Interest.

(a) Except as expressly provided for herein and in any Supplement, the Notes of all Outstanding Series shall be equally and ratably entitled to the benefits of this Indenture without preference, priority or distinction, all in accordance with the terms and provisions of this Indenture and the related Supplement. All Notes of a particular Class issued hereunder are and are to be, to the extent (including any exceptions) provided in this Indenture and the related Supplement, equally and ratably secured by this Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery of the Notes so that all Notes of a particular Series and Class at any time Outstanding (including Notes owned by the Seller and its Affiliates, other than the Issuer) shall have the same right, Lien and preference under this Indenture and shall all be equally and ratably secured hereby with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof.

(b) With respect to each Series of Notes, the execution and delivery of the related Supplement shall be upon the express condition that if the conditions specified in Section 701 of this Indenture are met with respect to such Series of Notes, the security interest and all other estate and rights granted by this Indenture with respect to such Series of Notes shall cease and become null and void and all of the property, rights, and interest granted as security for the Notes of such Series shall revert to and revest in the Issuer without any other act or formality whatsoever.

Section 403. Indenture Trustee's Appointment as Attorney-in-Fact.

(a) The Issuer hereby irrevocably constitutes and appoints Indenture Trustee, and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Issuer and in the name of the Issuer or in its own name, from time to time, for the purpose of carrying out the terms of this Indenture, to take any and all action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Indenture; *provided, however,* that the Indenture Trustee has no obligation or duty to take such action nor to determine whether to perfect, file, record or maintain any perfected, filed or recorded document or instrument (all of which the Issuer shall prepare, deliver and instruct the Indenture Trustee to execute) in connection with the grant or security interest in the Collateral hereunder.

(b) The Indenture Trustee shall not exercise the power of attorney or any rights granted to the Indenture Trustee pursuant to this Section 403 unless an Event of Default shall have occurred and then be continuing. The Issuer hereby ratifies, to the extent permitted by law, all actions that said attorney shall lawfully do or cause to be done by virtue hereof. The

power of attorney granted pursuant to this Section 403 is a power coupled with an interest and shall be irrevocable until all Series of Notes are paid and performed in full.

(c) The powers conferred on the Indenture Trustee hereunder are solely to protect Indenture Trustee's interests in the Collateral and shall not impose any duty upon it to exercise any such powers except as set forth herein. The Indenture Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees, agents or representatives shall be responsible to the Issuer for any act or failure to act, except for its own negligence or willful misconduct.

(d) The Issuer also authorizes (but does not obligate) the Indenture Trustee to (i) so long as a Manager Default is continuing, communicate with any party to any Contract or Lease relating to a Managed Container with regard to the assignment of the right, title and interest of the Issuer in and under the Contracts or Leases relating to a Managed Container hereunder and other matters relating thereto and (ii) so long as an Event of Default is continuing, execute, in connection with the sale of Collateral provided for in Article VIII hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(e) If the Issuer fails to perform or comply with any of its agreements contained herein and the Indenture Trustee, with the consent of and at the direction of the Requisite Global Majority, shall perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses, including attorneys' fees and expenses, of Indenture Trustee incurred in connection with such performance or compliance together with interest thereon at the rate specified in the related Supplement, shall be payable by the Issuer to the Indenture Trustee on demand and shall constitute additional Outstanding Obligations secured hereby.

Section 404. Release of Security Interest.

The Indenture Trustee, at the written direction of the Manager, shall release from the Lien of this Indenture, any Managed Container and the Related Assets sold or transferred pursuant to, and in accordance with the terms of, Section 606(a) hereof. In effectuating such release, the Indenture Trustee shall be provided with and shall be entitled to rely on: (A) so long as no Early Amortization Event is then continuing, a written direction of the Manager (with a copy to the Administrative Agent and each Series Enhancer) identifying each Managed Container or other items to be released from the Lien of this Indenture in accordance with the provisions of this Section 404 accompanied by an Asset Base Certificate, or (B) (x) if an Early Amortization Event is then continuing, all of the following: (i) the items set forth in clause (A) above, and (ii) a certificate from the Manager (with a copy to the Administrative Agent and each Series Enhancer) stating that such release is in compliance with Sections 404 and 606(a) hereof and (y) if a Manager Default (other than a Manager Default of the type described in Section 11.1(i), (j) or (l) of the Management Agreement) is then continuing, the prior consent of the Requisite Global Majority shall also be required with respect to each such release. The Indenture Trustee shall, at the expense of the Issuer, execute documents prepared by, or on behalf of, the Issuer evidencing such release was made in accordance with the provisions of this Section 404.

The Issuer is authorized to file any UCC partial releases in the appropriate jurisdictions with respect to such released Containers.

The Indenture Trustee will, promptly upon receipt of such certificate from the Manager and at the Issuer's expense, execute and deliver to the Issuer, the Seller or, the Manager, as appropriate, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer, a non-recourse certificate of release substantially in the form of Exhibit E hereto and such additional documents and instruments as that Person may reasonably request to evidence the termination and release from the Lien of this Indenture of such Container and the other related items of Collateral.

Section 405. Administration of Collateral.

(a) The Indenture Trustee hereby acknowledges the appointment by the Issuer of the Manager to service and administer the Collateral in accordance with the provisions of the Management Agreement and agrees to provide the Manager with such documentation, and to take all such actions, as the Manager may reasonably request in accordance with the provisions of the Management Agreement.

(b) The Indenture Trustee shall promptly as practicable notify the Noteholders, each Series Enhancer, the Administrative Agent, each Interest Rate Hedge Provider and the Manager Transfer Facilitator of any Manager Default of which a Corporate Trust Officer has actual knowledge. If a Manager Default shall have occurred and then be continuing, the Indenture Trustee, in accordance with the written direction of the Requisite Global Majority, shall deliver to the Manager (with a copy to the Administrative Agent, each Rating Agency, each Interest Rate Hedge Provider, each Series Enhancer and the Manager Transfer Facilitator) a Manager Termination Notice terminating the Manager of its responsibilities in accordance with the terms of the Management Agreement. If the Manager Transfer Facilitator is unable to locate and qualify a Replacement Manager acceptable to the Requisite Global Majority within sixty (60) days after the date of delivery of the Manager Termination Notice, then the Indenture Trustee may and shall, at the direction of the Requisite Global Majority, appoint, or petition a court of competent jurisdiction to appoint as a successor Manager, a Person acceptable to the Requisite Global Majority, having a net worth of not less than $15,000,000 and whose regular business includes marine cargo container leasing and/or container chassis leasing. In connection with the appointment of a Replacement Manager, the Indenture Trustee or Administrative Agent may, with the written consent of the Requisite Global Majority, make such arrangements for the compensation of such Replacement Manager out of Collections as the Indenture Trustee (acting in accordance with the Requisite Global Majority), each Series Enhancer, the Administrative Agent and such Replacement Manager shall agree. The terminated Manager shall not be entitled to receive any Management Fee or other amounts owing to it pursuant to the Management Agreement for any period after the effective date of such replacement, but shall be entitled to receive any such amounts earned or accrued through the effective date of such replacement which amounts shall be payable in accordance with Section 302 of this Indenture. The Indenture Trustee shall take such action, consistent with the Management Agreement and the other Related Documents, as shall be reasonably necessary to effectuate any such succession including exercising the power of attorney granted by the Manager pursuant to Section 11.4 of the Management Agreement.

(c) Upon a Corporate Trust Officer obtaining actual knowledge or the receipt of notice by the Indenture Trustee that any repurchase obligations of the Seller under Section 2.06 of the Contribution and Sale Agreement or of Textainer Limited, on behalf of the Manager under Section 3.3 of the Management Agreement have arisen, the Indenture Trustee shall notify each Series Enhancer, each Interest Rate Hedge Provider, each Rating Agency and each Noteholder of such event and shall enforce such repurchase obligations at the written direction of the Requisite Global Majority.

Section 406. Quiet Enjoyment.

The security interest hereby granted to the Indenture Trustee by the Issuer is subject to the right of any lessee to the quiet enjoyment of any Managed Container under lease to such lessee for so long as such lessee is not in default under the Lease therefor and the Manager under the Management Agreement (including any Replacement Manager) or the Indenture Trustee (as provided in Section 405 hereof) continues to receive all amounts payable under such Lease.

ARTICLE V

RIGHTS OF NOTEHOLDERS; ALLOCATION
AND APPLICATION OF NET ISSUER PROCEEDS;
REQUISITE GLOBAL MAJORITY

Section 501. Rights of Noteholders.

The Noteholders of each Series shall have the right to receive, to the extent necessary to make the required payments with respect to the Notes of such Series at the times and in the amounts specified in the related Supplement, (i) the portion of Collections allocable to Noteholders of such Series pursuant to this Indenture and the related Supplement, (ii) funds on deposit in the Trust Account (subject to the priorities set forth in Section 302 hereof) and the Restricted Cash Account, and (iii) funds on deposit in any Series Account for such Series or Class, or payable with respect to any Series Enhancement for such Series or Class. Each Noteholder, by acceptance of its Notes, (a) acknowledges and agrees that (except as expressly provided herein and in a Supplement entered into in accordance with Section 1006(b) hereof) the Noteholders of a Series or Class shall not have any interest in any Series Account or Series Enhancement for the benefit of any other Series or Class and (b) ratifies and confirms the terms of this Indenture and the Related Documents executed in connection with such Series.

Section 502. Allocations Among Series.

With respect to each Collection Period, Collections on deposit in the Trust Account will be allocated to each Series then Outstanding in accordance with Article III of this Indenture and the Supplements.

Section 503. Determination of Requisite Global Majority.

A Requisite Global Majority shall exist with respect to any action proposed to be taken pursuant to the terms of this Indenture or any Supplement if (a) the Control Party or Control Parties representing more than fifty percent (50%) of the sum of the Existing Commitments of all Series then Outstanding shall approve or direct such proposed action (in making such a determination, each Control Party shall be deemed to have voted the entire Existing Commitment of the related Series in favor of, or in opposition to, such proposed action, as the case may be) and (b) unless Control Parties representing more than sixty-six and two-thirds percent (66 2/3%) of the sum of the Existing Commitments of all Series then Outstanding shall approve or direct such proposed action (in making such a determination, each Control Party shall be deemed to have voted the entire Existing Commitment of the related Series in favor of, or in opposition to, such proposed action, as the case may be), each Series Enhancer which is designated as the Control Party for any Series then Outstanding shall have also approved or directed such proposed action. The Indenture Trustee shall be responsible for identifying the Requisite Global Majority in accordance with the terms of this Section 503.

ARTICLE VI

COVENANTS

For so long as any Aggregate Outstanding Obligation of the Issuer remains outstanding the Issuer shall observe each of the following covenants:

Section 601. Payment of Principal and Interest, Payment of Taxes.

(a) The Issuer will duly and punctually pay the principal of and interest on the Notes in accordance with the terms of the Notes, this Indenture and the related Supplement.

(b) The Issuer will take all actions as are necessary to insure that all taxes and governmental claims, if any, in respect of the Issuer's activities and assets are promptly paid.

Section 602. Maintenance of Office.

(a) The only "place of business" (within the meaning of Section 9-307 of the UCC) of the Issuer is located at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda. The Issuer shall not establish a new place of business or location for its chief executive office outside of Bermuda unless (i) it shall have given to the Indenture Trustee, each Rating Agency, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer not less than sixty (60) days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Indenture Trustee, the Administrative Agent, any Interest Rate Hedge Provider or any Series Enhancer may reasonably request, (ii) not less than fifteen (15) days' prior to the effective date of such relocation, the Issuer shall have taken, at its own cost, all action necessary so that such change of location does not impair the security interest of the Indenture Trustee in the Collateral, or the perfection of the sale or contribution of the containers to the Issuer, and shall have delivered to the Indenture Trustee, the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer copies of all filings required in connection therewith and (iii) the Issuer has delivered to the Indenture Trustee, the Administrative Agent, each Series Enhancer, each Eligible Interest Rate Hedge Provider and each Rating Agency, one or more Opinions of Counsel satisfactory to the Requisite Global Majority, stating that, after giving effect to such change of location: (A) none of the Sellers and the Issuer will, pursuant to applicable Insolvency Law, be substantively consolidated in the event of any Insolvency Proceeding by, or against, any Seller, (B) under applicable Insolvency Law, the transfers of Transferred Assets made in accordance with the terms of the Related Documents will be treated as a "true sale" in the event of any Insolvency Proceeding by, or against, either Seller, and (C) either (1) in the opinion of such counsel, all registration of charges, financing statements, or other documents of similar import, and amendments thereto have been executed and filed that are necessary to fully preserve and protect the interest of the Issuer and the Indenture Trustee in the Transferred Assets, or (2) stating that, in the opinion of such counsel, no such action shall be necessary to preserve and protect such interest.

(b) The Issuer shall not maintain a place of business within the United States of America.

Section 603. Corporate Existence.

The Issuer will keep in full effect its existence, rights and franchises as a company organized under the laws of Bermuda, and will obtain and preserve its qualification in each jurisdiction in which such qualification is necessary to protect the validity and enforceability of this Indenture, any Supplements issued hereunder and the Notes.

Section 604. Protection of Collateral.

The Issuer, at its expense, will cause this Indenture and any Supplement to be registered under Section 55 of the Companies Act of 1981 Bermuda in the Register of Charges kept at the Office of the Registrar of Companies of Bermuda (or under any statute enacted in lieu thereof and for the time being in force, or under any law of general application relating to the registration of mortgages of or charges upon personal property for the time being in force in the Islands of Bermuda). In addition, the Issuer will from time to time execute and deliver all amendments thereto and all such financing statements, continuation statements, instruments of further assurance and other instruments, and will, upon the reasonable request of the Manager, the Indenture Trustee, the Administrative Agent, any Interest Rate Hedge Provider or any Series Enhancer, take such other action necessary or advisable to:

(a) grant more effectively the security interest in all or any portion of the Collateral;

(b) maintain or preserve the Lien of this Indenture (and the priority thereof) or carry out more effectively the purposes hereof including executing and filing such documents, as may be required under any international convention for the perfection of interests in containers that may be adopted subsequent to the date of this Indenture;

(c) perfect, publish notice of, or protect the validity of the security interest in the Collateral created pursuant to this Indenture;

(d) enforce any of the items of the Collateral;

(e) preserve and defend its right, title and interest to the Collateral and the rights of the Indenture Trustee in such Collateral against the claims of all Persons (other than the Noteholders or any Person claiming through the Noteholders);

(f) pay any and all taxes levied or assessed upon all or any part of the Collateral;

(g) pay any and all fees, taxes and other charges payable in connection with the registration of this Indenture and any Supplement with the Office of the Registrar of Companies of Bermuda or any other Governmental Authority; or

(h) notify such parties of any Commercial Tort Claims in which the Issuer has rights that arise after the Restatement Effective Date and exceed $250,000 and take such actions necessary to create and perfect the Indenture Trustee’s Lien therein.

In furtherance of clauses (b) and (c) above, the Issuer hereby agrees that if at any time subsequent to a Closing Date there is a change in Applicable Law (or a change in the interpretation of Applicable Law as in effect on such Closing Date) which, in the reasonable judgment of the Requisite Global Majority, may affect the perfection of the Indenture Trustee's security interest in the Collateral, then the Issuer shall, within thirty (30) days after written request from the Requisite Global Majority, furnish to the Indenture Trustee, the Administrative Agent, each Rating Agency and each Series Enhancer, an Opinion of Counsel either (i) stating that, in the opinion of such counsel, such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture, any Supplements hereto and any other requisite documents, and with respect to the execution and filing of any financing statements and continuation statements, as are necessary to maintain the Lien created by this Indenture and reciting the details of such action, or (ii) stating that, in the opinion of such counsel, no such action is necessary to maintain such Lien. Such Opinion of Counsel shall also describe the recording, filing, re-recording and refiling of this Indenture, any Supplements hereto and any other requisite documents and the execution and filing of any financing statements and continuation statements that, in the opinion of such counsel, are required to maintain the Lien and security interest of this Indenture.

Section 605. Performance of Obligations.

Except as otherwise permitted by this Indenture, the Management Agreement or the Contribution and Sale Agreement, the Issuer will not take, or fail to take, any action, and will use its best efforts not to permit any action to be taken by others, which would release any Person from any of such Person's covenants or obligations under any agreement or instrument included in the Collateral (excluding any Interest Rate Hedge Agreement), or which would result in the amendment, hypothecation, subordination, termination or discharge of, or impair the validity or effectiveness of, any such agreement or instrument (excluding any Interest Rate Hedge Agreement).

Section 606. Negative Covenants. The Issuer will not, without (i) the prior written consent of the Requisite Global Majority and (ii) satisfaction of the Rating Agency Condition:

(a) at any time sell, transfer, exchange or otherwise dispose of any of the Collateral, except as follows:

(i) in connection with a sale following the occurrence of an Event of Default pursuant to Section 816 hereof;

(ii) sales of Managed Containers in the ordinary course of business (including any such sales resulting from the sell/repair decision of the Manager) regardless of the sales proceeds realized from such sales so long as neither an Early Amortization Event nor an Event of Default is then continuing or would result from such sale of Managed Containers;

(iii) if an Early Amortization Event but no Event of Default is then continuing or would result from such sale of Managed Containers, sales of

Managed Containers in the normal course of business (including any such sales resulting from the sell/repair decision of the Manager) so long as the sum of the Net Book Values of all Managed Containers that were sold for less than Net Book Value during the four (4) immediately preceding Collection Periods shall not exceed an amount equal to the product of (x) five percent (5%) and (y) an amount equal to the quotient of (i) the sum of the aggregate Net Book Value as of the last day of each of the four (4) immediately preceding Collection Periods, divided by (ii) four (4);

(iv) any other sales of Managed Containers not covered by clauses (i), (ii) or (iii), *provided* that each such sale must be specifically approved in writing by the Requisite Global Majority;

(v) in connection with a repurchase or substitution by a Seller to remedy a breach of the Container Representations and Warranties; or

(vi) in connection with a repurchase by Textainer Limited, on behalf of the Manager, to remedy a breach of the Manager Representations and Warranties.

(b) claim any credit on, make any deduction from the principal, premium, if any, or interest payable in respect of the Notes (other than amounts properly withheld from such payments under any Applicable Law) or assert any claim against any present or former Noteholder by reason of the payment of any taxes levied or assessed upon any of the Collateral;

(c) (i) permit the validity or effectiveness of this Indenture to be impaired, or (ii) permit the Lien of this Indenture with respect to the Collateral (excluding any Interest Rate Hedge Agreement) to be subordinated, terminated or discharged, except as permitted with respect to a sale of such Collateral made in accordance with Section 404, this Section 606 or Article VII hereof or upon payment in full of all Aggregate Outstanding Obligations, (iii) amend or waive the limitation set forth in the second sentence of Section 624 without the consent of the Control Party for each Series of Notes then Outstanding, or (iv) permit any Person to be released from any covenants or obligations with respect to such Collateral (excluding any Interest Rate Hedge Agreement), except as may be expressly permitted by the Management Agreement or the Contribution and Sale Agreement;

(d) permit any Lien (except any Permitted Encumbrance) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the Proceeds thereof other than the Lien created pursuant to this Indenture;

(e) permit the Lien of this Indenture not to constitute a valid first priority perfected security interest in the Collateral;

(f) fail to maintain the registration of this Indenture or any Supplement with the Office of the Registrar of Companies of Bermuda or fail to maintain the effectiveness of any required UCC financing statements filed in the applicable jurisdictions;

(g) engage in any activities within the United States; *provided* that containers owned by the Issuer may be leased by the Issuer to Persons in the United States or for use in the United States; or

(h) revise the Depreciation Policy with respect to the Managed Containers in such a way as to reduce the amount of depreciation expense that would be recorded in any year from that which would have been recorded pursuant to the Depreciation Policy without obtaining in each such instance (i) the prior written consent of the Requisite Global Majority and (ii) evidence that the Rating Agency Condition shall have been satisfied.

Section 607. Non-Consolidation of Issuer.

(a) The Issuer shall be operated in such a manner that it shall not be substantively consolidated with the estate of any other Person in the event of the bankruptcy or insolvency of the Issuer or such other Person. Without limiting the foregoing, the Issuer shall (1) conduct its business in its own name, (2) maintain its books, records and bank accounts separate from those of any other Person, (3) not commingle its funds with those of any other Person (except for any commingling of monies attributable to the Managed Containers that are on deposit in the Manager Account until such time as such monies are transferred to the Trust Account in accordance with the terms of the Management Agreement), (4) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person and, to the extent that the Issuer's assets, liabilities, expenses, revenues, and other financial information are required to be included in any consolidated financial statement, a note will be included in such financial statements that indicates that the Issuer is a separate legal entity from the other members of the consolidated group, its assets are not assets of any other member of the consolidated group, and its assets are not available to the creditors of any other member of the consolidated group, (5) other than with respect to Manager Advances, or pursuant to the Members Agreement, pay its own liabilities and expenses out of its own funds, (6) enter into a transaction with an Affiliate only if such transaction is intrinsically fair, commercially reasonable and on the same terms as would be available in an arm's length transaction with a Person or entity that is not an Affiliate (provided, any transaction between the Issuer and an Affiliate pursuant to the Management Agreement, the Contribution and Sale Agreement or the Members Agreement shall be deemed to have satisfied this clause (6)), (7) allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, (8) hold itself out as a separate entity and maintain adequate capital in light of its contemplated business operations and (9) observe all other organizational formalities.

(b) Notwithstanding any provision of law which otherwise empowers the Issuer, the Issuer shall not (1) hold itself out as being liable for the debts of any other Person, (2) act other than in its corporate name and through its duly authorized officers or agents, (3) engage in any joint activity or transaction of any kind with or for the benefit of any Affiliate including any of the transactions described in Section 611 hereof, except (i) payment of lawful distributions to its members and (ii) the execution, delivery and performance of the Management Agreement, (4) enter into any transaction that is prohibited pursuant to the provisions of Section 610 herein or (5) take any other action that would be inconsistent with maintaining the separate legal identity of the Issuer or engage in any other activity not contemplated by this Indenture and the Related Documents.

Section 608. No Bankruptcy Petition.

The Issuer shall not (1) commence any Insolvency Proceeding seeking to have an order for relief entered with respect to it, or seeking reorganization, arrangement, adjustment, wind-up, liquidation, dissolution, composition or other relief with respect to it or its debts, (2) seek appointment of a receiver, trustee, custodian or other similar official for it or any part of its assets, (3) make a general assignment for the benefit of creditors, or (4) take any action in furtherance of, or consenting or acquiescing in, any of the foregoing.

Section 609. Liens.

The Issuer shall not (i) permit any Lien (except any Permitted Encumbrance) to be created on or extend to or otherwise arise upon or burden the Collateral or any part thereof or any interest therein or the Proceeds thereof; or (ii) permit the Lien of this Indenture not to constitute a valid first priority security interest in the Collateral.

Section 610. Other Indebtedness.

The Issuer shall not contract for, create, incur, assume or suffer to exist any Indebtedness except (i) any Notes issued pursuant to this Indenture or any Supplement issued hereunder, (ii) obligations incurred in accordance with the terms of the Related Documents including, without limitation, Manager Advances and Management Fees incurred in accordance with the terms of the Management Agreement, (iii) trade payables and expense accruals incurred in the ordinary course and which are incidental to the purposes permitted pursuant to the Issuer's charter documents and (iv) Interest Rate Hedge Agreements required or permitted pursuant to the terms of Section 627 hereof. For the avoidance of doubt, the Issuer shall not incur any Indebtedness for borrowed money other than pursuant to clauses (i) and (iv) of this Section 610.

Section 611. Guarantees, Loans, Advances and Other Liabilities .

The Issuer will not make any loan, advance or credit to, or guarantee (directly or indirectly or by an instrument having the effect of assuring another's payment or performance on any obligation or capability of so doing, or otherwise), endorse (except for the endorsement of checks for collection or deposit) or otherwise become contingently liable, directly or indirectly, in connection with the obligations, stock or dividends of, or own, purchase, repurchase or acquire (or agree contingently to do so) any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person.

Section 612. Consolidation, Amalgamation, Merger and Sale of Assets; Ownership of the Issuer .

(a) The Issuer shall not consolidate with, amalgamate or merge with or into any other Person or sell, convey, transfer or lease all or substantially all of its assets, whether in a single transaction or a series of transactions, to any Person, except for (i) any such sale, conveyance or transfer contemplated in this Indenture or any Supplement issued hereunder and (ii) any Lease of a container in accordance with the terms of the Management Agreement.

(b) The obligations of the Issuer hereunder shall not be assignable nor shall any Person succeed to the obligations of the Issuer hereunder except in each case in accordance with the provisions of this Indenture.

(c) The Issuer shall give prior written notice to the Rating Agencies of any action pursuant to this Section 612.

(d) All of the authorized and issued Class A Shares and Class B Shares of the Issuer shall at all times collectively be owned by (1) Textainer Limited, and (2) one or more Rated Institutional Persons and/or their respective Affiliates.

Section 613. Other Agreements.

The Issuer will not after the date of the issuance of the Notes enter into or become a party to any agreements or instruments other than (i) this Indenture, the Supplements, the Contribution and Sale Agreement, the Management Agreement, the Note Purchase Agreement, any Acquisition Agreement, the Members Agreement, the other Related Documents for any Series of Notes and any agreements or instruments contemplated under the foregoing agreements listed in this Section 613(i), (ii) any agreement pursuant to which the Issuer issues additional shares to any other Person, (iii) any indemnification agreements with officers and directors of the Issuer *provided* that any payments owing by the Issuer thereunder shall be payable only to the extent set forth in Section 302 hereof, (iv) any agreement among the Issuer and one or more Affiliates with respect to the payment and accounting treatment of routine administrative expenses incurred by or on behalf of the Issuer in the normal course of its business, (v) any Interest Rate Hedge Agreement required or permitted pursuant to the terms of Section 627 hereof, and (vi) any other agreement(s) contemplated by any Related Document, including, without limitation, any agreement(s) for disposition of the Transferred Assets permitted by Sections 404, 606(a), 804 or 816 hereof and any agreement(s) for the sale, repurchase, lease or re-lease of a container made in accordance with the provisions of the Contribution and Sale Agreement or the Management Agreement. In addition, the Issuer will not amend, modify or waive any provision of the Contribution and Sale Agreement, the Management Agreement or any other Related Documents or give any approval or consent or permission provided for therein without the prior written consent of the requisite Persons set forth in the Contribution and Sale Agreement, the Management Agreement or such other Related Documents, respectively, except to the extent such waiver, modification or amendment is permitted pursuant to the terms of such agreement.

Section 614. Charter Documents.

The Issuer will not amend or modify its memorandum of association or bye-laws without (i) the vote of 75% of the directors and 70% of the shareholders of the Issuer; (ii) the prior written consent of the Requisite Global Majority and (iii) the prior written notice to the Rating Agencies and satisfaction of the Rating Agency Condition.

Section 615. Capital Expenditures.

The Issuer will not make any expenditure (by long-term or operating lease or otherwise) for capital assets (both realty and personalty), except for (a) acquisition of additional

containers made in accordance with the terms of the Management Agreement or (b) capital improvements to the containers in the ordinary course of its business and in accordance with the Management Agreement.

Section 616. Permitted Activities.

The Issuer will not engage in any activity or enter into any transaction except as permitted under its memorandum of association or bye-laws as in effect on the date on which this Indenture is executed. The Issuer will observe all organizational and managerial procedures required by its constitutional documents and Applicable Law. The Issuer shall (i) keep complete minutes of the meetings and other proceedings of the Issuer and (ii) continuously maintain the resolutions, agreements and other instruments underlying the transaction contemplated by the Related Documents.

Section 617. Investment Company.

The Issuer will conduct its operations in a manner which will not subject it to registration as an "investment company" under the Investment Company Act of 1940, as amended.

Section 618. Payments of Collateral.

If the Issuer shall receive from any Person any payments with respect to the Collateral (to the extent such Collateral has not been released from the Lien of this Indenture in accordance with Section 404 hereof), the Issuer shall receive such payment in trust for the Indenture Trustee, as secured party hereunder, and subject to the Indenture Trustee's security interest and shall, by not later than one Business Day after receipt thereof, deposit such payment in the Trust Account.

Section 619. Notices.

The Issuer shall notify the Indenture Trustee, the Administrative Agent, each Rating Agency, each Series Enhancer, each Interest Rate Hedge Provider and the Manager Transfer Facilitator (but only with respect to the occurrence of a Manager Default) in writing of any of the following immediately upon learning of the occurrence thereof, describing the same and, if applicable, the steps being taken by the Person(s) affected with respect thereto:

(a) Event of Default. The occurrence of an Event of Default and any acceleration of any Notes hereunder;

(b) Litigation. The institution of any litigation, arbitration proceeding or Proceeding before any Governmental Authority which might have or result in a Material Adverse Change;

(c) Material Adverse Change. The occurrence of a Material Adverse Change;

(d) Other Events. The occurrence of an Early Amortization Event or such other events that may, with the giving of notice or the passage of time or both, constitute an Event of Default.

Section 620. Books and Records. The Issuer shall, and shall cause the Manager to, maintain complete and accurate books and records in which full and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities. In connection with each transfer of Transferred Assets, the Issuer shall report, or cause to be reported, on its financial records the transfer of the Transferred Assets as a purchase under GAAP. The Issuer will ensure that no financial statement, nor any consolidated financial statements of the Issuer, suggests that the assets of the Issuer are available to pay the debts of either of the Sellers, the Manager, or any of their Affiliates.

Section 621. Taxes. The Issuer shall, or shall cause the Manager to, pay when due, all of its taxes, unless and only to the extent that Issuer is contesting such taxes in good faith and by appropriate Proceedings and Issuer has set aside on its books such reserves or other appropriate provisions therefor as may be required by GAAP.

Section 622. Subsidiaries. The Issuer shall not create any Subsidiaries.

Section 623. Investments. The Issuer shall not make or permit to exist any Investment in any Person except for Investments in Eligible Investments made in accordance with the terms of this Indenture.

Section 624. Use of Proceeds. The Issuer shall use the proceeds of the Notes only for general corporate purposes including the distribution of dividends, paying down debt (including the Series 2000-1 Notes) and paying the costs of the issuance of the Notes. The Issuer shall not obtain any additional Containers under the Contribution and Sale Agreement on or after the Restatement Effective Date. In addition, Issuer shall not permit any proceeds of the Notes to be used, either directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing or carrying any margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended from time to time, and shall furnish to each Holder, upon its request, a statement in conformity with the requirements of Regulation U.

Section 625. Asset Base Report.

The Issuer shall prepare and deliver to the Indenture Trustee, each Series Enhancer, each Rating Agency, each Interest Rate Hedge Provider and the Administrative Agent on each Determination Date, an Asset Base Report.

Section 626. Financial Statements.

The Issuer shall prepare and deliver to the Indenture Trustee, each Series Enhancer, each Rating Agency, each Interest Rate Hedge Provider and the Administrative Agent, or shall cause the Manager to prepare and deliver to such parties pursuant to the Management Agreement, quarterly financial statements of the Issuer, the Manager, Textainer Group Holdings Limited and Textainer Limited within sixty (60) days of the end of each fiscal quarter ending on and after June 30, 2005 and separate annual financial statements of the Issuer and the Manager,

audited by their regular Independent Accountants, within one hundred twenty (120) days of the end of each fiscal year ending on and after December 31, 2005. All financial statements shall be prepared in accordance with GAAP. Delivery of such reports, information and documents to the Indenture Trustee is for informational purposes only and the Indenture Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Indenture Trustee is entitled to rely exclusively on Officer's Certificates).

Section 627. Interest Rate Hedge Agreements.

(a) The Issuer shall (or shall cause the Manager on its behalf), to the extent commercially practicable, enter into and maintain transactions under Interest Rate Hedge Agreements with respect to (i) Managed Containers that are then subject to Long-Term Leases and (ii) Managed Containers that are then subject to Master Leases, in the amounts required by the hedging policy set forth in Exhibit F hereto; *provided* that, so long as an Early Amortization Event or an Event of Default is continuing, neither the Issuer (nor the Manager on its behalf) shall enter into any additional transactions under Interest Rate Hedge Agreements other than by terminating existing transactions or by entering into reverse or mirror swap transactions.

(b) In the event that the application of the formulas set forth in Exhibit F hereto indicates that either (i) the Issuer is required to enter into additional transactions under Interest Rate Hedge Agreements, with a total notional balance in excess of Ten Million Dollars ($10,000,000) or (ii) the aggregate notional balance of all outstanding transactions under Interest Rate Hedge Agreements then in effect exceeds the aggregate required notional amount (as determined by application of the formulas set forth in Exhibit F hereto) by the lesser of (A) Twenty Million Dollars ($20,000,000) or (B) one hundred and five percent (105%) of the then Aggregate Principal Balance, then the Issuer shall provide notice of such event to the Indenture Trustee, each Interest Rate Hedge Provider and each Series Enhancer within 5 Business Days after such condition is determined to exist. The Issuer (or the Manager on behalf of the Issuer) shall within thirty (30) days after the date on which such condition is determined to exist, remedy such imbalance (x) under circumstances described in the preceding clause (i), by entering into one or more transactions under Interest Rate Hedge Agreements in order to comply with the requirements of Section 627(a) and not exceed such requirements by more than the amounts set forth in clause (ii) above, or (y) under circumstances described in the preceding clause (ii) by terminating or entering into reverse or mirror swap transactions for all, or a portion, of one or more transactions under Interest Rate Hedge Agreements then in effect so that the remaining notional amounts for all future calculation periods under all transactions outstanding under the Interest Rate Hedge Agreements then in effect, shall comply with the requirements of Section 627(a) and not exceed such requirements by more than the amounts set forth in clause (ii) above. The calculations to be made under this Section 627(b) shall (x) exclude all transactions where the Issuer is not required to make any scheduled periodic payments other than premium payments or fees, and the Net Book Value of the containers hedged by such transactions and (y) offset the notional amounts for each relevant calculation period by any reverse or mirror swapped transactions (*i.e.*, transactions with an Interest Rate Hedge Provider that have floating payment rates mirroring or reverse swapping those of another transaction (or part thereof) with the same Interest Rate Hedge Provider, such that the rate for floating amounts payable by the Issuer to the

Interest Rate Hedge Provider under one transaction for the relevant calculation period matches the rate for floating amounts payable by the Interest Rate Hedge Provider to the Issuer in the other transaction for such calculation period and the fixed amounts payable under such transactions totally or partially offset each other). So long as no Early Amortization Event or Event of Default is then continuing, the Issuer (or the Manager on its behalf) may exercise its discretion in selecting the specific transactions and notional amounts thereof to be terminated or reverse or mirror swapped. If an Early Amortization Event or Event of Default is then continuing, termination or reverse or mirror swaps shall be effected over all outstanding transactions under Interest Rate Hedge Agreements then in effect on a *pro rata* basis, based on the respective notional amounts for each remaining calculation period, so that the remaining notional amounts for each remaining calculation period will comply with the requirements of Section 627(a) hereof and not exceed the amounts set forth in Section 627(b)(ii) hereof.

(c) In the event the Issuer, or Manager on behalf of Issuer, fails to enter into or terminate or reverse or mirror swap transactions as required under Section 627(b) within the 30 day time period provided in Section 627(b), the Requisite Global Majority (A) will have the right, in its sole discretion, to direct the Indenture Trustee to enter into additional transactions under Interest Rate Hedge Agreements on the Issuer's behalf in order to comply with the requirements of Section 627(a) hereof or (B) within 5 Business Days after the 30 day period provided in Section 627(b) will have the right, in its sole discretion, to direct the Indenture Trustee to terminate or reverse or mirror swap, in whole or in part, all outstanding transactions under Interest Rate Hedge Agreements then in effect on a pro rata basis, based on the respective notional amounts for each remaining calculation period, so that the remaining notional amounts for each remaining calculation period will comply with the requirements of Section 627(a) hereof and not exceed the amounts set forth in Section 627(b)(ii) hereof. In the event the Requisite Global Majority directs the Indenture Trustee to enter into an Interest Rate Hedge Agreement on the Issuer's behalf, the Requisite Global Majority shall promptly send a copy of any such agreement to the Issuer and may provide the Indenture Trustee and Manager with a written direction to deposit in the Trust Account certain amounts to purchase, or reimburse the Requisite Global Majority or a third-party for purchasing, such Interest Rate Hedge Agreement. All payments received from an Interest Rate Hedge Provider shall be deposited by the Issuer directly into the Trust Account.

(d) With respect to any transaction which is to be terminated in accordance with the terms of this Section 627, the Issuer (or the Manager or Requisite Global Majority) will give the Interest Rate Hedge Provider not less than three Business Days notice of such termination, specifying the relevant transaction, the notional amount thereof to be terminated for each remaining calculation period and the effective date of such termination. An "Additional Termination Event" and an "Early Termination Date" (as such terms are used in the 1992 ISDA Master Agreement Multicurrency–Cross Border form agreement) shall be deemed to have occurred under the transaction on the specified termination date with respect to the notional amounts so terminated. For purposes of such Early Termination Date and Section 6(e) of the applicable Interest Rate Hedge Agreement, the "Terminated Transaction" shall be only that portion relating to the terminated notional amounts and the remainder of the transaction will continue in full force and effect and the Issuer will be the "Affected Party" for purposes of such termination. The amount payable under Section 6(e) of the applicable Interest Rate Hedge Agreement shall be determined by the Interest Rate Hedge Provider and shall be due and payable

in accordance with the terms of such Section 6(e), provided that "Market Quotation" under the Interest Rate Hedge Agreement shall be determined on the basis of the quotation of one Reference Market-maker selected by the Interest Rate Hedge Provider, which may be such Interest Rate Hedge Provider to the extent its quotation is reasonably determined in good faith. The provisions of this Section 627(d) shall be incorporated by reference in each Interest Rate Hedge Agreement.

(e) On each Determination Date, Issuer shall provide or cause to be provided to the Indenture Trustee, each Interest Rate Hedge Provider and each Series Enhancer, a monthly report reflecting the hedging policy calculations as of the end of the preceding calendar month based on all transactions outstanding as of the end of such month under Interest Rate Hedge Agreements then in effect, including transactions which are scheduled to commence on a future date.

(f) The termination provisions provided for in this Indenture relating to the Interest Rate Hedge Agreements are in addition to, and not to the exclusion of, any termination provisions contained in the Interest Rate Hedge Agreements.

(g) Any changes made after the Restatement Effective Date in the hedging policy set forth in Exhibit F must be approved in advance by each Control Party. Each Series Enhancer shall have the right to approve any new Interest Rate Hedge Agreements (or any amendments of existing or new Interest Rate Hedge Agreements) entered into or made after the Restatement Effective Date which are materially different from the Interest Rate Hedge Agreements existing on the Restatement Effective Date (as such agreements may have been amended through such date).

(h) The Issuer shall enter into each Interest Rate Hedge Agreement only with an Eligible Interest Rate Hedge Provider. Each Interest Rate Hedge Agreement shall provide that if the Eligible Interest Rate Hedge Provider or any party providing credit support on its behalf suffers an Interest Rate Hedge Provider Required Rating Downgrade Event, the Interest Rate Hedge Provider will be required to post, within ten (10) Business Days of such Interest Rate Hedge Provider Required Rating Downgrade Event, collateral set forth in the applicable Interest Rate Hedge Agreement and execute a credit support annex in connection therewith. Failure to post collateral within such time shall constitute a termination event under the terms of the applicable Interest Rate Hedge Agreement. Such Interest Rate Hedge Provider may transfer (at its own cost), with the cooperation of the Issuer and the Manager, all of its rights and obligations under its Interest Rate Hedge Agreement to an Eligible Interest Rate Hedge Provider in accordance with the terms of its Interest Rate Hedge Agreement. Each Interest Rate Hedge Agreement shall also provide that if the Interest Rate Hedge Provider (or any party providing credit support identified in the Interest Rate Hedge Agreement or any credit support annex thereto on its behalf) suffers an Interest Rate Hedge Provider Required Rating Replacement Event, such Interest Rate Hedge Provider will be required to transfer (at its own cost) all of its rights and obligations under its Interest Rate Hedge Agreement to an Eligible Interest Rate Hedge Provider not later than thirty (30) Business Days after the occurrence of the Interest Rate Hedge Provider Required Rating Replacement Event. Upon the occurrence of an Interest Rate Hedge Provider Required Rating Replacement Event, any Series Enhancer shall have the right to direct the Issuer to terminate the applicable Interest Rate Hedge Agreement. The Issuer may,

with the prior written consent of each Series Enhancer and the Administrative Agent, or shall, at the direction of any Series Enhancer or the Administrative Agent, terminate the Interest Rate Hedge Agreement and simultaneously enter into a replacement Interest Rate Hedge Agreement in the event the Interest Rate Hedge Provider fails to post collateral or transfer its rights and interests under the Interest Rate Hedge Agreement in accordance with the terms of the Interest Rate Hedge Agreement.

(i) The Indenture Trustee shall, promptly after the Restatement Effective Date, establish a single segregated trust account (with separate subaccounts for each financial institution acting as an Interest Rate Hedge Provider) in the name of the Indenture Trustee (collectively, the "Counterparty Collateral Account"), which shall be held in trust in the name of the Indenture Trustee for the benefit of the Noteholders and any Series Enhancer under this Indenture and over which the Indenture Trustee shall have exclusive control and the sole right of withdrawal. Notwithstanding anything to the contrary in this section, investment earnings on amounts held in the Counterparty Collateral Account shall be remitted to the applicable Interest Rate Hedge Provider upon its written request and its representation that the request is in accordance with the terms of the applicable Interest Rate Hedge Agreement. The Indenture Trustee shall deposit all collateral received from an Interest Rate Hedge Provider under an Interest Rate Hedge Agreement in the Counterparty Collateral Account. Any and all funds at any time on deposit in, or otherwise held to the credit of, the Counterparty Collateral Account shall be held in trust by the Indenture Trustee for the benefit of the Noteholders and any Series Enhancer under this Indenture. The only permitted withdrawal from or application of funds on deposit in, or otherwise to the credit of the Counterparty Collateral Account shall be (i) for application to obligations of the applicable Interest Rate Hedge Provider to the Issuer under its Interest Rate Hedge Agreement if such Interest Rate Hedge Agreement becomes subject to early termination, or (ii) to return collateral or investment earnings to such Interest Rate Hedge Provider when and as required by such Interest Rate Hedge Agreement. Wells Fargo Bank, National Association as Indenture Trustee and as Securities Intermediary shall take all actions necessary to return collateral to any Interest Rate Hedge Provider as described in the preceding sentence including, without limitation, issuance of entitlement orders to any Securities Intermediary. All actions to be taken by an Interest Rate Hedge Provider under this Section 627 shall be at the expense of such Interest Rate Hedge Provider.

(j) Notwithstanding the foregoing, paragraphs (h) and (i) of this Section 627 shall not apply to confirmations issued pursuant to Interest Rate Hedge Agreements in effect as of the Restatement Effective Date.

Section 628. UNIDROIT Convention.

The Issuer shall comply with the terms and provisions of the UNIDROIT Convention or any other internationally recognized system for recording interests in or liens against shipping containers at the time that such convention is adopted by the container leasing industry.

Section 629. Other Information.

For so long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and the Issuer is not subject to Section 13 or 15(d) of the Exchange Act, the Issuer will, and shall cause Manager to, (i) provide or cause to be provided to any Holder of Notes and any prospective purchaser thereof designated by such a Holder, upon the request of such Holder or prospective purchaser, the information required to be provided to such Holder or prospective purchaser by Rule 144A(d)(4) under the Securities Act; and (ii) update such information to prevent such information from becoming materially false and materially misleading in a manner adverse to any Noteholder.

Section 630. Separate Identity.

The Issuer will be operated, or will cause itself to be operated, so that the Issuer will not be substantively consolidated with Textainer Limited, the Manager or any of their Affiliates.

Section 631. Purchase of Additional Containers.

The Issuer shall not use funds to be classified as an Issuer Expense to purchase additional Containers.

Section 632. Amendments of Members Agreement.

The Issuer shall provide the Rating Agencies with no less than ten (10) days prior written notice of any proposed amendment to the Members Agreement that would result in the occurrence of an Early Amortization Event of the type described in clause (9) of Section 1201 hereof.

ARTICLE VII

DISCHARGE OF INDENTURE; PREPAYMENTS

Section 701. Full Discharge.

Upon payment in full of the Aggregate Outstanding Obligations, the Indenture Trustee shall, at the request and at the expense of the Issuer, execute and deliver to the Issuer such deeds or other instruments as shall be requisite to evidence the satisfaction and discharge of this Indenture and the security hereby created with respect to the applicable Series, and to release the Issuer from its covenants contained in this Indenture and the related Supplement with respect to such Series. In connection with the satisfaction and discharge of the Indenture the Indenture Trustee shall be provided with and shall be entitled to conclusively rely upon an Opinion of Counsel stating that such satisfaction and discharge is authorized and permitted.

Section 702. Prepayment of Notes.

(a) Mandatory Prepayments. Unless otherwise specified in a Supplement, the Issuer shall be required to prepay the then unpaid principal balance of all, or a portion of, one or more Series of Notes then Outstanding if, on any Payment Date, the then Aggregate Principal Balance exceeds the Asset Base. Such Prepayment shall be in the amount of such Asset Base Deficiency and shall be paid in accordance with the priority of payments set forth in Section 302 hereof. The calculations referred to herein shall be evidenced by the Asset Base Report received by the Indenture Trustee on any Determination Date. Any such Prepayment shall be allocated, first to each Series of Warehouse Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of such Warehouse Notes, until the principal balances of all Warehouse Notes have been paid in full, and then to all Series of Term Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of each such Series of Term Notes. Notwithstanding the foregoing, if sufficient funds are not available to allow the Issuer to prepay the principal balance of the Warehouse Notes in an amount equal to the Asset Base Deficiency on such Payment Date, then the amount of any Supplemental Principal Payment Amount to be actually paid on such Payment Date shall be allocated among all Series of Notes then Outstanding (including the Term Notes) on a *pro rata* basis, in proportion to the then unpaid principal balance of such Notes.

(b) Voluntary Prepayments. So long as no Early Amortization Event is then continuing, the Issuer may, from time to time, make an optional Prepayment of principal of the Notes of a Series at the times, in the amounts and subject to the conditions and limitations set forth in the Supplement for the Series of Notes to be prepaid. If an Early Amortization Event is then continuing, all optional Prepayments made in accordance with the provisions of this Section 702(b) shall be applied in accordance with the applicable provisions of Section 302 hereof. The Issuer shall promptly confirm any telephonic notice of prepayment in writing. Any optional Prepayment of principal made by the Issuer pursuant to this Section 702(b) shall also include accrued interest to the date of the prepayment on the amount being prepaid. Any optional Prepayment made pursuant to the provisions of this Section 702(b) shall be accomplished by a deposit of funds directly into the Trust Account and, unless otherwise specified in the Supplement for any Series of Notes then Outstanding, may be applied by the Issuer to reduce the

unpaid principal balance of one or more Series of Notes then Outstanding, such Series to be selected in the sole discretion of the Issuer. Notice of any voluntary prepayment of a Series of Term Notes to be made by the Issuer pursuant to the provisions of this Section 702(b) shall be given by the Issuer to the Indenture Trustee and, if applicable, the Series of Notes to be prepaid, not later than the tenth (10 th) day prior to the date of such prepayment and not earlier than the Payment Date immediately preceding the date of such Prepayment.

(c) Repayment of Eligible Interest Rate Hedge Providers. If the Issuer has elected to make a voluntary Prepayment in accordance with the provisions of Section 702(b) above or is required to make a Prepayment in accordance with the provisions of Section 702(a) above, then in addition to such Prepayment, the Issuer shall pay such amount, including any termination payments, necessary (in each case as determined by the Administrative Agent and after taking account of payment priorities set forth in Section 302 hereunder) to reduce the aggregate notional balance of all outstanding transactions under the Interest Rate Hedge Agreements then in effect to the level required under Section 627(a) and not in excess of such requirements by more than the amounts set forth in Section 627(b)(ii) hereof. So long as no Early Amortization Event or Event of Default is then continuing, the Issuer (or the Manager on its behalf) may exercise its discretion in selecting the specific transactions and the notional amounts thereof to be terminated. If an Early Amortization Event or Event of Default is then continuing the outstanding transactions will be terminated on a *pro rata* basis, based on the respective notional amounts for each remaining calculation period so that the remaining notional amounts for all future calculation periods under such transactions shall comply with the requirements of Section 627(a) and not exceed such requirements by more than the amounts set forth in Section 627(b)(ii) hereof.

(d) Adjustment of Prospective Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts. In the event that the Issuer makes a prepayment of less than all of the aggregate unpaid principal balance of any Series of Term Notes in accordance with the provisions of Section 702(a) or Section 702(b), then the Issuer shall promptly (but in any event within five (5) Business Days after the date on which such Prepayment is made) thereafter recalculate (subject to verification by the Indenture Trustee) the Minimum Principal Payment Amount and Scheduled Principal Payment Amount for each future Payment Date for each such Series of Notes being prepaid by an amount equal to the quotient of (i) the aggregate amount of the prepayment received by such Series divided by (ii) the number of remaining Payment Dates to and including, (A) the Legal Final Payment Date (with respect to the Minimum Principal Payment Amount) or (B) the Expected Final Payment Date (with respect to the Scheduled Principal Payment Amount), for such Series of Notes.

Section 703. Unclaimed Funds.

In the event that any amount due to any Noteholder remains unclaimed, the Issuer shall, at its expense, cause to be published once, in the eastern edition of The Wall Street Journal notice that such money remains unclaimed. Any such unclaimed amounts shall not be invested by the Indenture Trustee (notwithstanding the provisions of Section 303 hereof) and no additional interest shall accrue on the related Note subsequent to the date on which such funds were available for distribution to such Noteholder. Any such unclaimed amounts shall be held by the Indenture Trustee in trust until the latest of (i) two (2) years after the date of the

publication described in the second preceding sentence, (ii) the date all other registered Noteholders of such Series shall have received full payment of all principal, interest, premium, if any, and other sums payable to them on such Notes or the Indenture Trustee shall hold (and shall have notified the registered Noteholders that it holds) in trust for that purpose an amount sufficient to make full payment thereof when due and (iii) the date the Issuer shall have fully performed and observed all its covenants and obligations contained in this Indenture and the related Supplement with respect to such Series of Notes. Thereafter, any such unclaimed amounts shall be paid to the Issuer by the Indenture Trustee on written demand; and thereupon each of the Indenture Trustee and the Issuer shall be released from all further liability with respect to such monies, and thereafter the registered Noteholders in respect of which such monies were so paid to the Issuer shall have no rights in respect thereof; provided, that if such money or any portion thereof had been previously deposited by the Series Enhancer with the Indenture Trustee for the payment of principal or interest on the Notes, to the extent any amounts are owing to the Series Enhancer, such amounts shall be paid promptly to the Series Enhancer.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES

Section 801. Event of Default.

"Event of Default", wherever used herein with respect to any Series of Notes, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority):

(i) default in (A) the payment on any Payment Date of any interest or premium, if any, then due and payable on any Series of Notes or (B) the payment on the Legal Final Payment Date of the then unpaid principal balance of any Series of Notes;

(ii) default in the payment of (A) any Indenture Trustee's Fees then due and payable, or (B) other amounts not dealt with in clause (i) above owing to the Noteholders of any Series or any Series Enhancer, and the continuation of such default for more than three (3) Business Days after the same shall have become due and payable in accordance with the terms of such Notes, this Indenture, the related Supplement or any other Related Documents;

(iii) default in the performance, or breach, of any covenant of the Issuer or a Seller in any Related Document (to the extent such breach is not otherwise addressed in this Section 801) which breach materially and adversely affects the interest of any Noteholder, any Interest Rate Hedge Provider or any Series Enhancer and continues for a period of sixty (60) days after the earliest of (i) any Authorized Officer of the Issuer or such Seller, as the case may be, first acquiring knowledge thereof, (ii) the Indenture Trustee's giving written notice thereof to the Issuer or such Seller, as the case may be, or (iii) any Noteholder or any Series Enhancer giving written notice thereof to the Issuer or such Seller, as the case may be, and the Indenture Trustee; *provided, however*, that if the Issuer or the Seller, as the case may be, is diligently attempting to effect such cure at the end of such sixty (60) day period, the Issuer or such Seller, as the case may be, shall be entitled to an additional sixty (60) day period in which to complete such cure; *provided, further*, that, no notice whatsoever shall be required with respect to any default in the due observance or performance of Section 603 hereof or of any negative covenant set forth in Sections 606, 607 (except clause (a)(4) thereof), 608, 609, 610, 611, 612, 613, 614, 615, 616, 622, 623, 630 or 631 hereof or Section 4.01(d) of the Contribution and Sale Agreement; *provided*, *further*, that no waiver by a Series Enhancer of an Event of Default of the type described in Section 801(viii) shall constitute a waiver of an Event of Default under this clause (iii) with respect to the default in the due observance or performance of the negative covenant set forth in Section 609 hereof.

(iv) any representation or warranty of the Issuer or the Seller made in any Related Document shall prove to be incorrect in any material respect as of the time when the same shall have been made which breach materially and adversely affects the interest of any Noteholder, any Interest Rate Hedge Provider or any Series Enhancer and continues and, if capable of cure, the continuance of such condition for a period of 30 days after the earliest of (i) any Authorized Officer of the Issuer or the Seller, as the case may be, first acquiring knowledge thereof, (ii) the Indenture Trustee's giving written notice thereof to the Issuer or the Seller, as the case may be, or (iii) any Noteholder or Series Enhancer giving written notice thereof to the Issuer or the Seller, as the case may be, and the Indenture Trustee; *provided, however*, that if the Issuer or the Seller, as the case may be, is diligently attempting to effect such cure at the end of such thirty (30) day period, the Issuer or the Seller, as the case may be, shall be entitled to an additional thirty (30) day period in which to complete such cure;

(v) the entry of a decree or order for relief by a court having jurisdiction in respect of the Issuer in any involuntary case under any applicable Insolvency Law, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, or sequestrator (or other similar official) for the Issuer or for any substantial part of its properties, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days;

(vi) the commencement by the Issuer of a voluntary case under any applicable Insolvency Law, or other similar law now or hereafter in effect, or the consent by the Issuer to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Issuer or any substantial part of its properties, or the making by the Issuer of any general assignment for the benefit of creditors, or the failure by the Issuer generally to pay its debts as they become due, or the taking of any action by the Issuer in furtherance of any such action;

(vii) all of the following conditions shall have occurred: (A) a Manager Default shall have occurred and then be continuing, (B) the Indenture Trustee (acting at the direction of the Requisite Global Majority) shall have directed the Issuer to appoint a Replacement Manager and (C) a Replacement Manager shall not have been identified and qualified pursuant to the Management Agreement by the fourth Payment Date after the occurrence of a Manager Default;

(viii) the Indenture Trustee shall fail to have a first priority perfected security interest in the Collateral (unless waived by each Series Enhancer);

(ix) the occurrence of a default by the Issuer, or the Manager on behalf of the Issuer, under the terms of any Related Document not otherwise addressed in this Section 801, and the continuation of such default for two (2) consecutive Payment Dates;

(x) as of any date of determination, the Aggregate Principal Balance shall exceed the sum of (A) the product of (i) one hundred percent (100%) and (ii) the Aggregate Net Book Value, plus (B) the product of (i) one hundred percent (100%) and (ii) the then current balance of the Restricted Cash Account;

(xi) any payment is made by a Series Enhancer under any Enhancement Agreement;

(xii) the Issuer is required to register as an Investment Company under the Investment Company Act of 1940, as amended; or

(xiii) the occurrence of a reportable event (within the meaning of Section 4043 of ERISA) with respect to any Plan maintained by the Issuer as to which the Pension Benefit Guaranty Corporation has not by regulation waived the requirement that it be notified thereof, or the occurrence of any event or condition with respect to a Plan which reasonably could be expected to result in any liability in excess of $250,000 or which actually results in the imposition of a Lien on the assets of the Issuer.

The occurrence of an Event of Default with respect to one Series of Notes, except to the extent waived in accordance with Section 813 hereof, shall constitute an Event of Default with respect to all other Series of Notes then Outstanding unless the related Supplement with respect to each such Series of Notes shall specifically provide to the contrary.

Section 802. Acceleration of Stated Maturity; Rescission and Annulment .

(a) Upon the occurrence of an Event of Default of type described in paragraph (v) or (vi) of Section 801, the unpaid principal balance of, and accrued interest on, all Series of Notes, together with all other amounts then due and owing to the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider shall become immediately due and payable without further action by any Person. Except as set forth in the immediately preceding sentence, if an Event of Default under Section 801 occurs and is continuing, then and in every such case the Indenture Trustee may, and shall at the direction of any of (A) any affected Noteholder in the case of the occurrence of an Event of Default of the type described in Section 801(i), (B) the respective Series Enhancer in the case of the occurrence of an Event of Default of the type described in Section 801(xi), or (C) the Requisite Global Majority in these and all other instances, declare the principal of and accrued interest on all Notes of all Series then Outstanding to be due and payable immediately, by a notice in writing to the Issuer and to the Indenture Trustee given by the Requisite Global Majority, and upon any such declaration such principal and accrued interest shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter in this Article provided, the Requisite Global Majority, by written notice to the Issuer and the Indenture Trustee, may rescind and annul such declaration and its consequences if:

(i) the Issuer has paid or deposited with the Indenture Trustee a sum sufficient to pay:

(A) all of the installments of interest and premium on and, if the Legal Final Payment Date has occurred with respect to any Series, principal of all Notes of such Series which were overdue prior to the date of such acceleration;

(B) to the extent that payment of such interest is lawful, interest at the applicable Overdue Rate on the amounts set forth in clause (A) above;

(C) all sums paid or advanced by the Indenture Trustee hereunder or the Manager and the reasonable compensation, out-of-pocket expenses, disbursements and advances of the Indenture Trustee, its agents and counsel incurred in connection with the enforcement of this Indenture;

(D) all amounts due to each Series Enhancer;

(E) all scheduled payments due under any Interest Rate Hedge Agreement, together with interest thereon in accordance with the terms thereof, and

(ii) all Events of Default, other than the nonpayment of the principal of or interest on Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 813 hereof.

No such rescission with respect to any Event of Default shall affect any subsequent Event of Default or impair any right consequent thereon, nor shall any such rescission affect any Interest Rate Hedge Agreement which has been terminated in accordance with its terms.

Section 803. Collection of Indebtedness.

The Issuer covenants that, if an Event of Default occurs and is continuing and a declaration of acceleration has been made under Section 802 and not rescinded, the Issuer will, upon demand of the Indenture Trustee, pay to the Indenture Trustee, for the benefit of the Noteholders of all Series then Outstanding and each Series Enhancer and each Interest Rate Hedge Provider, an amount equal to the sum of (i) the sum of (A) the whole amount then due and payable for all Series of Notes then Outstanding, (B) all amounts owing by the Issuer under any Interest Rate Hedge Agreement, and (C) such further amounts as shall be required to pay in full all of the Outstanding Obligations, including in each case, the costs and out-of-pocket expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Indenture Trustee the Requisite Global Majority, their agents and counsel incurred in connection with the enforcement of this Indenture, and (ii) to the extent that the payment of such interest is lawful, interest on the amount set forth in clause (i) at the applicable Overdue Rate with respect to the Notes and at the applicable default rate as set forth in the related Interest Rate Hedge Agreements or other Related Documents.

Section 804. Remedies.

If an Event of Default shall occur and be continuing, the Indenture Trustee, by such officer or agent as it may appoint, shall notify each Noteholder, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the applicable Rating Agencies, if any, of such Event of Default. So long as an Event of Default is continuing, the Indenture Trustee may, and shall if instructed by any of (A) any affected Noteholder in the case of the occurrence of an Event of Default of the type described in Section 801(i), (B) the respective Series Enhancer in the case of the occurrence of an Event of Default of the type described in Section 801(xi), or (C) the Requisite Global Majority in these and all other instances:

(i) institute any Proceedings, in its own name and as trustee of an express trust, for the collection of all amounts then due and payable on the Notes of all Series or under this Indenture or the related Supplement with respect thereto, whether by declaration or otherwise, enforce any judgment obtained, and collect from the Collateral and any other assets of the Issuer any monies adjudged due;

(ii) subject to the quiet enjoyment rights of any lessee of a Managed Container, sell (including any sale made in accordance with Section 816 hereof), hold or lease the Collateral or any portion thereof or rights or interest therein, at one or more public or private transactions conducted in any manner permitted by law;

(iii) institute any Proceedings from time to time for the complete or partial foreclosure of the Lien created by this Indenture with respect to the Collateral;

(iv) institute such other appropriate Proceedings to protect and enforce any other rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy;

(v) exercise any remedies of a secured party under the UCC or any Applicable Law and take any other appropriate action to protect and enforce the rights and remedies of the Indenture Trustee or the Noteholders hereunder;

(vi) appoint a receiver or a manager over the Issuer or its assets; and

(vii) if a Manager Default is then continuing, terminate the Management Agreement in accordance with its terms;

provided, however, that the prior consent of the Requisite Global Majority shall be required in order to take the actions set forth in clauses (ii), (iii), (v), (vi) and (vii) above.

Section 805. Indenture Trustee May Enforce Claims Without Possession of Notes.

(a) In all Proceedings brought by the Indenture Trustee (and also any Proceedings involving the interpretation of any provision of this Indenture to which the Indenture Trustee shall be a party), the Indenture Trustee shall be held to represent all of the Noteholders, and it shall not be necessary to make any Noteholder a party to any such Proceedings.

(b) All rights of action and claims under this Indenture, the related Supplement or any of the Notes may be prosecuted and enforced by the Indenture Trustee without the possession of such Notes or the production thereof in any Proceeding relating thereto, and any such Proceeding instituted by the Indenture Trustee shall be brought in its own name as trustee of an express trust, and any recovery whether by judgment, settlement or otherwise shall, after provision for the payment of the compensation, expenses, and disbursements incurred and advances made, by the Indenture Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Notes, subject to the subordination of payments among Classes of a particular Series as set forth in the related Supplement.

Section 806. Allocation of Money Collected. If the Notes of all Series have been declared due and payable following an Event of Default and such declaration and its consequences have not been rescinded or annulled, any money collected by the Indenture Trustee pursuant to this Article or otherwise and any other monies that may be held or thereafter received by the Indenture Trustee as security for such Notes shall be applied, to the extent permitted by law, in the following order, at the date or dates fixed by the Indenture Trustee:

FIRST: To the payment of all amounts due the Indenture Trustee under Section 905 hereof; and

SECOND: Any remaining amounts shall be distributed in accordance with Section 302(c)(III) hereof.

Section 807. Limitation on Suits.

Except with respect to an Event of Default of the type described in Section 801(i) hereof and solely to the extent permitted under clause (A) of Section 804 hereof, no Noteholder shall have the right to institute any Proceeding, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(i) such Holder has previously given written notice to the Indenture Trustee and the Requisite Global Majority of a continuing Event of Default;

(ii) the Requisite Global Majority shall have made written request to the Indenture Trustee to institute Proceedings in respect of such Event of Default in its own name as Indenture Trustee hereunder;

(iii) such Holder or Holders have offered to the Indenture Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities to

be incurred in compliance with such request (the unsecured indemnity of a Rated Institutional Noteholder being deemed satisfactory for such purpose);

(iv) the Indenture Trustee has, for thirty (30) days after its receipt by a Corporate Trust Officer of such notice, request and offer of security or indemnity, failed to institute any such Proceeding; and

(v) no direction inconsistent with such written request has been given to the Indenture Trustee during such thirty (30) day period by the Requisite Global Majority;

it being understood and intended that no one or more Noteholders shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Noteholder, or to obtain or to seek to obtain priority or preference over any other Noteholder (except to the extent provided in the related Supplement) or to enforce any right under this Indenture, except in the manner herein provided and for the benefit of all Noteholders.

Section 808. Unconditional Right of Holders to Receive Principal, Interest and Commitment Fees .

Notwithstanding any other provision of this Indenture, each Noteholder (including any Series Enhancer with respect to a Note) shall have the right, which is absolute and unconditional, to receive payment of the principal of, and interest, commitment fees and premiums in respect of such Note as such principal, interest and commitment fees becomes due and payable in accordance with the provisions of this Indenture and the related Supplement and to institute any Proceeding for the enforcement of such payment, and such rights shall not be impaired without the consent of such Holder or Series Enhancer.

Section 809. Restoration of Rights and Remedies .

If the Indenture Trustee, any Series Enhancer or any Holder has instituted any Proceeding to enforce any right or remedy under this Indenture or the related Supplement and such Proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Indenture Trustee, any Series Enhancer or to such Holder, then and in every such case, subject to any determination in such Proceeding, the Issuer, the Indenture Trustee, such Series Enhancer and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Indenture Trustee, such Series Enhancer and the Holders shall continue as though no such Proceeding had been instituted.

Section 810. Rights and Remedies Cumulative .

No right or remedy conferred upon or reserved to the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or to the Holders pursuant to this Indenture or any Supplement is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The

assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 811. Delay or Omission Not Waiver.

No delay or omission of the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider, or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee, by any Series Enhancer, by any Interest Rate Hedge Provider, or by the Holders, as the case may be.

Section 812. Control by Requisite Global Majority.

(a) Upon the occurrence of an Event of Default, the Requisite Global Majority shall have the right to direct in writing the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on the Indenture Trustee, *provided* that (i) such direction shall not be in conflict with any rule of law or with this Indenture, including, without limitation, Section 804 hereof and (ii) the Indenture Trustee may take any other action deemed proper by the Indenture Trustee which is not inconsistent with such direction.

(b) Notwithstanding the grant of a security interest to secure the Outstanding Obligations owing to the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and each Interest Rate Hedge Provider, all rights to direct actions or to exercise rights or remedies under this Indenture or the UCC (including those set forth in Section 804 hereof) shall be vested solely in the Requisite Global Majority and, by accepting the benefits of this Indenture, each Noteholder and Interest Rate Hedge Provider acknowledges such statement; provided, however, that nothing contained herein shall constitute a modification of Section 808, Section 813(b) or Section 816(d) hereof.

Section 813. Waiver of Past Defaults.

(a) The Requisite Global Majority may, on behalf of all Noteholders of all Series, waive any past Event of Default and its consequences, except an Event of Default

(i) in the payment of (x) the principal balance of any Note on the Legal Final Payment Date, (y) interest on any Note of any Series on any Payment Date, or (z) commitment fees or any Premium owed to any Series Enhancer in respect of any Note of any Series on any Payment Date, all of which defaults can be waived solely by the affected Noteholder or Series Enhancer, as the case may be, or

(ii) in respect of a covenant or provision hereof which cannot be modified or amended without the consent of all the Noteholders of all Series pursuant to Section 1002 of this Indenture.

(b) Upon any such waiver, such Event of Default shall cease to exist and shall be deemed to have been cured and not to have occurred for every purpose of this Indenture; *provided, however,* that no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon nor affect any Interest Rate Hedge Agreement which has been terminated in accordance with its terms.

Section 814. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Note by acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Indenture Trustee for any action taken, suffered or omitted by it as Indenture Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; *provided, however,* that the provisions of this Section shall not apply to any suit instituted by the Indenture Trustee or any Holder or group of Holders, holding in the aggregate more than ten percent (10%) of the aggregate principal balance of the Notes of all Series then Outstanding, or (ii) to any suit instituted by any Holder for the enforcement of (x) the payment of interest on any Notes on any Payment Date or (y) the payment of the principal of any Note on or after the Legal Final Payment Date of such Note.

Section 815. Waiver of Stay or Extension Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 816. Sale of Collateral.

(a) The power to effect any sale (a "Sale") of any portion of the Collateral pursuant to Section 804 hereof shall not be exhausted by any one or more Sales as to any portion of the Collateral remaining unsold, but shall continue unimpaired until the entire Collateral shall have been sold or the Aggregate Outstanding Obligations shall have been paid in full. The Indenture Trustee at the written direction of the Requisite Global Majority may from time to time postpone any Sale by public announcement made at the time and place of such Sale.

(b) Upon any Sale, whether made under the power of sale hereby given or under judgment, order or decree in any Proceeding for the foreclosure or involving the enforcement of this Indenture: (i) the Indenture Trustee, at the written direction of the Requisite Global Majority, may bid for and purchase the property being sold, and upon compliance with the terms of such Sale may hold, retain and possess and dispose of such property in accordance

with the terms of this Indenture; and (ii) the receipt of the Indenture Trustee or of any officer thereof making such Sale shall be a sufficient discharge to the purchaser or purchasers at such Sale for its or their purchase money, and such purchaser or purchasers, and its or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Indenture Trustee or of such officer therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misappropriation or non-application thereof.

(c) The Indenture Trustee shall execute and deliver an appropriate instrument of conveyance provided to it transferring its interest in any portion of the Collateral in connection with a Sale thereof. In addition, the Indenture Trustee is hereby irrevocably appointed the agent and attorney-in-fact of the Issuer to transfer and convey its interest (subject to lessee's rights of quiet enjoyment) in any portion of the Collateral in connection with a Sale thereof, and to take all action necessary to effect such Sale. No purchaser or transferee at such a Sale shall be bound to ascertain the Indenture Trustee's authority, inquire into the satisfaction of any conditions precedent or see to the application of any monies.

(d) The right of the Indenture Trustee to sell, transfer or otherwise convey any Interest Rate Hedge Agreement or any transaction outstanding thereunder, or to exercise foreclosure rights with respect thereto shall be subject to compliance with the provisions of the applicable Interest Rate Hedge Agreement.

Section 817. Action on Notes.

The Indenture Trustee's right to seek and recover judgment on the Notes under this Indenture or any Supplement shall not be affected by the seeking, obtaining or application of any other relief under or with respect to this Indenture or any Supplement. Neither the Lien of this Indenture nor any rights or remedies of the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or the Noteholders shall be impaired by the recovery of any judgment by the Indenture Trustee against the Issuer or by the levy of any execution under such judgment upon any portion of the Collateral or upon any of the assets of the Issuer.

ARTICLE IX

CONCERNING THE INDENTURE TRUSTEE

Section 901. Duties of Indenture Trustee.

The Indenture Trustee, prior to the occurrence of an Event of Default with respect to any Series or after the cure or waiver of any Event of Default with respect to any Series which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the related Supplement and no duties shall be inferred or implied. If an Event of Default with respect to any Series has occurred and is continuing, the Indenture Trustee, at the written direction of the Requisite Global Majority, shall exercise such of the rights and powers vested in it by this Indenture and the related Supplement, and use the same degree of care and skill in its exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

The Indenture Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to the Indenture Trustee which are specifically required to be furnished pursuant to any provisions of this Indenture and any applicable Supplement, shall determine whether they are substantially in the form required by this Indenture and any applicable Supplement; *provided, however,* that the Indenture Trustee shall not be responsible for the accuracy or content of any such resolution, certificate, statement, opinion, report, document, order or other instrument furnished pursuant to this Indenture and any applicable Supplement.

No provision of this Indenture or any Supplement shall be construed to relieve the Indenture Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; *provided, however,* that:

(i) Prior to the occurrence of an Event of Default and after the cure or waiver of any Event of Default which may have occurred, the duties and obligations of the Indenture Trustee shall be determined solely by the express provisions of this Indenture and any Supplements issued pursuant to the terms hereof. The Indenture Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture and any Supplements issued pursuant to the terms hereof, and no implied covenants or obligations shall be read into this Indenture against the Indenture Trustee and, in the absence of bad faith on the part of the Indenture Trustee, the Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates, statements, reports, documents, orders, opinions or other instruments (whether in their original or facsimile form) furnished to the Indenture Trustee and conforming to the requirements of this Indenture and any Supplements issued pursuant to the terms hereof;

(ii) The Indenture Trustee shall not be liable for an error of judgment made in good faith by a Corporate Trust Officer or Corporate Trust Officers,

unless it shall be proved that the Indenture Trustee was negligent in ascertaining the pertinent facts; and

(iii) The Indenture Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the Requisite Global Majority relating to the time, method and place of conducting any Proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee, under this Indenture.

No provision of this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate security or indemnity against such risk or liability is not reasonably assured to it (the unsecured indemnity of (A) a Rated Institutional Noteholder being deemed satisfactory for such purpose, unless the Indenture Trustee provides prior written notice to the contrary or (B) each Series Enhancer (so long as its claims paying ability is rated "AAA" or "Aaa", as applicable) upon such terms as may be reasonably acceptable to the Indenture Trustee being deemed satisfactory for such purpose).

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Indenture Trustee shall be subject to the provisions of this Section 901.

Section 902. Certain Matters Affecting the Indenture Trustee.

Except as otherwise provided in Section 901 hereof:

(i) The Indenture Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any Opinion of Counsel, certificate of an officer of the Issuer or the Manager, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) The Indenture Trustee may consult with counsel of its selection and any advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance in reliance thereof;

(iii) The Indenture Trustee shall be under no obligation to institute, conduct or defend any litigation or Proceeding hereunder or in relation hereto at the request, order or direction of the Requisite Global Majority, pursuant to the provisions of this Indenture, unless the Indenture Trustee shall have reasonable grounds for believing that it has security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby (the unsecured indemnity of (A) a Rated Institutional Noteholder being

deemed satisfactory for such purpose, unless the Indenture Trustee provides prior written notice to the contrary or (B) each Series Enhancer (so long as its claims paying ability is rated "AAA" or "Aaa", as applicable) being deemed satisfactory for such purpose);

(iv) The Indenture Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(v) The Indenture Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by the Requisite Global Majority; *provided*, *however,* that the Indenture Trustee may require reasonable security or indemnity satisfactory to it against any cost, expense or liability likely to be incurred in making such investigation as a condition to so proceeding (the unsecured indemnity of (A) a Rated Institutional Noteholder being deemed satisfactory for such purposes unless the Indenture Trustee provides prior written notice to the contrary) or (B) any Series Enhancer (so long as its claims paying ability is rated "AAA" or "'Aaa," as applicable,) being deemed satisfactory for such purpose). The expense of any such examination shall be paid, on a *pro rata* basis, by the Noteholders of the applicable Series requesting such examination or, if paid by the Indenture Trustee, shall be reimbursed by such Noteholders upon demand;

(vi) The Indenture Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys, and the Indenture Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder;

(vii) The Indenture Trustee shall not be charged with knowledge of any Event of Default unless either a Corporate Trust Officer shall have actual knowledge or written notice of such shall have been given to a Corporate Trust Officer of the Indenture Trustee; and

(viii) The rights, privileges, protections, immunities and benefits given to the Indenture Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Indenture Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

The provisions of this Section 902 shall be applicable to the Indenture Trustee in its capacity as Indenture Trustee under this Indenture.

Section 903. Indenture Trustee Not Liable.

(a) The recitals contained herein (other than the representations and warranties contained in Section 911 hereof), in any Supplement and in the Notes (other than the certificate of authentication on the Notes) shall be taken as the statements of the Issuer, and the Indenture Trustee assumes no responsibility for their correctness. The Indenture Trustee makes no representations as to the validity or sufficiency of this Indenture, any Supplement, the Notes, the Collateral or of any Related Document. The Indenture Trustee shall not be accountable for (i) the use or application by the Issuer of the proceeds of any Series or Class of Notes, and (ii) the use or application of any funds paid to the Issuer or the Manager in respect of the Collateral except for any payment in accordance with the Manager Report of amounts on deposit in any of the Trust Accounts.

(b) The Indenture Trustee shall have no responsibility or liability for or with respect to the existence or validity of any Managed Container, the perfection of any security interest (whether as of the date hereof or at any future time), the maintenance of or the taking of any action to maintain such perfection, the validity of the assignment of any portion of the Collateral to the Indenture Trustee or of any intervening assignment, the compliance by the Sellers or the Manager with any covenant or the breach by the Sellers or the Manager of any warranty or representation made hereunder, in any Supplement or in any Related Document or the accuracy of such warranty or representation, any investment of monies in the Trust Account, the Restricted Cash Account or any Series Account or any loss resulting therefrom (*provided* that such investments are made in accordance with the provisions of Section 303 hereof), or the acts or omissions of the Sellers or the Manager taken in the name of the Indenture Trustee.

(c) The Indenture Trustee shall not have any obligation or liability under any Contract by reason of or arising out of this Indenture or the granting of a security interest in such Contract hereunder or the receipt by the Indenture Trustee of any payment relating to any Contract pursuant hereto, nor shall the Indenture Trustee be required or obligated in any manner to perform or fulfill any of the obligations of the Issuer, the Sellers or the Manager under or pursuant to any Contract, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it, or the sufficiency of any performance by any party, under any Contract.

Section 904. Indenture Trustee May Own Notes.

The Indenture Trustee in its individual or any other capacity may become the owner or pledgee of Notes with the same rights it would have if it were not Indenture Trustee; *provided* that such transaction shall not result in the disqualification of the Indenture Trustee for purposes of Rule 3a-7 under the Investment Company Act of 1940.

Section 905. Indenture Trustee's Fees, Expenses and Indemnities.

(a) The Indenture Trustee Fees shall be paid by the Issuer in accordance with Section 302 hereof; *provided however,* that the Indenture Trustee Fees of the Indenture Trustee payable pursuant to Section 302 or 806 hereof shall not exceed Twenty Thousand Dollars ($20,000) per annum. The Issuer shall indemnify the Indenture Trustee (and any predecessor

Indenture Trustee) and each of its officers, directors and employees for, and hold them harmless against, any and all loss, liability, damage claim or expense incurred without negligence or willful misconduct on their part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself both individually and in its representative capacity against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder (the "Indenture Trustee Indemnified Amounts").

(b) The obligations of the Issuer under this Section 905 to compensate the Indenture Trustee, to pay or reimburse the Indenture Trustee for expenses, disbursements and advances and to indemnify and hold harmless the Indenture Trustee, shall constitute Outstanding Obligations hereunder and shall survive the resignation or removal of the Indenture Trustee and the satisfaction and discharge of this Indenture.

(c) When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 801(iii) or Section 801(iv), the expenses and the compensation for the services are intended to constitute expenses of administration under Insolvency Law.

Section 906. Eligibility Requirements for Indenture Trustee.

The Indenture Trustee hereunder shall at all times be a national banking association or a corporation, organized and doing business under the laws of the United States of America or any State, and authorized under such laws to exercise corporate trust powers. In addition, the Indenture Trustee or its parent corporation shall at all times (i) have a combined capital and surplus of at least Two Hundred Fifty Million Dollars ($250,000,000), (ii) be subject to supervision or examination by Federal or state authority and (iii) have a long-term unsecured senior debt rating of "A2" or better by Moody's and a long-term unsecured senior debt rating of "A" by Standard & Poor's and short-term unsecured senior debt rating of "P-1" or better by Moody's and a short-term unsecured senior debt rating of "A-2" by Standard & Poor's. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then, for the purposes of this Section 906, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of this Section, the Indenture Trustee shall resign immediately in the manner and with the effect specified in Section 907 hereof.

Section 907. Resignation and Removal of Indenture Trustee.

The Indenture Trustee may at any time resign and be discharged from the trusts hereby created by giving written notice thereof to the Issuer, the Manager, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the Noteholders. Upon receiving such notice of resignation, the Issuer at the direction and subject to the consent of the Requisite Global Majority shall promptly appoint a successor Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the resigning Indenture Trustee, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge

Provider and one copy to the successor Indenture Trustee. If no successor Indenture Trustee shall have been so appointed by the Issuer or the proposed successor Indenture Trustee has not accepted its appointment within thirty (30) days after the giving of such notice of resignation or removal, the Requisite Global Majority may appoint a successor trustee or, if it does not do so within thirty (30) days thereafter, the resigning Indenture Trustee, with the consent of the Administrative Agent and each Series Enhancer, may petition at the expense of the Issuer any court of competent jurisdiction for the appointment of a successor Indenture Trustee, which successor trustee shall meet the eligibility standards set forth in Section 906.

If at any time the Indenture Trustee shall cease to be eligible in accordance with the provisions of Section 906 hereof and shall fail to resign after written request therefor by the Issuer at the direction of the Requisite Global Majority, any Series Enhancer or the Administrative Agent, or if at any time the Indenture Trustee shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer at the direction of the Requisite Global Majority shall remove the Indenture Trustee and appoint a successor Indenture Trustee by written instrument, in duplicate, one copy of which instrument shall be delivered to the Indenture Trustee so removed and one copy to the successor Indenture Trustee.

Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor Indenture Trustee as provided in Section 908 hereof.

Section 908. Successor Indenture Trustee.

Any successor Indenture Trustee appointed as provided in Section 907 hereof shall execute, acknowledge and deliver to the Issuer and to its predecessor Indenture Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Indenture Trustee shall become effective and such successor Indenture Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Indenture Trustee herein. The predecessor Indenture Trustee shall deliver to the successor Indenture Trustee all documents relating to the Collateral, if any, delivered to it, together with any amount remaining in the Trust Account, Restricted Cash Account and any other Series Accounts. In addition, the predecessor Indenture Trustee and, upon request of the successor Indenture Trustee, the Issuer shall execute and deliver such instruments and do such other things as may reasonably be required for more fully and certainly vesting and confirming in the successor Indenture Trustee all such rights, powers, duties and obligations.

No successor Indenture Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Indenture Trustee shall be eligible under the provisions of Section 906 hereof and shall be acceptable to the Requisite Global Majority and each Interest Rate Hedge Provider.

Upon acceptance of appointment by a successor Indenture Trustee as provided in this Section, the Issuer shall mail notice of the succession of such Indenture Trustee hereunder to all Noteholders at their addresses as shown in the registration books maintained by the Indenture Trustee and to each Interest Rate Hedge Provider. If the Issuer fails to mail such notice within ten (10) days after acceptance of appointment by the successor Indenture Trustee, the successor Indenture Trustee shall cause such notice to be mailed at the expense of the Issuer.

Section 909. Merger or Consolidation of Indenture Trustee.

Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation succeeding to all or substantially all of the business of the Indenture Trustee, shall be the successor of the Indenture Trustee hereunder, *provided* such corporation shall be eligible under the provisions of Section 906 hereof, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 910. Separate Indenture Trustees, Co-Indenture Trustees and Custodians.

If the Indenture Trustee is not capable of acting outside the United States or of exercising trust powers within the United States, it shall have the power from time to time to appoint (subject to the prior approval of the Rating Agencies, or, if any Series of Notes is not then rated, the Administrative Agent) one or more Persons or corporations to act either as co-trustees jointly with the Indenture Trustee, or as separate trustees, or as custodians, for the purpose of holding title to, foreclosing or otherwise taking action with respect to any of the Collateral, when such separate trustee or co-trustee is necessary or advisable under any Applicable Laws or for the purpose of otherwise conforming to any legal requirement, restriction or condition in any applicable jurisdiction. The separate trustees, co-trustees, or custodians so appointed shall be trustees, co-trustees, or custodians for the benefit of all Noteholders and shall have such powers, rights and remedies as shall be specified in the instrument of appointment; *provided, however,* that no such appointment shall, or shall be deemed to, constitute the appointee an agent of the Indenture Trustee. The Issuer shall join in any such appointment, but such joining shall not be necessary for the effectiveness of such appointment.

Every separate trustee, co-trustee and custodian shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all powers, duties, obligations and rights conferred upon the Indenture Trustee in respect of the receipt, custody and payment of moneys shall be exercised solely by the Indenture Trustee;

(ii) all other rights, powers, duties and obligations conferred or imposed upon the Indenture Trustee shall be conferred or imposed upon and exercised or performed by the Indenture Trustee and such separate trustee, co-trustee, or custodian jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Indenture

Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Collateral or any portion thereof in any such jurisdiction) shall be exercised and performed by such separate trustee, co-trustee or custodian;

(iii) the Indenture Trustee shall not be personally liable for any act or omission of any separate trustee, co-trustee or custodian appointed by the Indenture Trustee; and

(iv) the Issuer or the Indenture Trustee may at any time accept the resignation of or remove any separate trustee, co-trustee or custodian so appointed by it or them if such resignation or removal does not violate the other terms of this Indenture.

Any notice, request or other writing given to the Indenture Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee, co-trustee, or custodian shall refer to this Indenture and the conditions of this Article. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Indenture Trustee or separately, as may be provided therein, subject to all the provisions of this Indenture, specifically including every provision of this Indenture relating to the conduct of, affecting the liability of, or affording protection to, the Indenture Trustee. Every such instrument shall be furnished to the Indenture Trustee, each Interest Rate Hedge Provider and each Series Enhancer.

Any separate trustee, co-trustees, or custodian may, at any time, constitute the Indenture Trustee, its agent or attorney-in-fact, with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Indenture on its behalf and in its name. If any separate trustee, co-trustee, or custodian shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies and trusts shall vest in and be exercised by the Indenture Trustee, to the extent permitted by law, without the appointment of a new or successor trustee or custodian.

No separate trustee, co-trustee or custodian hereunder shall be required to meet the terms of eligibility as a successor Indenture Trustee under Section 906 hereof and no notice to Noteholders of the appointment thereof shall be required under Section 908 hereof.

The Indenture Trustee agrees to instruct the co-trustees, if any, to the extent necessary to fulfill the Indenture Trustee's obligations hereunder.

Section 911. Representations and Warranties.

The Indenture Trustee hereby represents and warrants as of each Series Issuance Date that:

(a) Organization and Good Standing. The Indenture Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the

United States, and has the power to own its assets and to transact the business in which it is presently engaged;

(b) Authorization. The Indenture Trustee has the power, authority and legal right to execute, deliver and perform this Indenture and each Supplement and to authenticate the Notes, and the execution, delivery and performance of this Indenture and each Supplement and the authentication of the Notes has been duly authorized by the Indenture Trustee by all necessary corporate action;

(c) Binding Obligations. This Indenture and each Supplement, assuming due authorization, execution and delivery by the Issuer, constitutes the legal, valid and binding obligations of the Indenture Trustee, enforceable against the Indenture Trustee in accordance with its terms, except that (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws (whether statutory, regulatory or decisional) now or hereafter in effect relating to creditors' rights generally and the rights of trust companies in particular and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to certain equitable defenses and to the discretion of the court before which any Proceeding therefor may be brought, whether in a Proceeding at law or in equity;

(d) No Violation. The performance by the Indenture Trustee of its obligations under this Indenture and each Supplement will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice, lapse of time or both) a default under, the charter documents or bylaws of the Indenture Trustee;

(e) No Proceedings. There are no Proceedings or investigations to which the Indenture Trustee is a party pending, or, to the best of its knowledge without independent investigation, threatened, before any court, regulatory body, administrative agency or other tribunal or Governmental Authority (A) asserting the invalidity of this Indenture or the Notes, (B) seeking to prevent the issuance of the Notes or the consummation of any of the transactions contemplated by this Indenture or (C) seeking any determination or ruling that would materially and adversely affect the performance by the Indenture Trustee of its obligations under, or the validity or enforceability of, this Indenture or the Notes; and

(f) Approvals. Neither the execution or delivery by the Indenture Trustee of this Indenture nor the consummation of the transactions by the Indenture Trustee contemplated hereby requires the consent or approval of, the giving of notice to, the registration with or the taking of any other action with respect to any Governmental Authority under any existing federal or State of Minnesota law governing the banking or trust powers of the Indenture Trustee.

Section 912. Indenture Trustee Offices.

The Indenture Trustee shall maintain in the State of New York an office or offices or agency or agencies where Notes may be surrendered for registration of transfer or exchange, which office is currently located at Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, MN 55479, and shall promptly notify the Issuer, the Manager, each Interest Rate Hedge Provider, each Series Enhancer and the Noteholders of any change of such location.

Section 913. Notice of Event of Default.

If a Corporate Trust Officer shall have actual knowledge that an Event of Default with respect to any Series has occurred and be continuing, the Indenture Trustee shall promptly (but in any event within five (5) Business Days) give written notice thereof to the Noteholders, any Rating Agency, the Administrative Agent, each Interest Rate Hedge Provider and the Series Enhancer of such Series. For all purposes of this Indenture, in the absence of actual knowledge by a Corporate Trust Officer, the Indenture Trustee shall not be deemed to have actual knowledge of any Event of Default unless notified in writing thereof by the Issuer, any Seller, the Manager, any Series Enhancer, the Administrative Agent or any Noteholder, and such notice references the applicable Series of Notes generally, the Issuer, this Indenture or the applicable Supplement.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 1001. Supplemental Indentures Not Creating a New Series Without Consent of Holders .

(a) Without the consent of any Holder and based on an Opinion of Counsel in form and substance reasonably acceptable to the Requisite Global Majority to the effect that such Supplement is for one of the purposes set forth in clauses (i) through (ix) below, the Issuer and the Indenture Trustee, at any time and from time to time, may, in the case of clauses (i) through (viii) below with the prior consent of each Series Enhancer and with the consent of each affected Interest Rate Hedge Provider (if such proposed amendment would adversely affect the rights, duties or immunities of such Interest Rate Hedge Provider under this Indenture or otherwise), enter into one or more Supplements in form satisfactory to the Indenture Trustee, for any of the following purposes:

(i) to add to the covenants of the Issuer in this Indenture for the benefit of the Holders of all Series then Outstanding or of any Series Enhancer, or to surrender any right or power conferred upon the Issuer in this Indenture;

(ii) to cure any ambiguity, to correct or supplement any provision in this Indenture which may be inconsistent with any other provision in this Indenture, or to make any other provisions with respect to matters or questions arising under this Indenture;

(iii) to correct or amplify the description of any property at any time subject to the Lien of this Indenture, or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subjected to the Lien of this Indenture, or to subject additional property to the Lien of this Indenture;

(iv) to add to the conditions, limitations and restrictions on the authorized amount, terms and purposes of issue, authentication and delivery of the Notes, as herein set forth, or additional conditions, limitations and restrictions thereafter to be observed by the Issuer;

(v) to convey, transfer, assign, mortgage or pledge any additional property to or with the Indenture Trustee;

(vi) to evidence the succession of the Indenture Trustee pursuant to Article IX;

(vii) to add any additional Early Amortization Events or Events of Default;

(viii) to modify or alter the definition of the term “Eligible Container”; *provided* that the Rating Agency Condition has been met with respect to such proposed modification or alteration; or

(ix) to (A) extend the Conversion Date of the Series 2000-1 Notes in effect on the Restatement Effective Date (or any other Series of Warehouse Notes) on not more than two occasions in each case for not more than one year, and/or (B) increase the maximum commitment to fund under all of the Warehouse Notes to not more than Five Hundred Million Dollars ($500,000,000), *provided* notice is given to the Rating Agencies, no Event of Default or Early Amortization Event is existing on the date of such extension or would result from such an extension and all other necessary consents are obtained.

Prior to the execution of any Supplement issued pursuant to this Section 1001, the Issuer shall provide written notice to each Rating Agency and Series Enhancer setting forth in general terms the substance of any such Supplement.

(b) Promptly after the execution by the Issuer and the Indenture Trustee of any Supplement pursuant to this Section, the Issuer shall mail to the Holders of all Notes then Outstanding, each Rating Agency, the Administrative Agent, each Interest Rate Hedge Provider and Series Enhancer related to such Series, a notice setting forth in general terms the substance of such Supplement, together with a copy of the text of such Supplement. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

Section 1002. Supplemental Indentures Not Creating a New Series with Consent of Holders .

(a) With the consent of the Requisite Global Majority, each affected Series Enhancer and each affected Interest Rate Hedge Provider (if such proposed amendment would adversely affect such Interest Rate Hedge Provider's rights, duties or immunities under this Indenture or otherwise), the Issuer and the Indenture Trustee may enter into a Supplement hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders under this Indenture; *provided, however,* that no such Supplement shall, without the consent of the Holder of each Outstanding Note affected thereby:

(i) reduce the principal amount of any Note or the rate of interest thereon, change the priority of any such payments (other than to increase the priority thereof) required pursuant to this Indenture or any Supplement in a manner adverse to any Noteholder, or the date on which, or the amount of which, or the place of payment where, or the coin or currency in which, any Note or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Expected Final Payment Date thereof,

(ii) reduce the percentage of Outstanding Notes or Existing Commitments required for (a) the consent of any Supplement to this Indenture, (b) the consent required for any waiver of compliance with certain provisions of this Indenture or certain Events of Default hereunder and their consequences as provided for in this Indenture or (c) the consent required to waive any payment default on the Notes;

(iii) modify any provision of this Indenture or any Supplement which specifies that such provision cannot be modified or waived without the consent of the Holder of each Outstanding Note affected thereby;

(iv) except as set forth in clause (ix) of Section 1001(a) hereof, modify or alter the definition of the terms "Outstanding", "Requisite Global Majority", "Existing Commitment" or "Initial Commitment";

(v) impair or adversely affect the Collateral in any material respect as a whole except as otherwise permitted herein;

(vi) modify or alter Section 702(a) of this Indenture; or

(vii) permit the creation of any Lien ranking prior to or on a parity with the Lien of this Indenture with respect to any part of the Collateral or terminate the Lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Note of the security afforded by the Lien of this Indenture.

Prior to the execution of any Supplement issued pursuant to this Section 1002, the Issuer shall provide written notice to each Rating Agency, each Interest Rate Hedge Provider and each Series Enhancer setting forth in general terms the substance of any such Supplement.

(b) Promptly after the execution by the Issuer and the Indenture Trustee of any Supplement pursuant to this Section, the Issuer shall mail to the Holders of the Notes, each Rating Agency, the Administrative Agent, each Interest Rate Hedge Provider and Series Enhancer related to such Series, a notice setting forth in general terms the substance of such Supplement, together with a copy of the text of such Supplement. Any failure of the Issuer to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

Section 1003. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, a Supplement permitted by this Article or the modification thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Indenture. The Indenture Trustee may, but shall not be obligated to, enter into any such Supplement which affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 1004. Effect of Supplemental Indentures.

Upon the execution of any Supplement under this Article, this Indenture shall be modified in accordance therewith, and such Supplement shall form a part of this Indenture for all purposes, and every Holder of Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 1005. Reference in Notes to Supplemental Indentures.

Notes authenticated and delivered after the execution of any Supplement pursuant to this Article may, and shall if required by the Issuer, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such Supplement. If the Issuer shall so determine, new Notes so modified as to conform, in the opinion of the Indenture Trustee, may be prepared and executed by the Issuer and authenticated and delivered by the Indenture Trustee in exchange for Outstanding Notes.

Section 1006. Issuance of Series of Notes.

(a) The Issuer may from time to time direct the Indenture Trustee to execute and authenticate one or more Series of Notes as long as (i) the Rating Agency Condition has been met, (ii) no Early Amortization Event or Event of Default (or event or condition which with the passage of time or giving of notice or both would become an Early Amortization Event or an Event of Default) is then continuing (nor would occur as a result of the issuance of such additional Series) and (iii) all of the applicable conditions set forth Section 1006(b) of this Indenture have been satisfied.

(b) On or before the Series Issuance Date relating to any Series, the parties hereto will execute and deliver a Supplement which will specify the Principal Terms of such Series. The terms of such Supplement may modify or amend the terms of this Indenture solely as applied to such Series, and, with the consent of the Control Party for any other Series and each affected Interest Rate Hedge Provider, may amend this Indenture as applicable to such other Series, in accordance with Section 1001 or 1002 hereof. The obligation of the Indenture Trustee to authenticate, execute and deliver the Notes of such Series and to execute and deliver the related Supplement is subject to the satisfaction of the following conditions:

(i) on or before the tenth (10^{th}) Business Day immediately preceding the Series Issuance Date (unless the parties to be notified agree to a shorter notice period), the Issuer shall have given the Indenture Trustee, the Manager, each Rating Agency (and, if such additional Series is to be registered pursuant to the Securities Act, all Rating Agencies that have rated any prior Series), the Administrative Agent, each Interest Rate Hedge Provider and each Series Enhancer entitled thereto pursuant to the relevant Supplement notice of the Series and the Series Issuance Date;

(ii) the Issuer shall have delivered to the Indenture Trustee the related Supplement, in form satisfactory to the Indenture Trustee, executed by each party hereto other than the Indenture Trustee;

(iii) the Issuer shall have delivered to the Indenture Trustee any related Enhancement Agreement executed by each of the parties thereto and the Series Enhancer under such Enhancement Agreement shall have acknowledged in writing the terms of the Administration Agreement;

(iv) the Rating Agency Condition shall have been satisfied with respect to the Series;

(v) the Issuer shall have delivered to the Indenture Trustee, each Rating Agency, each Interest Rate Hedge Provider, each Series Enhancer and, if required, any Noteholder, any Opinions of Counsel required by the related Supplement, including without limitation with respect to true sale, enforceability, non-consolidation and security interest perfection issues;

(vi) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate stating that no Early Amortization Event or Event of Default (or event or condition which with the passage of time or giving of notice or both would become an Early Amortization Event or an Event of Default) has occurred and is then continuing (or would result from the issuance of such additional Series);

(vii) no additional Series of Notes shall (A) have a Legal Final Payment Date that is earlier than the Legal Final Payment Date for any Series of Notes then Outstanding (immediately prior to the issuance of such additional Series), or (B) include more restrictive provisions regarding Early Amortization Events or Events of Default than the equivalent provisions contained in any Series of Notes then Outstanding (immediately prior to the issuance of such additional Series);

(viii) written confirmation from an officer of the Manager that after giving effect to such proposed issuance, the aggregate unpaid principal balance of all Series of Notes then Outstanding does not exceed the Asset Base, as evidenced by the Asset Base Report most recently received by the Indenture Trustee (but not earlier than the preceding Payment Date);

(ix) such other conditions as shall be specified in the related Supplement; and

(x) the Issuer shall have delivered to the Indenture Trustee an Officer's Certificate that all of the conditions specified in clauses (i) through (viii) have been satisfied.

Upon satisfaction of the above conditions, the Indenture Trustee shall execute the Supplement and authenticate, execute and deliver the Notes of such Series.

ARTICLE XI

HOLDERS LISTS

Section 1101. Indenture Trustee to Furnish Names and Addresses of Holders . Unless otherwise provided in the related Supplement, the Indenture Trustee will furnish or cause to be furnished to the Manager and each Series Enhancer not more than ten (10) days after receipt of a request, a list, in such form as the Indenture Trustee generally maintains, of the names, addresses and tax identification numbers of the Holders of Notes as of such date.

Section 1102. Preservation of Information; Communications to Holders . The Indenture Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Indenture Trustee as provided in Section 1101 and the names and addresses of Holders received by the Indenture Trustee in its capacity as Note Registrar. The Indenture Trustee may destroy any list furnished to it as provided in Section 1101 upon receipt of a new list so furnished.

ARTICLE XII

EARLY AMORTIZATION EVENT

Section 1201. Early Amortization Event.

As of any date of determination, the existence of any one of the following events or conditions:

(1) A "default" or an "event of default" by TL, TEML or the Issuer under any Related Document (including an Event of Default hereunder) shall have occurred and then be continuing;

(2) A Manager Default shall have occurred and then be continuing;

(3) If on any Payment Date an Asset Base Deficiency exists, and such condition remains unremedied for a period of ten (10) consecutive Business Days without having been cured;

(4) The amount of any scheduled payment of interest then due and owing on the Notes of any Series then Outstanding is not paid in full;

(5) The EBIT Ratio of Issuer shall be less than 1.10:1.00;

(6) As of any Payment Date, the Asset Base is less than Fifty Million Dollars ($50,000,000);

(7) As of any Payment Date, the Weighted Average Age of the Eligible Containers is greater than eight (8) years;

(8) Any payment shall be made by a Series Enhancer under any Enhancement Agreement;

(9) Either of the following conditions shall exist as of any date of determination: (i) one or more Rated Institutional Persons own in aggregate less than fifteen percent (15%) of the issued and outstanding Class A Shares (as defined in the Issuer's bye-laws) of the Issuer, or (ii) one or more Rated Institutional Persons fail to maintain an aggregate Investment in the Issuer in an amount that is greater than or equal to the product of (x) three percent (3%) and (y) the then Aggregate Net Book Value; or

(10) The occurrence of an additional Early Amortization Event as specified in the related Supplement for any Series.

If the Early Amortization Event described in clause (5) has occurred, such breach shall be deemed cured if such condition does not exist on any subsequent Payment Date. Except as set forth in the immediately preceding sentence, if an Early Amortization Event exists on any Payment Date, then such Early Amortization Event shall be deemed to continue until the Business Day on which the Requisite Global Majority waives, in writing, such Early

Amortization Event. The Indenture Trustee shall promptly provide notice of any such waiver to each Rating Agency.

Section 1202. Remedies. Upon the occurrence of an Early Amortization Event, the Indenture Trustee shall have in addition to the rights provided in the Related Documents, all rights and remedies provided under all Applicable Laws.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 1301. Compliance Certificates and Opinions.

(a) Upon any application or request by the Issuer to the Indenture Trustee to take any action under any provision of this Indenture or any Supplement, the Issuer shall furnish to the Indenture Trustee a certificate stating that all conditions precedent, if any, provided for in this Indenture and any relevant Supplement relating to the proposed action have been complied with and, if deemed reasonably necessary by the Indenture Trustee or if required pursuant to the terms of this Indenture, an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

(b) Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether such covenant or condition has been complied with; and

(iv) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

Section 1302. Form of Documents Delivered to Indenture Trustee.

(a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(b) Any certificate or opinion may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous.

(c) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1303. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture or any Supplement to be given or taken by Holders may be (i) embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing, (ii) evidenced by the written consent or direction of Holders of the specified percentage of the principal amount of the Notes, or (iii) evidenced by a combination of such instrument or instruments; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments and record are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Indenture Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Indenture Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

Section 1304. Inspection.

(a) Upon reasonable request, the Issuer agrees that it shall make available to any representative of the Indenture Trustee, Administrative Agent, any Interest Rate Hedge Provider or any Series Enhancer and their duly authorized representatives, attorneys or accountants, for inspection and copying its books of account, records and reports relating to the Managed Containers and copies of all Leases or other documents relating thereto, all in the format which the Manager uses for its own operations. Such inspections shall be conducted during normal business hours and shall not unreasonably disrupt the business of the Manager. The Indenture Trustee, each Series Enhancer, each Interest Rate Hedge Provider and each Noteholder shall, and shall cause their respective representatives to, hold in confidence all such

information except to the extent disclosure may be required by law (and all reasonable applications for confidential treatment are unavailing). Each Noteholder, the Administrative Agent, each Series Enhancer, each Interest Rate Hedge Provider and the Indenture Trustee agrees that it and its Affiliates and their respective shareholders, directors, agents, representatives, accountants and attorneys shall keep confidential any matter of which any of them becomes aware through such inspections or discussions (unless readily available from public sources), except as may be otherwise required by regulation, law or court order or required by appropriate Governmental Authorities (and all reasonable applications for confidential treatment are unavailing) or as necessary to preserve their rights or security under or to enforce the Related Documents, *provided* that the foregoing shall not limit the right of any Series Enhancer or any Interest Rate Hedge Provider, as the case may be, to make such information available to its regulators, securities rating agencies, reinsurers and credit and liquidity providers whom such Series Enhancer or Interest Rate Hedge Provider, as the case may be, reasonably believes will respect the confidential nature of such information. Any expense incident to the reasonable exercise by the Indenture Trustee, any Series Enhancer, any Interest Rate Hedge Provider or any Noteholder of any right under this Section shall be borne by the Person exercising such right unless an Event of Default shall have occurred and then be continuing in which case such expenses shall be borne by the Issuer.

(b) The Issuer also agrees (i) to make available on a reasonable basis to the Indenture Trustee, Administrative Agent, each Interest Rate Hedge Provider, each Series Enhancer, any Noteholder or any Prospective Owner of a Note a Managing Officer for the purpose of answering reasonable questions respecting recent developments affecting the Issuer and (ii) to allow the Indenture Trustee, Administrative Agent, Interest Rate Hedge Provider, Series Enhancer or any Prospective Owner of a Note to inspect the Manager's facilities during normal business hours.

Section 1305. Limitation of Rights.

Except as expressly set forth in this Indenture, this Indenture shall be binding upon the Issuer, the Noteholders and their respective successors and permitted assigns and shall not inure to the benefit of any Person other than the parties hereto, the Noteholders and the Manager as provided herein. Notwithstanding the previous sentence, the parties hereto acknowledge that each Interest Rate Hedge Provider and the Series Enhancer for a Series of Notes is an express third party beneficiary hereof entitled to enforce its rights hereunder as if actually a party hereto.

Section 1306. Severability.

If any provision of this Indenture is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

The invalidity of any one or more phrases, sentences, clauses or Sections of this Indenture, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 1307. Notices.

All demands, notices and communications hereunder shall be in writing, personally delivered, or by facsimile (with subsequent telephone confirmation of receipt thereof), or sent by internationally recognized overnight courier service, (a) in the case of the Indenture Trustee, at the following address: Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota 55479, Attention: Corporate Trust Services/Asset-Backed Administration (b) in the case of the Issuer, at the following address: Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Telefax: (441) 295-4164, Attention: Senior Vice President—Asset Management, with a copy to each: (i) Textainer Equipment Management Limited at its address at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Telefax: (441) 295-4164, Attention: Senior Vice President—Asset Management, and (ii) Textainer Equipment Management (U.S.) Limited at its address at 650 California Street, 16th floor, San Francisco, CA 94108, Telephone: (415) 658-8363, Telefax: (415) 434-0599, Attention: Senior Vice President—Asset Management, (c) in the case of each Rating Agency, its address set forth in the related Supplement, (d) in the case of a Series Enhancer, at its address set forth in the related Supplement, or at such other address as shall be designated by such party in a written notice to the other parties, and (e) in the case of an Interest Rate Hedge Provider, at its address set forth in the related Interest Rate Hedge Agreement, or at such other address as shall be designated by such party in a written notice to the other parties. Any notice required or permitted to be given to a Noteholder shall be given by certified first class mail, postage prepaid (return receipt requested), or by courier, or by facsimile, with subsequent telephone confirmation of receipt thereof, in each case at the address of such Holder as shown in the Note Register or to the telephone and fax number furnished by such Noteholder. Notice shall be effective and deemed received (a) two (2) days after being delivered to the courier service, if sent by courier, (b) upon receipt of confirmation of transmission, if sent by telecopy, or (c) when delivered, if delivered by hand. Any rights to notices conveyed to a Rating Agency pursuant to the terms of this Indenture with respect to any Series or Class shall terminate immediately if such Rating Agency no longer has a rating outstanding with respect to such Series or Class.

Section 1308. Consent to Jurisdiction.

ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS INDENTURE, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, STATE OF NEW YORK AND THE ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS INDENTURE, THE ISSUER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE ISSUER HEREBY IRREVOCABLY APPOINTS AND DESIGNATES NATIONAL CORPORATE RESEARCH LTD., HAVING AN ADDRESS AT 225 W. 34TH STREET, NEW YORK, NEW YORK 10122, ITS TRUE AND LAWFUL ATTORNEY-IN-FACT AND DULY AUTHORIZED AGENT FOR THE LIMITED PURPOSE OF ACCEPTING SERVICING OF LEGAL PROCESS AND THE ISSUER AGREES THAT SERVICE OF PROCESS UPON SUCH PARTY SHALL

CONSTITUTE PERSONAL SERVICE OF SUCH PROCESS ON SUCH PERSON. THE ISSUER SHALL MAINTAIN THE DESIGNATION AND APPOINTMENT OF SUCH AUTHORIZED AGENT UNTIL ALL AMOUNTS PAYABLE UNDER THIS INDENTURE SHALL HAVE BEEN PAID IN FULL. IF SUCH AGENT SHALL CEASE TO SO ACT, THE ISSUER SHALL IMMEDIATELY DESIGNATE AND APPOINT ANOTHER SUCH AGENT SATISFACTORY TO THE INDENTURE TRUSTEE AND SHALL PROMPTLY DELIVER TO THE INDENTURE TRUSTEE EVIDENCE IN WRITING OF SUCH OTHER AGENT'S ACCEPTANCE OF SUCH APPOINTMENT.

Section 1309. Captions.

The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 1310. Governing Law.

THIS INDENTURE SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF NEW YORK GENERAL OBLIGATIONS LAW, BUT WITHOUT GIVING EFFECT TO ANY OTHER PRINCIPLES OF CONFLICTS OF LAW, AND THE RIGHTS, OBLIGATIONS AND REMEDIES OF THE PARTIES HERETO SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 1311. No Petition.

The Indenture Trustee, on its own behalf, hereby covenants and agrees, and each Noteholder by its acquisition of a Note shall be deemed to covenant and agree, that it will not institute against the Issuer any bankruptcy, reorganization, arrangement insolvency or liquidation Proceedings, or other Proceedings under any federal or state bankruptcy or similar law, at any time other than on a date which is at least one (1) year and one (1) day after the later of (a) the last date on which any Note of any Series was Outstanding and (b) the date on which all amounts owing to each Series Enhancer pursuant to the terms of this Indenture and the related Insurance Agreements have been paid in full.

Section 1312. General Interpretive Principles.

For purposes of this Indenture except as otherwise expressly provided or unless the context otherwise requires:

(a) the defined terms in this Indenture shall include the plural as well as the singular, and the use of any gender herein shall be deemed to include any other gender;

(b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date hereof;

(c) references herein to “Articles”, “Sections”, “Subsections”, “paragraphs”, and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, paragraphs and other subdivisions of this Indenture;

(d) a reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule shall also apply to paragraphs and other subdivisions;

(e) the words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular provision;

(f) the term “include” or “including” shall mean without limitation by reason of enumeration; and

(g) When referring to Section 302 or Section 806 of this Indenture, the term “or” shall be additive and not exclusive.

Section 1313. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OTHER OPERATIVE DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

Section 1314. Waiver of Immunity. To the extent that any party hereto or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal actions, suits or Proceedings, from set-off or counterclaim, from the jurisdiction or judgment of any competent court, from service of process, from execution of a judgment, from attachment prior to judgment, from attachment in aid of execution, or from execution prior to judgment, or other legal process in any jurisdiction, such party, for itself and its successors and assigns and its property, does hereby irrevocably and unconditionally waive, and agrees not to plead or claim, any such immunity with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Indenture, the other Related Documents or the subject matter hereof or thereof, subject, in each case, to the provisions of the Related Documents and mandatory requirements of Applicable Law.

Section 1315. Judgment Currency. The parties hereto (A) acknowledge that the matters contemplated by this Indenture are part of an international financing transaction and (B) hereby agree that (i) specification and payment of Dollars is of the essence, (ii) Dollars shall be the currency of account in the case of all obligations under the Related Documents unless otherwise expressly provided herein or therein, (iii) the payment obligations of the parties under the Related Documents shall not be discharged by an amount paid in a currency or in a place other than that specified with respect to such obligations, whether pursuant to a judgment or otherwise, except to the extent actually received by the Person entitled thereto and converted into Dollars by such Person (it being understood and agreed that, if any transaction party shall so

receive an amount in a currency other than Dollars, it shall (A) if it is not the Person entitled to receive payment, promptly return the same (in the currency in which received) to the Person from whom it was received or (B) if it is the Person entitled to receive payment, either, in its sole discretion, (x) promptly return the same (in the currency in which received) to the Person from whom it was received or (y) subject to reasonable commercial practices, promptly cause the conversion of the same into Dollars), (iv) to the extent that the amount so paid on prompt conversion to Dollars under normal commercial practices does not yield the requisite amount of Dollars, the obligee of such payment shall have a separate cause of action against the party obligated to make the relevant payment for the additional amount necessary to yield the amount due and owing under the Related Documents, (v) if, for the purpose of obtaining a judgment in any court with respect to any obligation under any of the Related Documents, it shall be necessary to convert to any other currency any amount in Dollars due thereunder and a change shall occur between the rate of exchange applied in making such conversion and the rate of exchange prevailing on the date of payment of such judgment, the obligor in respect of such obligation will pay such additional amounts (if any) as may be necessary to insure that the amount paid on the date of payment is the amount in such other currency which, when converted into Dollars and transferred to New York City, New York, in accordance with normal banking procedures, will result in realization of the amount then due in Dollars and (vi) any amount due under this paragraph shall be due as a separate debt and shall not be affected by or merged into any judgment being obtained for any other sum due under or in respect of the Related Documents.

Section 1316. Statutory References. References in this Indenture and each other Related Document for any Series to any section of the Uniform Commercial Code or the UCC shall mean, on or after the effective date of adoption of any revision to the Uniform Commercial Code or the UCC in the State of New York, such revised or successor section thereto.

Section 1317. Transactions Under Prior Agreement. On the Restatement Effective Date, the Prior Agreement shall be amended and restated as provided in this Indenture and shall be superseded by this Indenture. The terms and conditions of this Indenture shall apply to all of the rights, obligations and remedies incurred by the Issuer under the Prior Agreement, and the Issuer agrees that this Indenture is not intended to constitute a discharge of the rights, obligations and remedies existing under the Prior Agreement.

Section 1318. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Indenture to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By: /s/ D. R. Cottingham
Name: D. R. Cottingham
Title: Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Marianna C. Stershic
Name: Marianna C. Stershic
Title: Vice President

EXHIBIT A

FORM OF ASSET BASE REPORT

EXHIBIT B

DEPRECIATION METHODS BY TYPE OF CONTAINER

Depreciation Methods - GAAP

A new container is depreciated using the straight-line method, over its estimated useful life of twelve (12) years to an estimated residual value of twenty-eight percent (28%) of the Original Equipment Cost of such container. A used container is depreciated based upon its remaining useful life at the date of acquisition to an estimated residual value determined at the date of purchase.

EXHIBIT C

FORM OF PURCHASER LETTER

(Transfers pursuant to Rule 144A)

FOR VALUE RECEIVED the undersigned registered Holder (the "Seller") hereby sell(s), assign(s) and transfer(s) unto (please print or type name and address including postal zip code of assignee):

_____

_____

_____(The "Purchaser"), Taxpayer Identification No. _____, the accompanying [Series _____Asset Backed Note bearing number _____] and all rights thereunder, hereby irrevocably constituting and appointing _____attorney to transfer said Note on the books of the Issuer with full power of substitution in the premises.

1. In connection with such transfer and in accordance with Section 205 of the Second Amended and Restated Indenture (as amended or supplemented from time to time as permitted thereby, the "Indenture"), dated as of _____, 2005, between Textainer Marine Containers Limited and Wells Fargo Bank, National Association (the "Indenture Trustee"), the Seller hereby certifies the following facts: Neither the Seller nor anyone acting on its behalf has (a) offered, transferred, pledged, sold or otherwise disposed of the Note, any interest in the Note or any other similar security, (b) solicited any offer to buy or accept a transfer, pledge or other disposition of the Note, any interest in the Note or any other similar security from, any Person in any manner, or (c) made any general solicitation by means of general advertising or in any other manner, or taken any other action which would constitute a distribution of the Note under the Securities Act of 1933, as amended (the "1933 Act"), or which would render the disposition of the Note a violation of Section 5 of the 1933 Act or require registration pursuant thereto.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Indenture, or if not defined therein, as defined in the [Amended and Restated] Series _____Supplement, dated as of _____, between the Issuer and the Indenture Trustee.

2. The Purchaser warrants and represents to, and covenants with, the Seller, the Indenture Trustee and the Manager pursuant to Section 205 of the Indenture as follows:

a. The Purchaser understands that the Note has not been registered under the 1933 Act or the securities laws of any State.

b. The Purchaser is acquiring the Note for investment for its own account only and not for any other Person.

c. The Purchaser considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Note.

d. The Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the 1933 Act ("Rule 144A") and has completed either of the forms of certification to that effect attached hereto as Annex 1 or Annex 2. The Purchaser is aware that the sale to it is being made in reliance on Rule 144A. The Purchaser is acquiring the Note for its own account or for the account of another qualified institutional buyer, understands that such Note may be offered, resold, pledged or transferred only (i) to a qualified institutional, buyer, or to an offeree or purchaser that the Purchaser reasonably believes is a qualified institutional buyer, that purchases for its own account or for the account of another qualified institutional buyer to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, or (ii) pursuant to another exemption from registration under the 1933 Act.

e. The Purchaser is not a Competitor.

3. The Purchaser represents to the Indenture Trustee, the Issuer and the Manager or any successor Manager that one of the following statements is true and correct: (i) the purchaser is not an "employee benefit plan" within the meaning of Section 3(3) of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code ("Benefit Plan") and it is not directly or indirectly acquiring the Notes on behalf of, as investment manager of, as named fiduciary of, as trustee of, or with assets of, a Benefit Plan, (ii) the acquisition will qualify for a statutory or administrative prohibited transaction exemption under ERISA and the Code and will not give rise to a non-exempt transaction described in Section 406 of ERISA or Section 4975(c) of the Code, (iii) the source of funds (the "Source") to be used by the Purchaser to pay the purchase price of the Notes is a guaranteed benefit policy within the meaning of Section 401(b)(2)(B) of ERISA, or (iv) the Source to be used by the purchaser to pay the purchase price of the Notes is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995), and there is no "employee benefit plan" or "plan" (within the meaning of Section 3(3) of ERISA or Section 4975(e)(1) of the Code as applicable, and treating as a single plan, all plans maintained by the same employer (or an affiliate within the meaning of Section V(a)(1) of PTE 95-60) or employee organization) with respect to which the amount of the reserves and liabilities for the general account contracts held by or on behalf of such plan, as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "NAIC Annual Statement"), exceed ten percent (10%) of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with the Purchaser's state of domicile.

4. This document may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same document.

IN WITNESS WHEREOF, each of the parties have caused this document to be executed by their duly authorized officers as of the date set forth below.

Seller	Purchaser
By: _____	By: _____
Name:	Name:
Title:	Title:
Taxpayer Identification No.:	Taxpayer Identification No.:
Date: _____	Date: _____

ANNEX 1 TO EXHIBIT C

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Purchasers Other Than Registered Investment Companies]

The undersigned hereby certifies as follows to the parties identified in Section 2 of the attached Purchaser Letter:

1. As indicated below, the undersigned is the President, Chief Financial Officer, Senior Vice President or other senior executive officer of the Purchaser.

2. The Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because (i) the Purchaser owned and/or invested on a discretionary basis $ _____[1] in securities (except for the excluded securities referred to in paragraph 3 below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A) and (ii) the Purchaser satisfies the criteria in the category marked below.

_____ Corporation etc. The Purchaser is a corporation (other than a bank, savings and loan association or similar institution), a Massachusetts or similar business trust, a partnership, or a charitable organization described in Section 501(c)(3) of the Internal Revenue Code.

_____ Bank. The Purchaser (a) is a national bank or banking institution organized under the laws of any State, territory or the District of Columbia, the business of which is substantially confined to banking and is supervised by the State or territorial banking commission or similar official or is a foreign bank or equivalent institution, and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

_____ Savings and Loan. The Purchaser (a) is a savings and loan association, building and loan association, cooperative bank, homestead association or similar institution, which is supervised and examined by a state or federal authority having supervision over any such institutions, or is a foreign savings and loan association or equivalent institution and (b) has an audited net worth of at least $25,000,000 as demonstrated in its latest annual financial statements, a copy of which is attached hereto.

_____ Broker-dealer. The Purchaser is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934.

---

[1] Buyer must own and/or invest on a discretionary basis at least $100,000,000 in securities unless Buyer is a dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, and, in that case, Buyer must own and/or invest on a discretionary basis at least $10,000,000 in securities.

_____ Insurance Company. The Purchaser is organized as an insurance company whose primary and predominant business activity is the writing of insurance or the reinsuring of risks underwritten by insurance companies, and which is subject to supervision by the insurance commissioner or a similar official or agency of a State, territory or the District of Columbia.

_____ State or Local Plan. The Purchaser is a plan established and maintained by a State, its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, for the benefit of its employees.

_____ ERISA Plan. The Purchaser is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974.

_____ Investment Advisor. The Purchaser is an investment advisor registered under the Investment Advisers Act of 1940.

3. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser, (ii) securities that are part of an unsold allotment to or subscription by the Purchaser, if the Purchaser is a dealer, (iii) securities issued or guaranteed by the U.S. or any instrumentality thereof, (iv) bank deposit notes and certificates of deposit, (v) loan participations, (vi) repurchase agreements, (vii) securities owned but subject to a repurchase agreement and (viii) currency, interest rate and commodity swaps.

4. For purposes of determining the aggregate amount of securities owned and/or invested on a discretionary basis by the Purchaser, the Purchaser used the cost of such securities to the Purchaser (except as provided in Rule 144A(a)(3)) and did not include any of the securities referred to in the preceding paragraph. Further, in determining such aggregate amount, the Purchaser may have included securities owned by subsidiaries of the Purchaser, but only if such subsidiaries are consolidated with the Purchaser in its financial statements prepared in accordance with generally accepted accounting principles and if the investments of such subsidiaries are managed under the Purchaser's direction. However, such securities were not included if the Purchaser is a majority-owned, consolidated subsidiary of another enterprise and the Purchaser is not itself a reporting company under the Securities Exchange Act of 1934.

5. The Purchaser acknowledges that it is familiar with Rule 144A and understands that the seller to it and other parties related to the Notes are relying and will continue to rely on the statements made herein because one or more sales to the Purchaser may be in reliance on Rule 144A.

_____	_____	Will the Purchaser be purchasing the
Yes	No	Certificate only for Purchaser's own account?

6. If the answer to the foregoing question is "no", the Purchaser agrees that, in connection with, any purchase of securities sold to the Purchaser for the account of a third party (including any separate account) in reliance on Rule 144A, the Purchaser will only purchase for the account of a third party that at the time is a "qualified institutional buyer" within the meaning of Rule 144A. In addition, the Purchaser agrees that the Purchaser will not purchase

securities for a third party unless the Purchaser has obtained a certificate from such third party substantially identical to this certification or taken other appropriate steps contemplated by Rule 144A to conclude that such third party independently meets the definition of "qualified institutional buyer" set forth in Rule 144A.

7. The Purchaser will notify each of the parties to which this certification is made of any changes in the information and conclusions herein. Until such notice is given, the Purchaser's purchase of the Note will constitute a reaffirmation of this certification as of the date of such purchase.

_____
Print Name of Purchaser

By: _____
Name:
Title:

Date: _____

ANNEX 2 TO EXHIBIT C

QUALIFIED INSTITUTIONAL BUYER STATUS UNDER SEC RULE 144A

[For Purchasers That Are Registered Investment Companies]

The undersigned hereby certifies as follows to the parties identified in Section 2 of the attached Purchaser Letter:

1. As indicated below, the undersigned is the President, Chief Financial Officer or Senior Vice President or other senior executive officer of the Purchaser or, if the Purchaser is a "qualified institutional buyer" as that term is defined in Rule 144A under the Securities Act of 1933 ("Rule 144A") because Purchaser is part of a Family of Investment Companies (as defined below), is such an officer of the adviser.

2. The Purchaser is a "qualified institutional buyer" as defined in SEC Rule 144A because (i) the Purchaser is an investment company registered under the Investment Company Act of 1940, and (ii) as marked below, the Purchaser alone, or the Purchaser's Family of Investment Companies, owned at least $100,000,000 in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year. For purposes of determining the amount of securities owned by the Purchaser or the Purchaser's Family of Investment Companies, the cost of such securities was used (except as provided in Rule 144(a)(3)).

_____ The Purchaser owned $_____in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

_____ The Purchaser is part of a Family of Investment Companies which owned in the aggregate $ _____in securities (other than the excluded securities referred to below) as of the end of the Purchaser's most recent fiscal year (such amount being calculated in accordance with Rule 144A).

3. The term "Family of Investment Companies" as used herein means two or more registered investment companies (or series thereof), except for a unit investment trust whose assets consist solely of shares on one or more registered investment companies that have the same investment adviser or investment advisers that are affiliated (by virtue of being majority owned subsidiaries of the same parent or because one investment adviser is a majority owned subsidiary of the other), or, in the case of unit investment trusts, the same depositor.

4. The term "securities" as used herein does not include (i) securities of issuers that are affiliated with the Purchaser or are part of the Purchaser's Family of Investment Companies, (ii) securities issued or guaranteed by the U.S. or any instrumentality thereof, (iii) bank deposit notes and certificates of deposit, (iv) loan participations, (v) repurchase agreements, (vi) securities owned but subject to a repurchase agreement and (vii) currency, interest rate and commodity swaps.

5. The Purchaser acknowledges that it is familiar with Rule 144A and understands that the seller to it and the other parties related to the Note are relying and will continue to rely on the statements made herein because one or more sales to the Purchaser will be in reliance on Rule 144A.

6. The undersigned will notify the parties addressed the Purchaser Letter to which this certification relates of any changes in the information and conclusions herein. Until such notice, the Purchaser's purchase of the Note will constitute a reaffirmation of this certification by the undersigned as of the date of such purchase.

_____

Print Name of Purchaser or Adviser

By: _____

Name:

Title:

IF AN ADVISER:

_____

Print Name of Purchaser

Date:

EXHIBIT D

FORM OF PURCHASER CERTIFICATION

(Transfers other than Rule 144A)

FOR VALUE RECEIVED the undersigned registered Holder (the "Seller") hereby sell(s), assign(s) and transfer(s) unto (please print or type name and address including postal zip code of assignee):

_____

_____

_____(the "Purchaser"), Taxpayer Identification No._____the accompanying Series _____Asset Backed Note bearing number _____(the "Note") and all rights thereunder, hereby irrevocably constituting and appointing _____attorney to transfer said Note on the books of the Issuer with full power of substitution in the premises.

1. In connection with such transfer and in accordance with Section 205 of the Second Amended and Restated Indenture (as amended or supplemented from time to time as permitted thereby, the "Indenture"), dated as of May 26, 2005, between Textainer Marine Containers Limited and Wells Fargo Bank, National Association (the "Indenture Trustee") the Seller hereby certifies the following facts: Neither the Seller nor anyone acting on its behalf has (a) offered, transferred, pledged, sold or otherwise disposed of the Note, any interest in the Note or any other similar security, or (b) solicited any offer to buy or accept a transfer, pledge or other disposition of the Note, any interest in the Note or any other similar security from, any Person in any manner, or (c) made any general solicitation by means of general advertising or in any other manner, or taken any other action which would constitute a distribution of the Note under the Securities Act of 1933, as amended (the "1933 Act"), or which would render the disposition of the Note a violation of Section 5 of the 1933 Act or require registration pursuant thereto.

Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the Indenture, or if not defined therein, as defined in the [Amended and Restated] Series _____ Supplement, dated as of _____, between the Issuer and the Indenture Trustee.

2. The Purchaser warrants and represents to, and covenants with, the Seller, the Indenture Trustee and the Manager pursuant to Section 205 of the Indenture as follows:

a. The Purchaser understands that the Note has not been registered under the 1933 Act or the securities laws of any State.

b. The Purchaser is acquiring the Note for investment for its own account only and not for any other Person.

c. The Purchaser is an institutional accredited investor within the meaning of Rule 501(a)(1), (2), (3) or (7) under the 1933 Act.

d. The Purchaser considers itself a substantial, sophisticated institutional investor having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of investment in the Note.

e. The Purchaser is not a Competitor.

3. The Purchaser represents to the Indenture Trustee, the Issuer and the Manager or any successor Manager that one of the following statements is true and correct: (i) the purchaser is not an "employee benefit plan" within the meaning of Section 3(3) of ERISA or a "plan" within the meaning of Section 4975(e)(1) of the Code ("Benefit Plan") and it is not directly or indirectly acquiring the Notes on behalf of, as investment manager of, as named fiduciary of, as trustee of, or with assets of, a Benefit Plan, (ii) the acquisition will qualify for a statutory or administrative prohibited transaction exemption under ERISA and the Code and will not give rise to a non-exempt transaction described in Section 406 of ERISA or Section 4975(c) of the Code, (iii) the source of funds (the "Source") to be used by the Purchaser to pay the purchase price of the Notes is a guaranteed benefit policy within the meaning of Section 401(b)(2)(B) of ERISA, or (iv) the Source to be used by the purchaser to pay the purchase price of the Notes is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995), and there is no "employee benefit plan" or "plan" (within the meaning of Section 3(3) of ERISA or Section 4975(e)(1) of the Code as applicable, and treating as a single plan, all plans maintained by the same employer (or an affiliate within the meaning of-Section V(a)(1) of PTE 95-60) or employee organization) with respect to which the amount of the reserves and liabilities for the general account contracts held by or on behalf of such plan, as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "NAIC Annual Statement"), exceed ten percent (10%) of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with the purchaser's state of domicile.

4. This document may be executed in one or more counterparts and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, together, shall constitute one and the same document.

IN WITNESS WHEREOF, each of the parties have caused this document to be executed by their duly authorized officers as of the date

Seller	Purchaser
By: _____	By: _____
Name:	Name:
Title:	Title:
Taxpayer Identification No.:	Taxpayer Identification No.:
Date: _____	Date: _____

EXHIBIT E

FORM OF NON-RECOURSE RELEASE

Indenture Trustee's Certificate
pursuant to Section 404 of the Indenture

Wells Fargo Bank, National Association, as indenture trustee (the "Indenture Trustee") pursuant to the Second Amended and Restated Indenture (as amended or supplemented from time to time as permitted thereby, the "Indenture"), dated as of May 26, 2005, between Textainer Marine Containers Limited (the "Issuer") and the Indenture Trustee does hereby sell, transfer, assign, deliver and otherwise convey to _____(the "Assignee"), without recourse, representation or warranty, except that the Indenture Trustee has not created any liens, claims or encumbrances on any assets identified in the attached certificate and all income and proceeds thereof other than the lien of the Indenture, all of the Indenture Trustee's right, title and interest in and to all of the assets identified in the attached certificate and all income thereon and proceeds thereof and all security and documents relating thereto.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By: _____
Title: _____

EXHIBIT F

INTEREST RATE HEDGING POLICY

In determining the appropriate level of hedging, separate components will be calculated pursuant to established formulas with respect to (i) those Managed Containers that are then subject to Long-Term Leases and Finance Leases and (ii) those Managed Containers that are then subject to Master Leases, and the results of each such calculation will then be aggregated in order to determine the overall required level of interest rate protection. The calculations with respect to each of (i) Long-Term Leases and Finance Leases and (ii) Master Leases are set forth below:

(A) Long-Term Leases

The required aggregate notional balance of Interest Rate Hedge Agreements attributable to those Managed Containers that are then subject to Long-Term Leases shall be determined in accordance with the following formula:

LTLHR = AR x NBVLTL

LTLHR = as of any date of determination, the required aggregate notional balance of Interest Rate Hedge Agreements attributable to Long-Term Leases and Finance Leases;

AR = as of any date of determination, a fraction (expressed as a percentage) the numerator of which is equal to the then ANPB and the denominator of which is equal to the sum of the Net Book Values (measured as of the end of the most recently completed Collection Period) of all Eligible Containers;

ANPB = as of any date of determination, an amount equal to the sum of the then unpaid principal balance of the Notes of all Series then Outstanding;

NBVLTL = as of any date of determination, the sum of the Net Book Values (determined as of the most recently available date, but not less frequently than quarterly) of all Managed Containers then subject to a Long-Term Lease or Finance Lease;

Notwithstanding the foregoing formula, the Issuer will be deemed to be in compliance with the foregoing requirement if the then aggregate notional balance of all Interest Rate Hedge Agreements attributable to Long-Term Leases then in effect differs from the amount calculated above by no more than seven and one-half percent (7.5%) of the amount calculated by the above formula. The notional balance of any Interest Rate Hedge Agreements entered into with respect to Long-Term Leases shall amortize at an annual rate reasonably consistent with the depreciation rate associated with the Managed Containers under Long-Term Leases. The notional balance of any Interest Rate Hedge Agreements entered into with respect to Finance Leases shall amortize at an annual rate reasonably consistent with the depreciation rate associated with the Managed Containers under Finance Leases.

(B) Master Leases

The required aggregate notional balance of Interest Rate Hedge Agreements attributable to those Managed Containers that are subject to Master Leases shall be determined in accordance with the foregoing formula:

MLHR ≥ AR x NBVML x 50%;

MLHR = as of any date of determination, the required aggregate notional principal balance of Interest Rate Hedge Agreements attributable to Master Leases;

AR = as of any date of determination, a fraction (expressed as a percentage) the numerator of which is equal to the then ANPB and the denominator of which is equal to the sum of the Net Book Values (measured as of the end of the most recently completed Collection Period) of all Eligible Containers;

ANPB = as of any date of determination, an amount equal to the sum of the then unpaid principal balance of the Notes of all Series then Outstanding;

NBVML = as of any date of determination, the sum of the Net Book Values (determined as of the most recently available date, but not less frequently than quarterly) of all Managed Containers then subject to a Master Lease.

EXHIBIT G

FORM OF CONTROL AGREEMENT

Exhibit 10.11

EXECUTION VERSION

AMENDMENT NUMBER 1
TO SECOND AMENDED AND RESTATED INDENTURE

THIS AMENDMENT NUMBER 1, dated as of June 3, 2005 (this "Amendment") to the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, modified or otherwise supplemented from time to time in accordance with the terms thereof, the "Indenture"), each by and between TEXTAINER MARINE CONTAINERS LIMITED, a company organized and existing under the laws of Bermuda (the "Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "Indenture Trustee").

WITNESSETH:

WHEREAS, the Issuer and the Indenture Trustee have previously entered into the Indenture;

WHEREAS, the parties desire to amend the Indenture in order to modify certain provisions of the Indenture;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings assigned in the Indenture.

SECTION 2. Full Force and Effect. Other than as specifically modified hereby, the Indenture shall remain in full force and effect in accordance with the terms and provisions thereof and is hereby ratified and confirmed by the parties hereto.

SECTION 3. Amendment to the Indenture. Pursuant to Section 1001 of the Indenture, effective on the date hereof, following the execution and delivery hereof, clause (xxiii) of the definition of "Eligible Container" in Section 101 of the Indenture is hereby amended by replacing "15%" with "4%."

SECTION 4. Representations, Warranties and Covenants. (a) The Issuer hereby confirms that (i) the Rating Agency Condition has been satisfied with respect to the amendment set forth in Section 3 above, and (ii) each of the representations, warranties, agreements and covenants set forth in the Indenture are true and correct as of the date first written above with the same effect as though each had been made as of such date, except to the extent that any of such covenants expressly relate to earlier dates.

(b) The Issuer hereby represents and warrants that (i) it is duly authorized to and this Amendment has been duly authorized, executed and delivered by all requisite corporate and, if required, equityholder action, (ii) the execution, delivery and performance by it of this Amendment shall not (1) result in the breach of, or constitute (alone or with notice or with the lapse of time or both) a default under, any material indenture, agreement or instrument to which it or any of its affiliates are a party or (2) violate (A) any provision of law, statute, rule or

regulation, or certificate or organizational documents or other constitutive documents of it, (B) any order of any Governmental Authority or (C) any provision of any material indenture, agreement or other instrument to which it or any of its affiliates, are a party or by which any of them or any of their property is or may be bound, (iii) this amendment constitutes its legal, valid and binding obligation, enforceable against it (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors' rights generally and to general principles of equity), and (iv) no Conversion Event, Early Amortization Event, Event of Default or Manager Default nor any event that with the passage of time or the giving of notice or both would constitute a Conversion Event, Early Amortization Event, Event of Default or Manager Default has occurred.

SECTION 5. Effectiveness of Amendment.

(a) This Amendment shall become effective as of the date first written above.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Upon receipt of an Opinion of Counsel in form and substance reasonably acceptable to the Requisite Global Majority and after the execution and delivery hereof, (i) this Amendment shall be a part of the Indenture, and (ii) each reference in the Indenture to "this Indenture" and "hereof", "hereunder" or words of like import, and each reference in any other document to the Indenture shall mean and be a reference to the Indenture as amended or modified hereby.

SECTION 6. Execution in Counterparts. This Amendment may be executed by the parties hereto in separate counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. A facsimile counterparty shall be effective as an original.

SECTION 7. Governing Law. **THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES; *PROVIDED* THAT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

SECTION 8. No Novation. Notwithstanding that the Indenture is hereby amended by this Amendment as of the date hereof, nothing contained herein shall be deemed to cause a novation or discharge of any existing indebtedness of the Issuer under the original Indenture or the security interest in the Collateral created thereby.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By: /s/ Dudley R. Cottingham
Name: Dudley R. Cottingham
Title: Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Marianna C. Stershic

Name: Marianna C. Stershic

Title: Vice President

The undersigned hereby consents to the
amendment to the Indenture:

AMBAC ASSURANCE CORPORATION,
as Series Enhancer for the Series 2005-1 Notes and Requisite Global Majority

By: /s/ Harris C. Mehos
Name: Harris C. Mehos
Title:

Exhibit 10.12

EXECUTION VERSION

AMENDMENT NUMBER 2
TO SECOND AMENDED AND RESTATED INDENTURE

THIS AMENDMENT NUMBER 2, dated as of June 8, 2006 (this "Amendment"), to the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, modified or otherwise supplemented from time to time in accordance with the terms thereof, the "Indenture"), each by and between TEXTAINER MARINE CONTAINERS LIMITED, a company organized and existing under the laws of Bermuda (the "Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "Indenture Trustee").

WITNESSETH:

WHEREAS, the Issuer and the Indenture Trustee have previously entered into the Indenture;

WHEREAS, the parties desire to amend the Indenture in order to modify certain provisions of the Indenture;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings assigned in the Indenture.

SECTION 2. Full Force and Effect. Other than as specifically modified hereby, the Indenture shall remain in full force and effect in accordance with the terms and provisions thereof and is hereby ratified and confirmed by the parties hereto.

SECTION 3. Amendments to the Indenture. Pursuant to Section 1001 or 1002 of the Indenture (as applicable), effective on the date hereof, following the execution and delivery hereof,

(a) The following shall be added immediately after the word "Policy" in the last line of the definition of "EBIT" in Section 101 of the Indenture:

"and excluding unrealized gains or losses arising from implementation of Statement of Financial Accounting Standards No. 133 issued by the Financial Accounting Standards Board"

(b) Clause (xii) of the definition of "Eligible Container" in Section 101 of the Indenture shall be amended and restated in its entirety to read as follows:

"(xii) [reserved];"

(c) The text "; and" at the end of clause (xxiii) of the definition of "Eligible Container" in Section 101 of the Indenture shall be deleted and replaced with the following:

"*provided, further,* any Containers subject to any such Lease shall not count against the limitation contained in this paragraph (xxiii) following delivery to the Rating Agencies of an Opinion of Counsel satisfactory to the Rating Agencies to the effect that the Assignment of Claims Act of 1940, as amended (31 U.S.C. 3727, 41 U.S.C. 15), has been complied with by the Issuer (or an agent thereof) regarding such Containers; and"

(d) Clause (i) of the definition of "Rated Institutional Person" in Section 101 of the Indenture is hereby amended by adding the words "Bank S.A./N.V." immediately after the word "Fortis" therein.

(e) The definition of "Series Enhancer Default" in Section 101 of the Indenture is hereby amended and restated in its entirety to read as follows:

"*Series Enhancer Default:* With respect to any Series, this term shall have the meaning set forth in the related Supplement."

(f) The definition of "Step Up Warehouse Interest" in Section 101 of the Indenture is hereby amended and restated in its entirety to read as follows:

"*Step Up Warehouse Fee:* The incremental fee payable by the Issuer on the Warehouse Notes upon the occurrence and continuance of an Early Amortization Event or Event of Default."

(g) Section 1001(a)(ix) of the Indenture is hereby amended and restated in its entirety to read as follows:

"(ix) to increase the maximum commitment to fund under all of the Warehouse Notes to not more than Four Hundred Million Dollars ($400,000,000), *provided* notice is given to the Rating Agencies, no Event of Default, no Series Enhancer Default and no Early Amortization Event is existing on the date of such increase or would result from such increase and all other necessary consents are obtained."

(h) Section 205(a) of the Indenture is hereby amended and restated in its entirety to read as follows:

"(a) The Indenture Trustee shall keep at its Corporate Trust Office books for the registration and transfer of the Notes (the "Note Register"). The Issuer hereby appoints the Indenture Trustee as its registrar (the "Note Registrar") and transfer agent to keep such books and make such registrations and transfers as are hereinafter set forth in this Section 205 and also authorizes and directs the Indenture Trustee to provide a copy of such registration record to each of the Administrative Agent and the Manager upon their request. The names and addresses of the Holders of all Notes and all transfers of, and the names and addresses of the transferee of, all Notes will be registered in such Note Register. The Person in whose name any Note is registered shall be deemed and treated as the owner and Holder thereof for all purposes of this Indenture, and the Indenture Trustee, the related Series Enhancer and the Issuer shall not be affected by any

notice or knowledge to the contrary. The related Series Enhancer and, if a Person other than the Indenture Trustee is appointed by the Issuer to maintain the Note Register, the Indenture Trustee shall have the right to inspect the Note Register at all reasonable times and to obtain copies thereof and the Indenture Trustee shall have the right to conclusively rely upon a certificate executed on behalf of the Note Registrar by an officer thereof as to the names and addresses of the Noteholders and the principal amounts and number of such Notes. If a Person other than the Indenture Trustee is appointed by the Issuer to maintain the Note Register, the Issuer will give the Indenture Trustee and the Administrative Agent prompt written notice of such appointment and of the location, and any change in the location, of the successor note registrar."

(i) The second sentence of Section 624 of the Indenture is hereby deleted.

(j) The words "Step Up Warehouse Interest" shall be replaced with the words "Step Up Warehouse Fee" in each instance where such words appear in the Indenture.

SECTION 4. Representations, Warranties and Covenants. (a) The Issuer hereby confirms that each of the representations, warranties, agreements and covenants set forth in the Indenture are true and correct as of the date first written above with the same effect as though each had been made as of such date, except to the extent that any of such covenants expressly relate to earlier dates.

(b) The Issuer hereby represents and warrants that (i) it is duly authorized to execute, deliver and perform its obligations set forth in this Amendment and this Amendment has been duly authorized, executed and delivered by all requisite corporate and, if required, equityholder action, (ii) the execution, delivery and performance by it of this Amendment shall not (1) result in the breach of, or constitute (alone or with notice or with the lapse of time or both) a default under, any material indenture, agreement or instrument to which it or any of its affiliates are a party or (2) violate (A) any provision of law, statute, rule or regulation, or certificate or organizational documents or other constitutive documents of it, (B) any order of any Governmental Authority or (C) any provision of any material indenture, agreement or other instrument to which it or any of its affiliates, are a party or by which any of them or any of their property is or may be bound, (iii) this amendment constitutes its legal, valid and binding obligation, enforceable against it (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting creditors' rights generally and to general principles of equity), and (iv) no Conversion Event, Early Amortization Event, Event of Default or Manager Default nor any event that with the passage of time or the giving of notice or both would constitute a Conversion Event, Early Amortization Event, Event of Default or Manager Default has occurred.

SECTION 5. Effectiveness of Amendment.

(a) This Amendment shall become effective as of the date first written above.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Upon receipt of an Opinion of Counsel in form and substance reasonably acceptable to the Requisite Global Majority and after the execution and delivery hereof, (i) this

Amendment shall be a part of the Indenture, and (ii) each reference in the Indenture to "this Indenture" and "hereof", "hereunder" or words of like import, and each reference in any other document to the Indenture shall mean and be a reference to the Indenture as amended or modified hereby.

SECTION 6. Execution in Counterparts. This Amendment may be executed by the parties hereto in separate counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. A facsimile counterpart shall be effective as an original.

SECTION 7. Governing Law. **THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES; *PROVIDED* THAT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

SECTION 8. Consent to Jurisdiction. The parties hereto hereby irrevocably consent to the personal jurisdiction of the state and federal courts located in New York County, New York, in any action, claim or other proceeding arising out of any dispute in connection with this Amendment, any rights or obligations hereunder, or the performance of such rights and obligations.

SECTION 9. No Novation. Notwithstanding that the Indenture is hereby amended by this Amendment as of the date hereof, nothing contained herein shall be deemed to cause a novation or discharge of any existing indebtedness of the Issuer under the original Indenture or the security interest in the Collateral created thereby.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By: /s/ Dudley R. Cottingham
Name: Dudley R. Cottingham
Title: Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Kristen L. Puttin

Name: Kristen L. Puttin

Title: Corporate Trust Officer

The undersigned hereby consents to the
amendment to the Indenture:

AMBAC ASSURANCE CORPORATION,
as Series Enhancer for the Series 2005-1 Notes, as Series Enhancer for the Series 2000-1 Notes
and as Requisite Global Majority

By: /s/ John P. Siris
Name: John P. Siris
Title: Vice President

Exhibit 10.13

EXECUTION VERSION

TEXTAINER MARINE CONTAINERS LIMITED

Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Indenture Trustee

SECOND AMENDED AND RESTATED SERIES 2000-1 SUPPLEMENT

Dated as of June 8, 2006

to

SECOND AMENDED AND RESTATED INDENTURE

Dated as of May 26, 2005

SERIES 2000-1 NOTES

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SECOND AMENDED AND RESTATED SERIES 2000-1 SUPPLEMENT, dated as of June 8, 2006 (as amended, modified and supplemented from time to time in accordance with the terms hereof, this "Supplement"), between TEXTAINER MARINE CONTAINERS LIMITED, a limited liability company organized and existing under the laws of Bermuda (the "Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee (the "Indenture Trustee").

WHEREAS, the Issuer and the Indenture Trustee previously entered into an Amended and Restated Series 2000-1 Supplement, dated as of November 29, 2001 (the "Prior Agreement");

WHEREAS, the Issuer issued its Series 2000-1 Notes pursuant to the Prior Agreement; and

WHEREAS, the parties hereto wish to amend and restate the Prior Agreement in order to make certain changes to the Prior Agreement;

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions; Calculation Guidelines

Section 101. Definitions. Whenever used in this Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

"Aggregate Series 2000-1 Note Principal Balance" means, as of any date of determination, an amount equal to the sum of the then Series 2000-1 Note Principal Balances of all Series 2000-1 Notes then Outstanding.

"**Alternative Rate"** means on any day for any Series 2000-1 Advance allocated to an Interest Accrual Period, an interest rate per annum equal to the Base Rate, if, on or before the first day of such Interest Accrual Period, a Series 2000-1 Noteholder, a Liquidity Provider (or agent thereof) or a Deal Agent shall have notified the Issuer that a Eurodollar Disruption Event has occurred.

"Ambac" means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance corporation.

"Applicable Margin" shall have the meaning set forth in the Second Amended and Restated Applicable Margin Fee Letter, dated as of June 8, 2006, among the Issuer and each of the Deal Agents.

"Availability" shall have the meaning set forth in the Series 2000-1 Note Purchase Agreement.

"Base Rate" means, on any date, a fluctuating rate of interest per annum equal to the sum of (i) (a) if the Federal Funds Effective Rate is determinable on such date, the Federal Funds Effective Rate in effect on such date or (b) if the Federal Funds Effective Rate is not determinable on such date, the Prime Rate in effect on such date, plus (ii) the Applicable Margin. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the opening of business on the date of such change; *provided, howeve*r, that the Base Rate on any such day for the outstanding principal amount of any Series 2000-1 Advance funded by ING shall be ING's cost of funds, as reasonably determined by ING.

"Breakage Costs" means any amount or amounts as shall compensate a Purchaser for any loss, cost or expense incurred by such Purchaser in connection with funding obtained by it with respect to Series 2000-1 Advance (as reasonably determined by the related Deal Agent in its sole discretion on behalf of such Purchaser) as a result of (i) the failure of the Issuer to accept funding of a Series 2000-1 Advance in accordance with a Funding Notice submitted by Issuer or (ii) the failure of the Issuer to make a prepayment in accordance with the terms of any of the Indenture, this Supplement or the Series 2000-1 Note Purchase Agreement or (iii) the Issuer making a payment other than on a Payment Date. Nothing contained herein shall obligate the Issuer to pay Breakage Costs with respect to any prepayment actually made by the Issuer at the expiration of an Interest Accrual Period.

"Closing Date" shall mean the Restatement Effective Date.

"Control Party" means, with respect to Series 2000-1 Notes, either (i) so long as no Series Enhancer Default has occurred and is continuing and the Series 2000-1 Notes are Outstanding, the Policy has not expired or any amounts remain unpaid to the Series Enhancer pursuant to the Series 2000-1 Related Documents, the Series Enhancer; or (ii) in all other events, the Majority of Holders of the Series 2000-1 Notes.

"Conversion Date" means the earlier to occur of (i) the date on which a Conversion Event occurs and (ii) the date set forth in Section 2.1(c) of the Series 2000-1 Note Purchase Agreement, as such date in this clause (ii) may be extended from time to time in accordance with the terms, and subject to the conditions, of Section 2.1(c) of the Series 2000-1 Note Purchase Agreement.

"Conversion Event" means the earlier to occur of (x) the date on which an Early Amortization Event occurs and (y) any Payment Date on which the then aggregate unpaid principal balance of any Series of Notes exceeds the Minimum Targeted Principal Balance of such Series (after giving effect to any Minimum Principal Payment Amount actually paid on such Payment Date).

"Default Interest" means, for any Payment Date, the incremental amount of interest payable on the Notes in accordance with Section 202(b) hereof.

"Deficiency Amount" means (a) for any Payment Date (other than the Series 2000-1 Legal Final Payment Date), any shortfall in the aggregate amount available in the Series 2000-1 Series Account or any other amounts available under the Indenture or this Supplement to pay the interest due and payable on all Series 2000-1 Notes on such Payment Date (excluding Default Interest and Step Up Warehouse Fee), and (b) on the Series 2000-1 Legal Final Payment Date, any shortfall in the aggregate amount available in the Series 2000-1 Series Account or any other amounts available under the Indenture or this Supplement to pay the then unpaid principal balance of, and accrued interest (excluding Default Interest and Step Up Warehouse Fee) on, all Series 2000-1 Notes on the Series 2000-1 Legal Final Payment Date.

"Dollars" and the sign **"$"** mean lawful money of the United States of America.

"Eurodollar Disruption Event" means with respect to all Series 2000-1 Advances allocated to any Interest Accrual Period, any of the following: (a) a determination by a Series 2000-1 Noteholder, a Liquidity Provider (or agent thereof) or the Deal Agent that it would be contrary to law or to the directive of any central bank or other Governmental Authority (whether or not having the force of law) to obtain Dollars in the London interbank market to make, fund or maintain any Loan for such Interest Accrual Period, (b) a determination by a Series 2000-1 Noteholder, a Liquidity Provider (or agent thereof) or the Deal Agent that the rate at which deposits of Dollars are being offered to such lender in the London interbank market does not accurately reflect the cost to the Series 2000-1 Noteholder or a Liquidity Provider of making, funding or maintaining any Loan for such Interest Accrual Period or (c) the inability of a Series 2000-1 Noteholder or a Liquidity Provider to obtain Dollars in the London interbank market to make, fund or maintain any Loan for such Interest Accrual Period.

"Federal Funds Effective Rate" means for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published on the next succeeding Business Day, the average of the quotations for the day of such transactions received by the Deal Agent from three federal funds brokers of recognized standing selected by it.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System or any successor thereto.

"Increased Costs" means any fee, expense or increased cost charged to an Indemnified Party on account of the adoption of any applicable law, rule or regulation (including any applicable law, rule, or regulation regarding capital adequacy) or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority as provided by Sections 206 and 207 of this Supplement.

"Indemnified Party" shall have the meaning set forth in Section 205(a) hereof.

"Insurance Agreement" means the Amended and Restated Insurance and Indemnification Agreement, dated as of June 8, 2006, among the Issuer, the Manager, the Indenture Trustee and Ambac.

"Insured Amount" shall have the meaning set forth in the Policy.

"Interest Accrual Period" means the period, commencing on and including a Payment Date (or, with respect to the initial Interest Accrual Period, commencing on and including the Restatement Effective Date) and ending on but excluding the next succeeding Payment Date. When switching from LIBOR Rate to Alternative Rate funding, the first such Interest Accrual Period shall be at the Deal Agents' discretion.

"LIBOR Rate" means for any Interest Accrual Period and any Series 2000-1 Advance, an interest rate per annum equal to the average per annum rate of interest determined by the Indenture Trustee (and notified to each of the Issuer, the Manager and the Administrative Agent) on the basis of the offered rates for deposits in Dollars for an amount equal to the requested advance of funds and for a term equal to either (i) with respect to any Series 2000-1 Advance made on the first day of such Interest Accrual Period, the applicable Interest Accrual Period or (ii) with respect to any Series 2000-1 Advance not made on the first day of such Interest Accrual Period, a term equal to the period remaining in the applicable Interest Accrual Period (*provided*, if no offered rate exists for such remaining period, the LIBOR Rate shall be interpolated on a straight-line basis based upon the LIBOR Rate for each of (i) the closest quoted period greater than such remaining period and (ii) the closest quoted period shorter than such remaining period), and commencing on the first day of such Interest Accrual Period, appearing on Telerate Page 3750 (or, if, for any reason, Telerate Page 3750 is not available, the Reuters Screen LIBO Page) as of 11:00 A.M. (London time) on the Business Day which is the LIBOR Determination Date. If neither Telerate Page 3750 nor the Reuters Screen LIBO Page is available, then "LIBOR Rate" shall mean the rate per annum equal to the average rate at which the principal London offices of Wachovia Bank, National Association, and Bank of America, N.A. are offered dollar deposits at or about 10:00 a.m., New York City time, two Business Days prior to the first Business Day of such Interest Accrual Period in the London eurodollar interbank market for delivery on the first day of such Interest Accrual Period for one month and in a principal amount equal to an amount of not less than $1,000,000.

"LIBOR Determination Date" shall mean the date that is two (2) Business Days prior to the first day of any Interest Accrual Period.

"Loan" means an extension of credit made by a Series 2000-1 Advance pursuant to Section 204 of this Supplement.

"Majority of Holders" means, with respect to the Series 2000-1 Notes as of any date of determination, Series 2000-1 Noteholders representing more than fifty percent (50%) of the then Aggregate Series 2000-1 Note Principal Balance.

"Manager Advance" shall have the meaning set forth in the Management Agreement.

"Manager Report" shall have the meaning set forth in the Management Agreement.

"Minimum Principal Payment Amount" means, for the Series 2000-1 Notes on any Payment Date, one of the following:

(1) for any Payment Date prior to the Conversion Date, zero;

(2) for any Payment Date following the Conversion Date, the excess, if any, of (x) the Aggregate Series 2000-1 Note Principal Balance, over (y) the Minimum Targeted Principal Balance for the Series 2000-1 Notes for such Payment Date.

"Minimum Targeted Principal Balance" means for the Series 2000-1 Notes for each Payment Date, an amount equal to the product of (x) the Aggregate Series 2000-1 Note Principal Balance on the Conversion Date and (y) the percentage set forth opposite such Payment Date (based on the number of months elapsed from the Conversion Date) on Schedule 1 hereto under the column entitled "Minimum Targeted Principal Balance". The Minimum Targeted Principal Balance for the Series 2000-1 Notes will be based on a fifteen (15) year level amortization schedule.

"Note" means any Series 2000-1 Note.

"Other Taxes" shall have the meaning set forth in Section 205(b) of this Supplement.

"Overdue Rate" means an interest rate per annum equal to the sum of (i) the interest rate otherwise in effect hereunder plus (ii) two percent (2%).

"Payment Date" shall have the meaning set forth in Section 201(b) of this Supplement.

"Permitted Interest Withdrawal" shall have the meaning set forth in Section 302(a) of this Supplement.

"Permitted Payment Date Withdrawal" means, with respect to Series 2000-1, either or both of the Permitted Interest Withdrawal and/or the Permitted Principal Withdrawal.

"Permitted Principal Withdrawal" shall have the meaning set forth in Section 302(b) of this Supplement.

"Policy" means, with respect to the Series 2000-1 Notes, the financial guaranty insurance policy number AB1002BE issued by the Series Enhancer.

"Preference Amount" shall have the meaning set forth in the Policy.

"Premium" means the amount payable to Ambac, as Series Enhancer for the Series 2000-1 Notes as set forth in the Premium Letter, in consideration for its issuance of the Policy.

"Premium Letter" means the letter, dated as of June 8, 2006, from the Issuer to the Series Enhancer, and acknowledged by the Indenture Trustee.

"Prime Rate" means the rate announced by Wachovia Bank, National Association (or any successor thereto), from time to time as its "prime rate" or "base rate" in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wachovia Bank, National Association (or any successor thereto) in connection with extensions of credit to debtors.

"Prior Agreement" shall have the meaning set forth in the preamble of this Supplement.

"Rating Agencies" means, for Series 2000-1, each of Moody's and Standard & Poor's.

"Renewal Fees" means the renewal fees as set forth in the fee letters referred to in clause (ii) of the definition of Fee Letters.

"Restatement Effective Date" means June 8, 2006.

"Scheduled Principal Payment Amount" means, for the Series 2000-1 Notes for any Payment Date, one of the following:

(1) for any Payment Date prior to the Conversion Date, zero (0);

(2) for any Payment Date following the Conversion Date, the excess, if any, of (x) the then Aggregate Series 2000-1 Note Principal Balance (determined after giving effect to any payment of the Minimum Principal Payment Amount for the Series 2000-1 Notes on such Payment Date), over (y) the Scheduled Targeted Principal Balance for the Series 2000-1 Notes for such Payment Date.

"Scheduled Targeted Principal Balance" means, for the Series 2000-1 Notes for each Payment Date, an amount equal to the product of (x) the Aggregate Series 2000-1 Note Principal Balance on the Conversion Date and (y) the percentage set forth opposite such Payment Date (based on the number of months elapsed from the Conversion Date) on Schedule 2 hereto under the column entitled "Scheduled Targeted Principal Balance". The Scheduled Targeted Principal Balance for the Series 2000-1 Notes will be based on a ten (10) year level amortization Schedule.

"Security Entitlement" means, any "security entitlement" as defined in Section 8-102(a)(17) of the UCC, arising out of or in any way related to the Managed Containers.

"Series Enhancer" means Ambac.

"Series Enhancer Default" means the occurrence and continuance of any of the following events:

(a) the Series Enhancer shall have failed to pay an Insured Amount required under the Policy in accordance with its terms;

(b) the Series Enhancer shall have (i) filed a petition or commenced any case or Proceeding under any provision or chapter of the United States Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (ii) made a general assignment for the benefit of its creditors, or (iii) had an order for relief entered against it under the United States Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization which is final and nonappealable; or

(c) a court of competent jurisdiction, the Wisconsin Department of Insurance or other competent regulatory authority shall have entered a final and nonappealable order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Series Enhancer or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Series Enhancer (or the taking of possession of all or any material portion of the property of the Series Enhancer).

"Series 2000-1" means the Series of Notes the terms of which are specified in this Supplement.

"Series 2000-1 Advance" means any advance of funds made by a Series 2000-1 Noteholder pursuant to Section 204(b) of this Supplement.

"Series 2000-1 Expected Final Payment Date" means with respect to the Series 2000-1 Notes, the Payment Date immediately succeeding the date which is the tenth (10^{th}) annual anniversary of the Conversion Date.

"Series 2000-1 Legal Final Payment Date" means, with respect to the Series 2000-1 Notes, the Payment Date immediately succeeding the date which is the fifteenth (15^{th}) annual anniversary of the Conversion Date.

"Series 2000-1 Note" means any one of the notes issued pursuant to the terms of this Supplement, substantially in the form of Exhibit A hereto, and shall include any and all replacements or substitutions of such notes.

"Series 2000-1 Note Commitment" means, for each Liquidity Provider or Purchaser (as the case may be), the commitment of such Liquidity Provider or Purchasers (as the case may be) to fund Series 2000-1 Advances in an aggregate amount outstanding at any point in time not to exceed the amount set forth opposite such Liquidity Provider's or Purchaser's name on the signature pages of the Series 2000-1 Note Purchase Agreement, as such amount may be modified in accordance with the terms thereof.

"Series 2000-1 Note Interest Payment" means for each Payment Date, an amount equal to the sum, for each Series 2000-1 Advance outstanding for each day during the related Interest Accrual Period, of the product of (i) if the Alternative Rate shall then be in effect, (A) the principal amount of such Series 2000-1 Advance, (B) an interest rate equal to the "Note Interest Rate" (as such term is defined in the Policy) for such Interest Accrual Period, and (C) 1/360, 1/365 or 1/366, as applicable, or (ii) if clause (i) above shall not apply, (A) the principal amount of such Series 2000-1 Advance, (B) an interest rate equal to the sum of (x) the LIBOR Rate for such Interest Accrual Period and (y) the Applicable Margin, and (C) 1/360.

"Series 2000-1 Note Principal Balance" means, with respect to any Series 2000-1 Note as of any date of determination, an amount equal to the excess of (x) the sum of (A) the then unpaid principal balance of such Series 2000-1 Note on the Restatement Effective Date plus (B) all Series 2000-1 Advances made by the related Series 2000-1 Noteholder subsequent to the Restatement Effective Date, over (y) the cumulative amount of all Minimum Principal Payment Amounts, Scheduled Principal Payment Amounts, Supplemental Principal Payment Amounts and any other Prepayments actually paid to the related Series 2000-1 Noteholder subsequent to the Restatement Effective Date.

"Series 2000-1 Note Purchase Agreement" means the Fourth Amended and Restated Series 2000-1 Note Purchase Agreement, dated as of June 8, 2006, among the Issuer, the Liquidity Providers named therein, the Purchasers, Liquidity Agents and the Deal Agents named therein pursuant to which document the Purchasers and Liquidity Agents agreed to purchase the Series 2000-1 Notes, as amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Series 2000-1 Noteholder" means, at any time of determination for the Series 2000-1 Notes, any Person in whose name a Series 2000-1 Note is registered in the Note Register.

"Series 2000-1 Related Documents" means any and all of the Indenture, this Supplement, the Series 2000-1 Notes, the Management Agreement, the Contribution and Sale Agreement, the Series 2000-1 Note Purchase Agreement, the Administration Agreement, the Manager Transfer Facilitator Agreement, each Interest Rate Hedge Agreement (upon execution thereof), each Acquisition Agreement (upon execution thereof), the Policy, the Premium Letter, the Insurance Agreement and any and all other agreements, documents and instruments executed and delivered by or on behalf or support of the Issuer with respect to the issuance and sale of the Series 2000-1 Notes, as any of the foregoing may from time to time be amended, modified, supplemented or renewed, *provided*, the term "Series 2000-1 Related Documents" shall not include the Members Agreement.

"Series 2000-1 Series Account" means the account established by the Issuer with the Indenture Trustee into which funds are deposited from the Trust Account pursuant to Section 303 of the Indenture.

"Series 2000-1 Subordinated Basis Amount" means for each Payment Date, (i) if the Alternative Rate shall then be in effect, an amount equal to the sum, for each Series 2000-1 Advance outstanding for each day during the related Interest Accrual Period, of the product of (A) the principal amount of such Series 2000-1 Advance, (B) (i) an interest rate equal to the Alternative Rate for such Interest Accrual Period, minus (ii) an interest rate equal to the "Note Interest Rate" (as such term is defined in the Policy) for such Interest Accrual Period, and (C) 1/360, 1/365 or 1/366, as applicable, or (ii) if clause (i) above shall not apply, zero.

"Series 2005-1 Related Documents" shall have the meaning set forth in the Series 2005-1 Supplement between the Issuer and the Indenture Trustee, dated as of May 26, 2005.

"Supplemental Principal Payment Amount" means the amount of any Prepayment made in accordance with the provisions of Section 702(a) of the Indenture that is allocated to the Series 2000-1 Notes in accordance with each provision of the Indenture.

"Taxes" shall have the meaning set forth in Section 205(a) of this Supplement.

"Unused Commitment" means, with respect to each Series 2000-1 Noteholder as of any date of determination, the excess of (i) the Series 2000-1 Note Commitment then in effect for such Series 2000-1 Noteholder, over (ii) the Series 2000-1 Note Principal Balance of the Series 2000-1 Note owned by such Series 2000-1 Noteholder as of such date of determination, measured after giving effect to all Series 2000-1 Advances made and all principal payments to be received by such Series 2000-1 Noteholder on such date of determination.

"Unused Fee" shall have the meaning set forth in Section 204(c) hereof.

"Unused Fee Percentage" means the amount set forth in the Second Amended and Restated Applicable Margin Fee Letter, dated as of June 8, 2006, among the Issuer and the Deal Agents.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Indenture or, if not defined therein, as defined in the Series 2000-1 Note Purchase Agreement.

ARTICLE II

Creation of the Series 2000-1 Notes

Section 201. Designation.

(a) There is hereby created a Series of Notes to be issued in one Class pursuant to the Indenture and this Supplement to be known respectively as "Textainer Marine Containers Limited Floating Rate Asset-Backed Notes, Series 2000-1". The Series 2000-1 Notes will be issued in the initial maximum principal balance of Three Hundred Million Dollars ($300,000,000) and will not have priority over any other Series, except to the extent set forth in the Supplement for such other Series.

(b) The Payment Date with respect to the Series 2000-1 Notes shall be the fifteenth (15 th) calendar day of each month, commencing June 15, 2006 or, if such day is not a Business Day, the immediately following Business Day.

(c) Payments of principal on the Series 2000-1 Notes shall be payable from funds on deposit in the Series 2000-1 Series Account or otherwise at the times and in the amounts set forth in Article III of the Indenture and Article III of this Supplement.

(d) Each Series 2000-1 Note is classified as a "Warehouse Note", as such term is used in the Indenture. The Step Up Warehouse Fee with respect to the Series 2000-1 Notes shall be calculated at an annual interest rate equal to one half of one percent (0.5%).

(e) The Policy, the Premium Letter and the Insurance Agreement shall constitute Enhancement Agreements with respect to Series 2000-1, and Ambac shall constitute the Series Enhancer with respect to Series 2000-1.

(f) In the event that the Series 2000-1 Note Interest Payment is paid by the Series Enhancer, then the Series Enhancer shall be entitled to be reimbursed therefor together with interest thereon as provided in the Insurance Agreement. In the event that any unpaid principal amount of the Series 2000-1 Notes is paid by the Series Enhancer, then the Series Enhancer shall be entitled to be reimbursed therefor together with interest thereon as provided in the Insurance Agreement.

(g) In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Supplement shall govern.

Section 202. Interest Payments on the Series 2000-1 Notes.

(a) Interest on Series 2000-1 Notes. Interest will be payable on the Series 2000-1 Notes on each Payment Date in an amount equal to the Series 2000-1 Note Interest Payment. Such interest shall be payable on each Payment Date from amounts on deposit in the Series 2000-1 Series Account in accordance with Section 302 of the Indenture and Section 303 of this Supplement.

(b) Interest on Overdue Amounts. If the Issuer shall default in the payment when due of (i) the Series 2000-1 Note Principal Balance of any Series 2000-1 Note on the Series 2000-1 Legal Final Payment Date, or (ii) the Series 2000-1 Note Interest Payment on any Series 2000-1 Note on any Payment Date, or (iii) any other amount becoming due under this Supplement, the Issuer shall, from time to time, pay interest on such unpaid amounts, to the extent permitted by Applicable Law, to, but not including, the date of actual payment (after as well as before judgment), at a rate per annum equal to the Overdue Rate, for the period during which such principal, interest or other amount shall be unpaid from the due date of such payment to the date of actual payment thereof. Default Interest shall be payable at the times and subject to the priorities set forth in Section 303 of this Supplement.

(c) Maximum Interest Rate. In no event shall the interest charged with respect to a Series 2000-1 Note exceed the maximum amount permitted by Applicable Law. If at any time the interest rate charged with respect to the Series 2000-1 Notes exceeds the maximum rate permitted by Applicable Law, the rate of interest to accrue pursuant to this Supplement and such Series 2000-1 Note shall be limited to the maximum rate permitted by Applicable Law, but any subsequent reductions in the LIBOR Rate or Alternative Rate, as the case may be, shall not reduce the interest to accrue on such Series 2000-1 Note below the maximum amount permitted by Applicable Law until the total amount of interest accrued on such Series 2000-1 Note equals the amount of interest that would have accrued if a varying rate per annum equal to the interest rate had at all times been in effect. If the total amount of interest paid or accrued on the Series 2000-1 Note under the foregoing provisions is less than the total amount of interest that would have accrued if the interest rate had at all times been in effect, the Issuer agrees to pay to the Series 2000-1 Noteholders an amount equal to the difference between (a) the lesser of (i) the amount of interest that would have accrued if the maximum rate permitted by Applicable Law had at all times been in effect, or (ii) the amount of interest that would have accrued if the interest rate had at all times been in effect, and (b) the amount of interest accrued in accordance with the other provisions of this Supplement.

Section 203. Principal Payments on the Series 2000-1 Notes; Prepayment of Principal on the Series 2000-1 Notes .

(a) The principal balance of the Series 2000-1 Notes shall be payable on each Payment Date from amounts on deposit in the Series 2000-1 Series Account in an amount equal to (i) so long as no Early Amortization Event is continuing, the Minimum Principal Payment Amount, the Scheduled Principal Payment Amount and Supplemental Principal Payment Amount for such Payment Date, or (ii) if an Early Amortization Event is then continuing, the then Aggregate Series 2000-1 Note Principal Balance shall be payable in full to the extent that funds are available for such purposes in accordance with the provisions of clause (4) of Part (II) of Section 303 hereof. The unpaid principal amount of each Series 2000-1 Note together with all unpaid interest (including all Default Interest), fees, expenses, costs and other amounts payable by the Issuer to the Series 2000-1 Noteholders, the Indenture Trustee and the Series Enhancer pursuant to the terms of the Indenture and this Supplement, shall be due and payable in full on the earlier to occur of (x) the date on which an Event of Default shall occur and the Series 2000-1 Notes have been accelerated in accordance with the provisions of Section 802 of the Indenture and (y) the Series 2000-1 Legal Final Payment Date.

(b) On any Payment Date, the Issuer will have the option to prepay, without premium, all, or a portion of, the Aggregate Series 2000-1 Note Principal Balance, in a minimum amount of Two Hundred Fifty Thousand Dollars ($250,000). Any such Prepayment of the Aggregate Series 2000-1 Note Principal Balance shall also include accrued interest to the date of Prepayment on the principal balance being prepaid. The Issuer may not make such Prepayment from funds in the Trust Account, the Series 2000-1 Series Account or the Restricted Cash Account, except to the extent that funds in any such account would otherwise be payable to the Issuer in accordance with the terms of this Supplement and the Indenture. In the event of any Prepayment of the Series 2000-1 Notes in accordance with this Section 203(b) or any other provision of the Indenture, the Issuer shall pay (i) any prepayment fees payable in accordance with the terms of the Insurance Agreement and (ii) any termination, notional reduction, breakage or other fees or costs assessed by any Interest Rate Hedge Provider. The Issuer must provide advance notice to the Series 2000-1 Noteholders of any such optional Prepayment, which notice shall be irrevocable when delivered.

(c) Any Prepayment of less than the entire Aggregate Series 2000-1 Note Principal Balance made in accordance with the provisions of Section 203(a) hereof shall be applied to reduce all future Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts on a *pro rata* basis in the order in which such payments are due.

Section 204. Amounts and Terms of Series 2000-1 Noteholder Commitments.

(a) Subject to the terms and conditions of this Supplement and the Series 2000-1 Note Purchase Agreement, each Series 2000-1 Noteholder agrees to make its Series 2000-1 Note Commitment available to the Issuer on the Restatement Effective Date.

(b) Prior to the Conversion Date, each Series 2000-1 Note shall be a revolving note with a maximum principal amount equal to the then Series 2000-1 Note Commitment of such Series 2000-1 Noteholder. Each Deal Agent shall maintain records of all Series 2000-1 Advances and repayments made on each Series 2000-1 Note, which records shall, absent manifest error, be conclusive. On any Business Day requested by the Issuer in an irrevocable writing delivered by not later than 5:00 p.m. (New York City time) on the third (3rd) preceding Business Day and presuming that the Issuer shall have satisfied all applicable conditions precedent set forth in Article V hereof, each Series 2000-1 Noteholder shall, subject to the terms and conditions of the Series 2000-1 Note Purchase Agreement, deposit with the account designated by the Issuer by wire transfer of same day funds an amount equal to its Percentage of the requested Series 2000-1 Advance; *provided, however,* that (i) each Series 2000-1 Advance by each Series 2000-1 Noteholder shall be for an amount not less than the lesser of (x) the then Unused Commitment of such Series 2000-1 Noteholder and (y) such Series 2000-1 Noteholder's ratable share (determined based on the then aggregate unused Series 2000-1 Note Commitments of all Series 2000-1 Noteholders) of (A) One Million Two Hundred Fifty Thousand Dollars ($1,250,000) in the case of the initial Series 2000-1 Advance or (B) Five Hundred Thousand Dollars ($500,000), nor greater than the Availability on such Business Day and (ii) in the event that any Series 2000-1 Noteholder fails to make a Series 2000-1 Advance in accordance with its Series 2000-1 Note Commitment, then the other Series 2000-1 Noteholder(s) shall not be obligated to fund the Percentage of the defaulted Series 2000-1 Noteholder(s). The Issuer shall pay interest on the Series 2000-1 Notes at the

rates and in the manner set forth in Section 202 hereof. The unpaid principal amount of the Series 2000-1 Notes and all unpaid interest accrued thereon, together with any unpaid Unused Fees and, without duplication of the amounts set forth in Section 203, all other fees, expenses, costs and other sums chargeable to Issuer incurred in connection therewith, shall be due and payable on the Series 2000-1 Legal Final Payment Date.

Each request for a Series 2000-1 Advance shall constitute an affirmation by Issuer that all of the conditions precedent set forth in Section 502 of this Supplement and the Series 2000-1 Note Purchase Agreement are true, correct and complete in all material respects to the same extent as though made on and as of the date of the request, except to the extent such representations and warranties specifically relate to an earlier date, in which event they shall be true, correct and complete in all material respects as of such earlier date.

(c) On each Payment Date, the Issuer shall pay an unused fee (the "Unused Fee") to each Series 2000-1 Noteholder in an amount equal to the sum for each day during the immediately preceding Interest Accrual Period of the product of (x) the applicable Unused Fee Percentage on such date, (y) 1/360 and (z) the Unused Commitment of such Series 2000-1 Noteholder on such date. Such Unused Fee shall be payable from amounts then on deposit in the Series 2000-1 Series Account in accordance with Section 303 hereof.

Section 205. Taxes.

(a) In addition to payments of principal and interest on the Series 2000-1 Notes when due, the Issuer shall pay, but only in accordance with the priorities for distributions set forth in Section 303 of this Supplement, any and all present or future taxes, fees, duties, levies, imposts, or charges, or any other similar deduction or withholding, whatsoever imposed by any Governmental Authority, and all liabilities with respect thereto, *excluding,* in the case of each Series 2000-1 Noteholder, any Liquidity Provider for a Series 2000-1 Noteholder and any Person that has advanced funds to, sold, committed to advance funds to, or committed to purchase from a Series 2000-1 Noteholder, an interest in the Series 2000-1 Note owned by such Series 2000-1 Noteholder (such Series 2000-1 Noteholder, any Liquidity Provider and any such Person being an "Indemnified Party"), (i) taxes imposed by the jurisdiction in which that Indemnified Party's principal office (and/or the office where it books its investment in its Series 2000-1 Note) is located on all or part of the net income, profits or gains of that Indemnified Party and (ii) interest, penalties, and additions thereto arising out of an Indemnified Party's gross negligence (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes").

(b) In addition, the Issuer shall pay, subject to the priorities set forth in Section 303, any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Supplement or any other documents related to the issuance of the Series 2000-1 Notes (hereinafter referred to as "Other Taxes").

(c) If any Taxes or Other Taxes are directly asserted or imposed against any Indemnified Party, the Issuer shall indemnify and hold harmless such Indemnified Party, subject to the priorities for distribution set forth in Section 303, for the full amount of the Taxes or Other Taxes (including any Taxes or Other Taxes asserted or imposed by any jurisdiction on amounts payable under this Section 205) paid by the Indemnified Party and any liability (including penalties, interest, additions to tax and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted or imposed. If the Issuer fails to pay any Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to the Indemnified Party the required receipts or other required documentary evidence, the Issuer shall indemnify the Indemnified Party for any incremental Taxes or Other Taxes, interest or penalties that may become payable by the Indemnified Party as a result of any such failure. Payment under this indemnification shall be made in accordance with the priorities for distributions set forth in Section 302 of this Supplement after the Indemnified Party makes written demand therefor. The Indemnified Party shall give prompt notice to Issuer of any assertion of Taxes or Other Taxes so that Issuer may, at its option, contest such assertion.

(d) Within thirty (30) days after the date of any payment by the Issuer of Taxes or Other Taxes, the Issuer shall furnish to each of the Series 2000-1 Noteholders the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to the Series 2000-1 Noteholders.

(e) Taxes and Other Taxes shall not constitute a "claim" (as defined in Section 101(5) of the Bankruptcy Code) against the Issuer or the Collateral in the event there are insufficient funds to make such payments in accordance with the payment priorities set forth in Section 303 of this Supplement.

(f) On or before the date it acquires a Series 2000-1 Note (and, so long as it may properly do so, periodically thereafter, as requested by Issuer, to keep forms up to date), each Series 2000-1 Noteholder that is organized under the laws of a jurisdiction outside the United States of America shall deliver to the Indenture Trustee any certificates, documents or other evidence that shall be required by the Code (or any regulations issued pursuant thereto) to establish that, assuming the Series 2000-1 Notes are properly characterized as indebtedness, it is exempt from existing United States Federal withholding requirements, including (i) two original copies of Internal Revenue Service Form 1001 or Form 4224 or successor applicable form, properly completed and duly executed by the Series 2000-1 Noteholder certifying that it is entitled to receive payments under this Supplement without deduction or withholding of any United States Federal income taxes, and (ii) an original copy of Internal Revenue Service Form W-8 or W-9 or applicable successor form, properly completed and duly executed; *provided*, that if any Series 2000-1 Noteholder does not comply with this Section 205(f), amounts payable to such Series 2000-1 Noteholder under this Section 205 shall be limited to amounts that would have been payable under this section if such Series 2000-1 Noteholder had so complied.

Section 206. Increased Costs. If any Indemnified Party shall determine that, due to either (a) the introduction after the Closing Date of any change (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the LIBOR

Rate) after the Closing Date in or in the interpretation of any law or requirement of law or (b) the compliance with any guideline or request issued after the Closing Date from any central bank or other Governmental Authority (whether or not having the force of law), there shall be any increase in the cost to such Indemnified Party of agreeing to maintain its investment in any Note at a rate of interest based upon the LIBOR Rate, then the Issuer shall be liable for, and shall from time to time, pay to such Indemnified Party such additional amounts as are sufficient to compensate such Indemnified Party for such Increased Costs; *provided*, *however,* that such Indemnified Party shall (i) use reasonable efforts in good faith to mitigate any such Increased Costs and (ii) provide to Issuer in writing the basis for such Increased Costs. Payment under this indemnification shall be made in accordance with the priorities for distributions set forth in Section 303 of this Supplement after the Indemnified Party makes written demand therefor.

Increased Costs shall not constitute a claim against the Issuer or the Collateral in the event that such amounts are not paid in accordance with Section 303 of this Supplement.

Section 207. Capital Requirements. If any Indemnified Party shall determine (i) any change after the Closing Date in any law, rule, regulation or guideline adopted pursuant to or arising out of the November 2005 report of the Basel Committee on Banking Regulations and Supervisory Practices entitled "Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework," or (ii) the adoption after the Closing Date of any other law or requirement of law regarding capital adequacy, or (iii) any change after the Closing Date in the enforcement or interpretation or administration of any of the foregoing by any Governmental Authority charged with the enforcement or interpretation or administration thereof, or (iv) compliance by any Indemnified Party (or any business office of the Indemnified Party) or the Indemnified Party's holding company with any request or directive issued after the Closing Date regarding capital adequacy of any such Governmental Authority, has or would have the effect of reducing the rate of return on the Indemnified Party's capital or on the capital of the Indemnified Party's holding company, if any, as a consequence of maintaining its commitment to purchase Notes or maintain its investment in a Note at a rate of interest based upon the LIBOR Rate under this Supplement to a level below that which the Indemnified Party or the Indemnified Party's holding company could have achieved but for such adoption, change or compliance (taking into consideration the Indemnified Party's policies and the policies of the Indemnified Party's holding company with respect to capital adequacy) by an amount reasonably deemed by the Indemnified Party to be material, *then,* upon written demand by the Indemnified Party, the Issuer shall be liable for such additional amount or amounts as will compensate the Indemnified Party or the Indemnified Party's holding company for any such reduction suffered. Payment of this indemnification shall be made in accordance with the priorities for distributions set forth in Section 303 of this Supplement after the Indemnified Party makes written demand therefor. Indemnification amounts shall not constitute a claim against the Issuer or the Collateral in the event such amounts are not paid in accordance with Section 303 of this Supplement. Without affecting its rights under this Section 207 or any other provision of this Supplement or the Indenture, the Indemnified Party agrees that if there is an increase in any cost to or reduction in any amount receivable by the Indemnified Party with respect to which the Issuer would be obligated to compensate the Indemnified Party pursuant to this Section 207, the Indemnified Party shall

use reasonable efforts to select an alternative business office which would not result in any such increase in any cost to or reduction in any amount receivable by the Indemnified Party; *provided, however,* that the Indemnified Party shall not be obligated to select an alternative business office if the Indemnified Party determines that (i) as a result of such selection the Indemnified Party would be in violation of any applicable law, or would incur material, additional costs or expenses, or (ii) such selection would be unavailable for regulatory reasons.

Section 208. Series 2000-1 Subordinated Basis Amount . The Series 2000-1 Subordinated Basis Amount shall be payable on each Payment Date from amounts on deposit in the Series 2000-1 Series Account in accordance with Section 302 of the Indenture and Section 303 of this Supplement.

ARTICLE III

Series 2000-1 Series Account and Allocation and Application of Amounts Therein

Section 301. Series 2000-1 Series Account. The Issuer shall establish on the Closing Date and maintain, so long as any Series 2000-1 Note is Outstanding, an Eligible Account with the Indenture Trustee which shall be designated as the Series 2000-1 Series Account, which account shall be held by the Indenture Trustee for the benefit of the Series 2000-1 Noteholders and the Series Enhancer. All deposits of funds by or for the benefit of the Series 2000-1 Noteholders from the Trust Account and the Restricted Cash Account shall be accumulated in, and withdrawn from, the Series 2000-1 Series Account in accordance with the provisions of the Indenture and this Supplement.

Section 302. Drawing Funds from the Restricted Cash Account.

(a) In the event that the Manager Report with respect to any Determination Date shall state that (or the Administrative Agent shall, pursuant to Section 302(c) of the Indenture, determine that) the funds on deposit in the Series 2000-1 Series Account will not be sufficient to make payment in full on the related Payment Date of the related Interest Payment then due for the Series 2000-1 Notes (the amount of such deficiency, the "Permitted Interest Withdrawal"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the lesser of (x) the Permitted Interest Withdrawal, and (y) the amount then on deposit in the Restricted Cash Account.

(b) In the event that the Manager Report delivered with respect to the Determination Date immediately preceding the Series 2000-1 Legal Final Payment Date shall state that (or the Administrative Agent shall, pursuant to Section 302(c) of the Indenture, determine that) the funds on deposit in the Series 2000-1 Series Account will not be sufficient to make payment in full on the Series 2000-1 Legal Final Payment Date of the then Aggregate Series 2000-1 Note Principal Balance (the amount of such deficiency, the "Permitted Principal Withdrawal"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the least of (x) the Aggregate Series 2000-1 Note Principal Balance, (y) the Permitted Principal Withdrawal and (z) the Maximum Principal Withdrawal Amount as calculated for Series 2000-1.

(c) Drawings will be made pursuant to Section 302(a) before any drawing is made on such date pursuant to Section 302(b), and notice of each such drawing will be delivered to the Manager and any Series Enhancer, by hand delivery or facsimile transmission. Any such funds actually received by the Indenture Trustee pursuant to Section 302(a) or Section 302(b) shall be used solely to make payments of the Series 2000-1 Note Interest Payment or the Aggregate Series 2000-1 Note Principal Balance, as the case may be.

Section 303. Distribution from Series 2000-1 Series Account . On each Payment Date, the Indenture Trustee shall distribute funds then on deposit in the Series 2000-1 Series Account in accordance with the provisions of either subsection (I), (II) or (III) of this Section 303.

(I) If neither an Early Amortization Event nor an Event of Default shall have occurred and be continuing with respect to any Series of Notes:

(1) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Interest Payment allocated to Series 2000-1, as follows: (A) such Holder's *pro rata* portion of the Series 2000-1 Note Interest Payment (exclusive of Default Interest and Step Up Warehouse Fee) for such Payment Date, plus (B) such Holder's *pro rata* portion of the Unused Fee for such Payment Date;

(2) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Minimum Principal Payment Amount then due and payable to Series 2000-1 Noteholders on such Payment Date;

(3) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Scheduled Principal Payment Amount then due and payable to Series 2000-1 Noteholders on such Payment Date;

(4) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion (if any) of the Supplemental Principal Payment Amount then due and payable to Series 2000-1 Noteholders on such Payment Date;

(5) To the Series Enhancer and each Holder of a Series 2000-1 Note on the immediately preceding Record Date and each other Indemnified Party, *pro rata,* an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Series 2000-1 Subordinated Basis Amount, indemnities and other amounts (including Default Interest) then due and payable to the Series 2000-1 Noteholders, the Series Enhancer and each other Indemnified Party pursuant to the Series 2000-1 Related Documents; and

(6) To the Issuer, any remaining amounts then on deposit in the Series 2000-1 Series Account.

(II) If an Early Amortization Event shall have occurred and be continuing with respect to any Series but no Event of Default shall have occurred and be continuing with respect to any Series:

(1) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Interest Payment allocated to Series 2000-1, as follows: (A) such Holder's *pro rata* portion of the Series 2000-1 Note Interest Payment (exclusive of Default Interest and Step Up Warehouse Fee) for such Payment Date, plus (B) such Holder's *pro rata* portion of the Unused Fee for such Payment Date;

(2) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Minimum Principal Payment Amount then due and payable to Series 2000-1 on such Payment Date;

(3) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Scheduled Principal Payment Amount then due and payable to Series 2000-1 on such Payment Date;

(4) Sequentially in payment of the amounts set forth in clauses (A) and (B): (A) to each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the then Aggregate Series 2000-1 Note Principal Balance until the Aggregate Series 2000-1 Note Principal Balance has been reduced to zero, and then (B) to the Series Enhancer, in payment of Reimbursement Amounts owing in respect of principal payments on the Series 2000-1 Notes paid by the Series Enhancer;

(5) To the Series Enhancer and each Holder of a Series 2000-1 Note on the immediately preceding Record Date and each other Indemnified Party, *pro rata,* an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Series 2000-1 Subordinated Basis Amount, indemnities and other amounts (including Default Interest) then due and payable to Series 2000-1 Noteholders and the Series Enhancer and each Indemnified Party pursuant to the Series 2000-1 Related Documents; *provided* that so long as the Series Enhancer shall not be in default of its payment obligations under the Policy, the Series Enhancer shall be entitled to Default Interest for the Series 2000-1 Notes in lieu of the Holders of the Series 2000-1 Notes then due and payable by the Issuer to the Series 2000-1 Noteholders and the Series Enhancer pursuant to the Series 2000-1 Related Documents; and

(6) After application of the amounts required to be paid pursuant to Section 302 of the Indenture, to the Issuer, any remaining amounts then on deposit in the Series 2000-1 Series Account.

(III) If an Event of Default shall have occurred and be continuing with respect to any Series:

(1) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Interest Payment allocated to Series 2000-1, as follows: (A) such Holder's *pro rata* portion of the Series 2000-1 Note Interest Payment (exclusive of Default Interest and Step Up Warehouse Fee) for such Payment Date, plus (B) such Holder's *pro rata* portion of the Unused Fee for such Payment Date;

(2) To each Holder of a Series 2000-1 Note on the immediately preceding Record Date on a *pro rata* basis, an amount equal to the then Aggregate Series 2000-1 Note Principal Balance until the Series 2000-1 Notes are paid in full;

(3) To the Series Enhancer, in payment of Reimbursement Amounts owing in respect of principal payments on the Series 2000-1 Notes paid by the Series Enhancer;

(4) To the Series Enhancer and each Holder of a Series 2000-1 Note on the immediately preceding Record Date and each other Indemnified Party, *pro rata,* an amount equal to Taxes, Other Taxes, Increased Costs, Breakage Costs, Step Up Warehouse Fee, Series 2000-1 Subordinated Basis Amount, indemnities and other amounts (including Default Interest) then due and payable to the Series 2000-1 Noteholders, the Series Enhancer and each other Indemnified Party pursuant to the Series 2000-1 Related Documents; *provided* that so long as the Series Enhancer shall not be in default of its payment obligations under the Policy, the Series Enhancer shall be entitled to Default Interest for the Series 2000-1 Notes in lieu of the Holders of the Series 2000-1 Notes then due and payable by the Issuer to the Series 2000-1 Noteholders and the Series Enhancer pursuant to the Series 2000-1 Related Documents; and

(5) After application of the amounts required to be paid pursuant to Section 302 of the Indenture, to the Issuer, any remaining amounts then on deposit in the Series 2000-1 Series Account.

Any amounts payable to a Series 2000-1 Noteholder, each other Indemnified Party or the Series Enhancer shall be made by wire transfer of immediately available funds to the account that such Series 2000-1 Noteholder, Indemnified Party or Series Enhancer has designated to the Indenture Trustee in writing on or prior to the Business Day immediately preceding the Payment Date.

Section 304. The Policy.

(a) On each Determination Date, the Indenture Trustee shall determine, with respect to the immediately following Payment Date, based solely on the information contained in the Manager Report (or, in the absence of a Manager Report, the information provided by the Administrative Agent pursuant to Section 302(c) of the Indenture), whether there exists a Deficiency Amount.

(b) If there exists a Deficiency Amount with respect to a Payment Date which is an "Insured Amount" under the Policy, the Indenture Trustee shall complete a notice in the form of Exhibit A to the Policy and submit such notice to the Series Enhancer in accordance with the terms of the Policy. Any payment made by the Series Enhancer under the Policy shall be applied solely to the payment of principal and/or interest (other than Default Interest or Step Up Warehouse Fee) on the Series 2000-1 Notes subject to the terms of the Policy.

(c) The Indenture Trustee shall (i) receive Insured Amounts as attorney-in-fact of each of the Series 2000-1 Noteholders and (ii) disburse such Insured Amounts directly to the Series 2000-1 Noteholders. The Issuer hereby agrees for the benefit of the Series Enhancer (and each Series 2000-1 Noteholder, by acceptance of its Series 2000-1 Notes, will be deemed to have agreed) that, without limiting any other rights of the Series Enhancer, to the extent the Series Enhancer pays, or causes to be paid, Insured Amounts, either directly or indirectly (as by paying through distribution to the Indenture Trustee), to the Series 2000-1 Noteholders, the Series Enhancer will be entitled to receive the related Reimbursement Amount pursuant to Section 303 hereof in lieu of the Noteholders and will be subrogated to their payment rights thereunder.

(d) The Series 2000-1 Notes will be insured by the Policy pursuant to the terms set forth therein, notwithstanding any provisions to the contrary contained in this Supplement. All amounts received under the Policy shall be used solely for the payment when due to the Series 2000-1 Noteholders of the Insured Amounts.

(e) If a Corporate Trust Officer at any time has actual knowledge that a Deficiency Amount will exist on the applicable Payment Date, the Indenture Trustee shall immediately notify the Series Enhancer or its designee by telephone, promptly confirmed in writing by overnight mail or facsimile transmission, of the amount of such deficiency.

(f) Anything herein to the contrary notwithstanding, any payment with respect to the principal of or interest on the Series 2000-1 Notes which is made with monies received pursuant to the terms of the Policy shall not be considered payment by the Issuer of the Series 2000-1 Notes, shall not discharge the Issuer in respect of its obligation to make such payment, and shall not result in the payment of, or the provision for the payment of, the principal of or interest on, the Series 2000-1 Notes for purposes of Section 203 hereof or for purposes of Section 302 of the Indenture. The Issuer and the Indenture Trustee acknowledge that, without the need for any further action on the part of the Series Enhancer, the Issuer, the Indenture Trustee or the Note Registrar, (i) to the extent the Series Enhancer makes payments, directly or indirectly, on account of principal of, or interest on, the Series 2000-1 Notes to the Series 2000-1 Noteholders, the Series Enhancer will be fully subrogated to the rights of such Series 2000-1 Noteholders to receive such principal and interest from the Issuer, and (ii) the Series Enhancer shall be paid such principal and interest in its capacity as partial subrogee of the Series 2000-1 Noteholders, but only from the sources and in the manner provided herein for the payment of such principal and interest. To evidence the Series Enhancer's subrogation to the rights of the Series 2000-1 Noteholders, the Note Registrar shall note the Series Enhancer's rights as subrogee upon the register of Series 2000-1 Noteholders upon receipt from the Series Enhancer of proof of payment by the Series Enhancer of any Insured Amounts.

(g) The parties hereto grant to the Series Enhancer, as long as no Series Enhancer Default shall have occurred and is continuing, the right of prior approval of amendments, waivers or supplements to the Series 2000-1 Related Documents (except any Acquisition Agreement) available to the Series 2000-1 Noteholders thereunder and of the exercise of any option, vote, right, power or the like available to the Series 2000-1 Noteholders hereunder. Nothing contained in this paragraph (g) shall vitiate the right of a Series 2000-1 Noteholder to consent to any amendments of the type separately set forth in clauses (i) through (vii) of Section 1002(a) of the Indenture and Section 9.1(a) of the Series 2000-1 Note Purchase Agreement.

(h) The Indenture Trustee shall keep a complete and accurate record of the amount and allocation of Insured Amounts and the Series Enhancer shall have the right to inspect such records at reasonable times upon three (3) Business Days prior written notice to the Indenture Trustee.

(i) In the event that a Preference Amount is payable under the Policy, the Indenture Trustee shall so notify the Series Enhancer, shall comply with the provisions of the Policy to obtain payment by the Series Enhancer of such avoided payment, and shall, at the time it provides notice to the Series Enhancer, notify the Series 2000-1 Noteholders by mail that, in the event that any Series 2000-1 Noteholder's payment is so recoverable, the Indenture Trustee on behalf of such Series 2000-1 Noteholder will be entitled to payment thereof pursuant to the terms of the Policy. The Indenture Trustee shall furnish to the Series Enhancer, at its written request, the requested records it holds in its possession evidencing the payments of principal of and interest on Series 2000-1 Notes, if any, which have been made by the Indenture Trustee and subsequently recovered from Series 2000-1 Noteholders, and the dates on which such payments were made.

The Indenture Trustee shall promptly notify the Series Enhancer if a Corporate Trust Officer receives written notice of any Proceeding or the institution of any action seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership or similar law of any distribution made with respect to the Series 2000-1 Notes. Without limiting any rights of the Series Enhancer under the Policy or any other Series 2000-1 Related Document, and without modifying or otherwise affecting any terms or conditions of the Policy, each Series 2000-1 Noteholder, by its purchase of Series 2000-1 Notes, and the Indenture Trustee hereby agrees that, the Series Enhancer (so long as no Series Enhancer Default exists) may at any time during the continuation of any Proceeding relating to a Preference Amount direct all matters relating to such Preference Amount, including, without limitation, (i) the direction of any appeal of any order relating to any Preference Amount and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Series Enhancer shall be subrogated to the rights of the Indenture Trustee and each Series 2000-1 Noteholder, in the conduct of any Proceeding relating to such Preference Amount, including, without limitation, all rights of any party to an adversary Proceeding action with respect to any order issued in connection with any such Preference Amount. Insured Amounts paid by the Series Enhancer to the Indenture Trustee shall be received by the Indenture Trustee, as agent for the Series 2000-1 Noteholders.

(j) By acceptance of a Series 2000-1 Note, each Series 2000-1 Noteholder agrees to be bound by the terms of the Policy, including, without limitation, the method and timing of payment and the Series Enhancer's right of subrogation.

(k) Notwithstanding the foregoing, in the event that payments on the Series 2000-1 Notes are accelerated, such accelerated payments will not be covered by the Series Enhancer under the Policy, unless the Series Enhancer shall elect to make such accelerated payments in accordance with and subject to the terms of the Policy.

(l) The Indenture Trustee shall be entitled to enforce on behalf of the Series 2000-1 Noteholders the obligations of the Series Enhancer under the Policy. Notwithstanding any other provision of this Indenture or any Series 2000-1 Related Document, the Series 2000-1 Noteholders are not entitled to make any claims under the Policy or institute Proceedings directly against the Series Enhancer.

(m) Nothing in this Section 304 or in any other Section hereof shall or is intended to modify any of the terms, provisions or conditions of the Policy.

ARTICLE IV

Additional Covenants and Agreements

In addition to the covenants set forth in Article VI of the Indenture, the Issuer hereby makes the following additional covenants for the benefit of the Series 2000-1 Noteholders:

Section 401. Increase in the Aggregate Series 2000-1 Note Commitment . The Issuer shall not on or after the Restatement Effective Date increase the aggregate Series 2000-1 Note Commitment without (a) the prior written consent of the Control Party for the Series 2000-1 Notes and the Series Enhancer, (b) receipt by the Control Party for the Series 2000-1 Notes and the Series Enhancer of a certificate from an officer of the Issuer stating that no Early Amortization Event, Manager Default or Event of Default has occurred and is then continuing or would result therefrom, (c) (i) if such increase in the aggregate Series 2000-1 Note Commitment is to an amount not greater than Four Hundred Million Dollars ($400,000,000), notifying the Rating Agencies of such increase, or (ii) if such increase in the aggregate Series 2000-1 Note Commitment is to an amount greater than Four Hundred Million Dollars ($400,000,000), satisfying the Rating Agency Condition, and (d) confirmation in writing from the Manager that the principal balance of all Series of Notes then Outstanding (calculated after giving effect to such proposed issues) shall not exceed the Asset Base as evidenced by the Asset Base Report most recently received by the Indenture Trustee (but not earlier than the preceding Payment Date). Nothing contained in this Supplement shall (A) prohibit the assignment by any Series 2000-1 Noteholder of all or a portion of its Series 2000-1 Note Commitment if, after giving effect to such assignment, the aggregate Series 2000-1 Note Commitment shall not have increased, or (B) require the consent of the Series Enhancer to any issuance of additional Series under the Indenture.

Section 402. [Reserved]

Section 403. Depreciation Policy. The Issuer will not revise the Depreciation Policy with respect to the Managed Containers in such a way as to reduce the amount of depreciation expense that would be recorded in any year from that which would have been recorded pursuant to the Depreciation Policy without obtaining in each such instance (i) the prior written consent of the Requisite Global Majority and (ii) evidence that the Rating Agency Condition shall have been satisfied.

ARTICLE V

Conditions of Effectiveness and Future Lending

Section 501. Effectiveness of Supplement. The effectiveness of this Supplement is subject to the condition precedent that the Indenture Trustee shall have received all of the following, each duly executed and dated as of the Restatement Effective Date, in form and substance satisfactory to all of the initial Series 2000-1 Noteholders and each (except for the Series 2000-1 Notes, of which only the originals shall be signed) in sufficient number of signed counterparts to provide one for each Series 2000-1 Noteholder:

(a) Series 2000-1 Notes. Separate Series 2000-1 Notes executed by the Issuer in favor of each Series 2000-1 Noteholder in the stated maximum principal amount equal to the Series 2000-1 Note Commitment of such Series 2000-1 Noteholder.

(b) Certificate(s) of Secretary or Assistant Secretary or Officer . Separate certificates executed by the corporate secretary, assistant secretary or authorized officer of each of the Manager and the Issuer, dated the Restatement Effective Date, certifying (i) that the respective company has the authority to execute and deliver, and perform its respective obligations under each of the Series 2000-1 Related Documents to which it is a party, and (ii) that attached are true, correct and complete copies of the Memorandum of Association, Certificate of Incorporation, bye-laws, board resolutions and incumbency certificates of the related company in form and substance satisfactory to the Deal Agent as to such matters as the Deal Agent shall reasonably require.

(c) Security Documents. The Indenture and this Supplement, in form and substance satisfactory to all of the initial Series 2000-1 Noteholders, shall have been executed and delivered by the Issuer, and all other parties thereto, together with all UCC financing statements, documents of similar import in other jurisdictions, and other documents reasonably requested by the Deal Agent.

(d) Opinions of Counsel. Opinions from counsel to the Issuer each in form and in substance satisfactory to the Deal Agent as to such matters as it shall reasonably require including, without limitation, that the Issuer has granted a first priority perfected security interest in the Collateral to the Indenture Trustee.

(e) Management Agreement. The Management Agreement shall have been duly executed and delivered.

(f) Certificate as to Containers. A certificate from the Manager certifying that it is managing all of the Containers in accordance with the Management Agreement in satisfactory form shall have been duly executed and delivered.

(g) Contribution and Sale Agreement. The Contribution and Sale Agreement shall have been duly executed and delivered.

(h) True Sale and Nonconsolidation Opinions. Each of Conyers Dill & Pearman and Morrison & Foerster LLP shall have delivered its opinions as to true sale and non-consolidation in form and substance acceptable to the Deal Agents.

(i) Renewal Fees. The Issuer shall have paid the Renewal Fees to the respective Deal Agents in accordance with the Fee Letters.

Section 502. Subsequent Advances on Series 2000-1 Notes. The obligation of a Series 2000-1 Noteholder to make any Series 2000-1 Advance on the Series 2000-1 Note pursuant to its Series 2000-1 Note Commitment under this Supplement and the Series 2000-1 Note Purchase Agreement is subject to the following further conditions precedent:

(a) Default. Before and after giving effect to such Series 2000-1 Advance, no Event of Default shall have occurred and be continuing (or would occur with the giving of notice or the passage of time or both).

(b) Early Amortization Event. Before and after giving effect to such advance, no Early Amortization Event shall have occurred and be continuing (or would occur with the giving of notice or the passage of time or both) unless such Series 2000-1 Advance has been approved by each of (i) the Requisite Global Majority and (ii) each Series 2000-1 Noteholder.

(c) Certification. The Issuer shall have delivered to the Deal Agents a compliance certificate, signed by an officer of Issuer, certifying that (A) the Issuer has complied with all of the conditions precedent set forth in Sections 501 and 502 of this Supplement; (B) all of the representations and warranties of the Issuer, the Seller and the Manager contained in any of the Series 2000-1 Related Documents are true and correct as of the date of such Series 2000-1 Advance; and (C) all of the conditions precedent to the making of such Series 2000-1 Advance have been satisfied.

(d) Asset Base Report. The Issuer shall have delivered to each Deal Agent a duly completed and executed Asset Base Report, determined after giving effect to any Eligible Containers to be acquired with the proceeds of such Series 2000-1 Advance, which demonstrates that, after giving effect to such Series 2000-1 Advance, the sum of the then unpaid principal balance of all Series of Notes then Outstanding (calculated after giving effect to the requested Series 2000-1 Advance) does not exceed the Asset Base.

(e) Conversion Date. The Conversion Date shall not have occurred, unless such Series 2000-1 Advance has been approved by each of (i) the Requisite Global Majority and (ii) each Series 2000-1 Noteholder.

ARTICLE VI

Representations and Warranties

To induce the Series 2000-1 Noteholders to purchase the Series 2000-1 Notes hereunder, the Issuer hereby represents and warrants as of the Restatement Effective Date to the Series 2000-1 Noteholders that:

Section 601. Existence. The Issuer is a company duly organized, validly existing and in compliance under the laws of Bermuda. The Issuer is in good standing and is duly qualified to do business in each jurisdiction where the failure to do so would have a material adverse effect upon the Issuer and in each jurisdiction in which a failure to so qualify would materially and adversely effect the ability of the Indenture Trustee to enforce its security interest in the Collateral.

Section 602. Authorization. The Issuer has the power and is duly authorized to execute and deliver this Supplement and the other Series 2000-1 Related Documents to which it is a party. The Issuer is and will continue to be duly authorized to borrow monies hereunder; and the Issuer is and will continue to be authorized to perform its obligations under this Supplement and under the other Series 2000-1 Related Documents. The execution, delivery and performance by the Issuer of this Supplement and the other Series 2000-1 Related Documents to which it is a party and the borrowings hereunder do not and will not require any consent or approval of any Governmental Authority, stockholder or any other Person which has not already been obtained.

Section 603. No Conflict, Legal Compliance. The execution, delivery and performance of this Supplement and each of the other Series 2000-1 Related Documents and the execution, delivery and payment of the Series 2000-1 Notes will not: (a) contravene any provision of Issuer's memorandum of association or bye-laws; (b) contravene, conflict with or violate any Applicable Law or regulation, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority; or (c) violate or result in the breach of, or constitute a default under the Indenture, the Series 2000-1 Related Documents, any other indenture or other loan or credit agreement, or other agreement or instrument to which Issuer is a party or by which Issuer, or its property and assets may be bound or affected. Issuer is not in violation or breach of or default under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any contract, agreement, lease, license, indenture or other instrument to which it is a party.

Section 604. Validity and Binding Effect. This Supplement is, and each Series 2000-1 Related Document to which Issuer is a party, when duly executed and delivered, will be, the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

Section 605. Financial Statements. Since December 31, 2005, there has been no Material Adverse Change in the financial condition of any of the Issuer, either Seller or the Manager.

Section 606. Executive Offices. The Issuer's only "place of business" (within the meaning of 9-307 of the UCC) is located at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda. The Issuer does not maintain an office or assets in the United States, other than (i) the Trust Account, the Restricted Cash Account and the Series Accounts and (ii) off-hire containers located in depots in the United States and containers described in Section 606(g) of the Indenture.

Section 607. No Agreements or Contracts. The Issuer is not now and has not been a party to any contract or agreement (whether written or oral) other than the Series 2000-1 Related Documents, the Series 2001-1 Related Documents or the Series 2005-1 Related Documents (as such term is defined in the Supplement for such Series), the Related Documents and the Members Agreement; *provided*, that all obligations under the Series 2001-1 Related Documents were terminated on May 16, 2005 (except for such obligations which, pursuant to the terms of the Series 2001-1 Related Documents, shall survive any termination thereof).

Section 608. Consents and Approvals. No approval, authorization or consent of any trustee or holder of any Indebtedness or obligation of Issuer or of any other Person under any agreement, contract, lease or license or similar document or instrument to which Issuer is a party or by which Issuer is bound, is required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2000-1 Related Documents or the Series 2005-1 Related Documents, except for those approvals, authorizations and consents that have been obtained on or prior to the Restatement Effective Date. All consents and approvals of, filings and registrations with, and other actions in respect of, all Governmental Authorities required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2000-1 Related Documents or the Series 2005-1 Related Documents have been, or prior to the time when required will have been, obtained, given, filed or taken and are or will be in full force and effect.

Section 609. Margin Regulations. Issuer does not own any "margin security", as that term is defined in Regulation U of the Federal Reserve Board, and the proceeds of the Series 2000-1 Notes issued under this Supplement will be used only for the purposes contemplated hereunder. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the loans under this Supplement to be considered a "purpose credit" within the meaning of Regulations T, U and X. Issuer will not take or permit any agent acting on its behalf to take any action which might cause this Supplement or any document or instrument delivered pursuant hereto to violate any regulation of the Federal Reserve Board.

Section 610. Taxes. All federal, state, local and foreign tax returns, reports and statements required to be filed by Issuer have been filed with the appropriate Governmental Authorities, and all Taxes, Other Taxes and other impositions shown thereon to be due and payable by Issuer have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof, or any such fine, penalty, interest, late charge or loss has been paid, or Issuer is contesting its liability therefor in good faith and has fully reserved all such amounts according to GAAP in the financial statements provided to the Noteholders pursuant to Section 626 of the Indenture. Issuer has paid when due and payable all material charges upon the books of Issuer and no Governmental Authority has asserted any Lien against Issuer with respect to unpaid Taxes or Other Taxes. Proper and accurate amounts have been withheld by Issuer from its employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law and such withholdings have been timely paid to the respective Governmental Authorities.

Section 611. Other Regulations. Issuer is not an "investment company," or an "affiliated person" of, or a "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended. The issuance of the Series 2000-1 Notes hereunder and the application of the proceeds and repayment thereof by Issuer and the performance of the transactions contemplated by this Supplement and the other Series 2000-1 Related Documents will not violate any provision of the Investment Company Act, or any rule, regulation or order issued by the SEC thereunder.

Section 612. Solvency and Separateness.

(i) The capital of the Issuer is adequate for the business and undertakings of the Issuer.

(ii) Other than with respect to the transactions contemplated hereby, by the Series 2000-1 Related Documents and by the Series 2005-1 Related Documents, the Issuer is not engaged in any business transactions with the Sellers or the Manager except as permitted by the Management Agreement, the Contribution and Sale Agreement, the Members Agreement or any Acquisition Agreement.

(iii) The bye-laws of the Issuer provide that the Issuer shall have four directors (two directors appointed by Textainer Limited, and two directors appointed by MeesPierson Transport & Logistics Holding B.V. (now known as FB Aviation & Intermodal Finance Holding B.V.)) unless increased to five under certain circumstances described in the bye-laws, including, but not limited to, those discussed below. In the event of a resolution to institute voluntary Insolvency Proceedings on behalf of the Issuer, the bye-laws of the Issuer further provide that the number of directors is automatically increased to five and an independent director from the Director Services Provider is elected by a majority of the directors. Such independent director shall participate solely in the vote on the voluntary Insolvency Proceedings and shall cease to be a director immediately following such vote. No action can be taken to

institute voluntary Insolvency Proceedings on behalf of the Issuer unless such action shall have been approved or authorized by (x) a resolution of the board of directors of the Issuer for which at least ninety-nine percent (99%) of all directors (including the independent director) of the Issuer have voted in favor and (y) a resolution of the members of the Issuer representing at least ninety-nine percent (99%) of all Class A Shares (as defined in the Issuer's bye-laws) and Class B Shares (as defined in the Issuer's bye-laws) of the Issuer and (z) a resolution of the members of the Issuer representing at least ninety-nine percent (99%) of all Class C Shares (as defined in the Issuer's bye-laws) of the Issuer then issued and outstanding.

(iv) The Issuer's funds and assets are not, and will not be, commingled with those of the Sellers or the Manager, except as permitted by the Management Agreement.

(v) The bye-laws of the Issuer require it to maintain (A) correct and complete books and records of account, and (B) minutes of the meetings and other proceedings of its members.

(vi) The Issuer is not insolvent under the Insolvency Law and will not be rendered insolvent by the transactions contemplated by the Series 2000-1 Related Documents and after giving effect to such transactions, the Issuer will not be left with an unreasonably small amount of capital with which to engage in its business nor will the Issuer have intended to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature. The Issuer does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation Proceedings or the appointment of a receiver, liquidator, trustee or similar official in respect of the Issuer or any of its assets.

Section 613. Survival of Representations and Warranties. So long as any of the Series 2000-1 Notes shall be Outstanding and until payment and performance in full of the Aggregate Outstanding Obligations, the representations and warranties contained herein shall have a continuing effect as having been true when made.

Section 614. No Default. No Event of Default or Early Amortization Event (or event or condition which with the giving of notice or passage of time or both would become an Event of Default or Early Amortization Event) has occurred and is continuing.

Section 615. Litigation and Contingent Liabilities. No claims, litigation, arbitration Proceedings or governmental Proceedings by any Governmental Authority are pending or threatened against or are affecting the Issuer or any of its Affiliates the results of which might interfere with the consummation of any of the transactions contemplated by this Supplement or any document issued or delivered in connection herewith.

Section 616. Subsidiaries. Issuer has had no subsidiaries.

Section 617. No Partnership. Issuer is not a partner or joint venturer in any partnership or joint venture.

Section 618. Pension and Welfare Plans. No accumulated funding deficiency (as defined in Section 412 of the Code or Section 302 of ERISA) or reportable event (within the meaning of section 4043 of ERISA), has occurred with respect to any Plan of the Issuer or any ERISA Affiliate. The present value of all benefit liabilities under all Plans of the Issuer or any ERISA Affiliate subject to Title IV of ERISA, as defined in Section 4001(a)(16) of ERISA, exceeds the fair market value of all assets of Plans subject to Title IV of ERISA (determined as of the most recent valuation date for such Plan on the basis of assumptions prescribed by the Pension Benefit Guaranty Corporation for the purpose of Section 4044 of ERISA), by no more than $1.9 million. Neither Issuer nor any ERISA Affiliate is subject to any present or potential withdrawal liability pursuant to Title IV of ERISA and no multiemployer plan (with the meaning of Section 4001(a)(3) of ERISA) to which the Issuer or any ERISA Affiliate has an obligation to contribute or any liability, is or is likely to be disqualified for tax purposes, in reorganization within the meaning of Section 4241 of ERISA or Section 418 of the Code) or is insolvent (as defined in Section 4245 of ERISA). No liability (other than liability to make periodic contributions to fund benefits) with respect to any Plan of Issuer, or Plan subject to Title IV of ERISA or any ERISA Affiliate, has been, or is expected to be, incurred by Issuer or an ERISA Affiliate, either directly or indirectly. All Plans of Issuer are in material compliance with ERISA and the Code. No lien under Section 412 of the Code or 302(f) of ERISA or requirement to provide security under the Code or ERISA has been or is reasonably expected by Issuer to be imposed on its assets. The Issuer does not have any obligation under any collective bargaining agreement. As of the Restatement Effective Date, the Issuer is not an "employee benefit plan" with the meaning of ERISA or a "plan" within the meaning of Section 4975 of the Code and assets of the Issuer do not constitute "plan assets" within the meaning of Section 2510.3-101 of the regulations of the Department of Labor.

Section 619. Ownership of Issuer. The Issuer has three classes of ordinary shares outstanding as of the Restatement Effective Date: the Class A Shares, the Class B Shares and the Class C Shares. The Class A Shares represent the only class of voting shares outstanding and, as of the Restatement Effective Date, 12,000 shares are outstanding and are owned in the following amounts: 6,000 by Textainer Limited, a Bermuda company, and 6,000 by FB Aviation & Intermodal Finance Holding B.V. (formerly known as MeesPierson Transport & Logistics Holding B.V.), a company organized under the laws of the Kingdom of The Netherlands. The Class B Shares do not have voting rights (other than with respect to (i) any matter that adversely affects the rights of the holder of the Class B Shares and/or (ii) the commencement of a voluntary bankruptcy Proceeding by the Issuer and/or (iii) amending the bye-laws of the Issuer giving rise to such right) and all of such Class B Shares are owned by Textainer Limited on the Restatement Effective Date. The Class C Shares do not have voting rights (other than with respect to (i) any matter that adversely affects the rights of the holder of the Class C Shares and/or (ii) the commencement of a voluntary bankruptcy Proceeding by the Issuer and/or (iii) amending the bye-laws of the Issuer giving rise to such right) and all of such Class C Shares are owned by AMACAR Investments LLC, a Delaware limited liability company, on the Restatement Effective Date.

Section 620. Use of Proceeds. The Issuer shall use the proceeds from the issuance of the Series 2000-1 Notes (i) to acquire Containers and other Collateral, (ii) to pay the costs of issuance of the Series 2000-1 Notes and (iii) for general corporate purposes. For avoidance

of doubt, the Issuer may use the proceeds of any Series 2000-1 Advance to make payments on, or in respect of, any other Series of Notes.

Section 621. Security Interest Representations.

(a) This Supplement and the Indenture create a valid and continuing security interest (as defined in the UCC) in the Collateral in favor of the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and any Interest Rate Hedge Provider, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from the Issuer.

(b) The Containers constitute "goods" or "inventory" within the meaning of the applicable UCC. The Leases constitute "tangible chattel paper" within the meaning of the UCC. The lease receivables constitute "accounts" and/or "proceeds" of the Leases within the meaning of the UCC. The Trust Account, the Restricted Cash Account and the Series Accounts constitute "securities accounts" within the meaning of the UCC. The Issuer's contractual rights under any Interest Rate Hedge Agreements, the Contribution and Sale Agreement and the Management Agreement constitute "general intangibles" within the meaning of the UCC.

(c) The Issuer owns and has good and marketable title to the Collateral, free and clear of any Lien (whether senior, junior or *pari passu*), claim or encumbrance of any Person, except for Permitted Encumbrances.

(d) The Issuer has caused the filing of all appropriate financing statements or documents of similar import in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Collateral granted to the Indenture Trustee in this Supplement and the Indenture. All financing statements filed against the Issuer in favor of the Indenture Trustee in connection herewith describing the Collateral contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Indenture Trustee."

(e) Other than the security interest granted to the Indenture Trustee pursuant to this Supplement and the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral, except as permitted pursuant to the Indenture. The Issuer has not authorized the filing of, and is not aware of, any financing statements against the Issuer that include a description of collateral covering the Collateral other than any financing statement or document of similar import (i) relating to the security interest granted to the Indenture Trustee in this Supplement or the Indenture or (ii) that has been terminated. The Issuer has no actual knowledge of any judgment or tax lien filings against the Issuer.

(f) The Issuer has received a written acknowledgment from the Manager that the Manager or an Affiliate thereof is holding the Leases, to the extent they relate to the Managed Containers, on behalf of, and for the benefit of, the Indenture Trustee. None of the Leases that constitute or evidence the Collateral have any marks or notations indicating that they

have been pledged, assigned or otherwise conveyed to any Person. The Sellers have caused the filing of all appropriate financing statements or documents of similar import in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest of the Issuer (and the Indenture Trustee as its assignee) in the Leases (to the extent that such Leases relate to the Managed Containers) granted to the Issuer in the Contribution and Sale Agreement.

(g) The Issuer has received all necessary consents and approvals required by the terms of the Collateral to the pledge to the Indenture Trustee of its interest and rights in such Collateral hereunder or under the Indenture.

(h) The Issuer has taken all steps necessary to cause Wells Fargo Bank, National Association (in its capacity as securities intermediary) to identify in its records the Indenture Trustee as the Person having a Security Entitlement in each of the Trust Account, the Restricted Cash Account and the Series 2000-1 Series Account.

(i) The Trust Account, the Restricted Cash Account and Series 2000-1 Series Account are not in the name of any Person other than the Indenture Trustee. The Issuer has not consented to Wells Fargo Bank, National Association (as the securities intermediary of the Trust Account, the Restricted Cash Account and the Series 2000-1 Series Account) to comply with entitlement orders of any Person other than the Indenture Trustee.

(j) No creditor of the Issuer (other than (x) with respect to the Managed Containers, the related lessee and (y) the Manager in its capacity as Manager under the Management Agreement) has in its possession any goods that constitute or evidence the Collateral.

The representations and warranties set forth in this Section 621 shall survive until this Supplement is terminated in accordance with its terms and the terms of the Indenture. Any breaches of the representations and warranties set forth in this Section 621 may be waived by the Indenture Trustee, only with the prior written consent of the Control Party and with the prior satisfaction of the Rating Agency Condition.

ARTICLE VII

Miscellaneous Provisions

Section 701. Ratification of Indenture. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

Section 702. Counterparts. This Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Supplement by facsimile or by electronic means shall be equally effective as the delivery of an originally executed counterpart.

Section 703. Governing Law. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICTS OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 704. Notices. All demands, notices and communications hereunder shall be in writing, personally delivered, or by facsimile (with subsequent telephone confirmation of receipt thereof), or sent by internationally recognized overnight courier service, (a) in the case of the Indenture Trustee, at the following address: Sixth Street and Marquette Avenue, MAC N9311-161, Minneapolis, Minnesota, 55479, Attention: Corporate Trust Services/Asset-Backed Administration (b) in the case of the Issuer, at the following address: Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Senior Vice President - Asset Management, with a copy to each: (i) Textainer Equipment Management Limited at its address at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda, Telephone: (441) 292-2487, Facsimile: (441) 295-4164, Attention: Senior Vice President - Asset Management, and (ii) Textainer Equipment Management (U.S.) Limited at its address at 650 California Street, 16th floor, San Francisco, CA 94108, Telephone: (415) 658-8363, Facsimile: (415) 434-0599, Attention: Senior Vice President - Asset Management, (c) in the case of Rating Agencies, to each of the following: (i) Standard & Poor's Ratings Services, 55 Water Street, New York, NY 10041-0003, and (ii) Moody's Investors Service, Inc., 99 Church Street, New York, NY, (d) in the case of the Series Enchancer, at the following address: Ambac Assurance Corporation, One State Street Plaza, New York, New York 10004, Attention: Structured Finance Department – ABS, or at such other address as shall be designated by such party in a written notice to the other parties. Any notice required or permitted to be given to a Noteholder shall be given by certified first class mail, postage prepaid (return receipt requested), or by courier, or by facsimile, with subsequent telephone confirmation of receipt thereof, in each case at the address of such Holder as shown in the Note Register or to the telephone and fax number furnished by such Noteholder. Notice shall be effective and deemed received (a) two (2) days after being

delivered to the courier service, if sent by courier, (b) upon receipt of confirmation of transmission, if sent by facsimile, or (c) when delivered, if delivered by hand. Any rights to notices conveyed to a Rating Agency pursuant to the terms of this Supplement with respect to any Series or Class shall terminate immediately if such Rating Agency no longer has a rating outstanding with respect to such Series or Class.

Section 705. Amendments and Modifications. (a) The terms of this Supplement may be waived, modified or amended only (i) in a written instrument signed by each of the Issuer, the Control Party and the Indenture Trustee and (ii) (A) except with respect to the matters set forth in (and subject to the terms of) Section 1001 of the Indenture, with the prior written consent of the Requisite Global Majority, (B) with respect to the matters set forth in Section 1002(a) of the Indenture, with the prior written consent of the Holders of all Series 2005-1 Notes then Outstanding, and (C) if required pursuant to Section 304(g) hereof or pursuant to Section 1001 or Section 1002(a) of the Indenture, with the prior written consent of the Series Enhancer. Any amendment to or modification or waiver of this Supplement shall be deemed a Supplemental Indenture subject to Sections 1001 or 1002 of the Indenture. The Series 2000-1 Note Commitment of an individual Series 2000-1 Noteholder may only be increased, and the Conversion Date may only be extended, in accordance with the provisions of Section 9.1(a) of the Note Purchase Agreement.

(b) Promptly after the execution by the Issuer and the Indenture Trustee of any written instrument pursuant to this Section, the Indenture Trustee shall mail to each Rating Agency, the Noteholders, the Administrative Agent, each Interest Rate Hedge Provider and the Series Enhancer a copy of the text of such Supplement. Any failure of the Indenture Trustee to mail such copy, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplement.

Section 706. Consent to Jurisdiction. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, STATE OF NEW YORK AND THE ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS SUPPLEMENT, THE ISSUER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE ISSUER HEREBY IRREVOCABLY APPOINTS AND DESIGNATES NATIONAL CORPORATE RESEARCH LTD. HAVING AN ADDRESS AT 225 W. 34TH STREET, NEW YORK, NEW YORK 10122, ITS TRUE AND LAWFUL ATTORNEY-IN-FACT AND DULY AUTHORIZED AGENT FOR THE LIMITED PURPOSE OF ACCEPTING SERVICE OF LEGAL PROCESS AND THE ISSUER AGREES THAT SERVICE OF PROCESS UPON SUCH PARTY SHALL CONSTITUTE PERSONAL SERVICE OF SUCH PROCESS ON SUCH PERSON. THE ISSUER SHALL MAINTAIN THE DESIGNATION AND APPOINTMENT OF SUCH AUTHORIZED AGENT UNTIL ALL AMOUNTS PAYABLE UNDER THIS SUPPLEMENT SHALL HAVE BEEN PAID IN FULL. IF SUCH AGENT SHALL CEASE TO SO ACT, THE ISSUER SHALL IMMEDIATELY DESIGNATE AND APPOINT ANOTHER SUCH

AGENT SATISFACTORY TO THE INDENTURE TRUSTEE AND SHALL PROMPTLY DELIVER TO THE INDENTURE TRUSTEE EVIDENCE IN WRITING OF SUCH OTHER AGENT'S ACCEPTANCE OF SUCH APPOINTMENT.

Section 707. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OTHER SERIES 2000-1 RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

Section 708. Third Party Beneficiaries. The Series Enhancer is an express third party beneficiary of this Supplement and shall be entitled to rely on all representations, warranties, covenants and agreements contained herein, and in the Indenture to the extent related hereto, as if made directly to it and as if it were a party hereto and shall have full power and authority to enforce the obligations of the parties hereunder.

Section 709. Transactions Under Prior Agreement. On the Restatement Effective Date, the Prior Agreement shall be amended and restated as provided in this Supplement and shall be superseded by this Supplement. The terms and conditions of this Supplement shall apply to all of the rights, obligations and remedies incurred by the Issuer under the Prior Agreement, and the Issuer agrees that this Supplement is not intended to constitute a discharge of the rights, obligations and remedies existing under the Prior Agreement.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Supplement to be duly executed and delivered by their respective officers thereunto duly authorized, all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By: /s/ D. R. Cottingham
Name: D. R. Cottingham
Title: Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Kristen L. Puttin
Name: Kristen L. Puttin
Title: Corporate Trust Officer

Consented to by:

AMBAC ASSURANCE CORPORATION,
as Series Enhancer for the Series 2005-1 Notes and as Requisite Global Majority

By: /s/ John Siris
Name: John Siris
Title: Vice President

EXHIBIT A

Form of Series 2000-1 Note

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THIS NOTE MAY NOT BE OFFERED FOR SALE, TRANSFER OR ASSIGNMENT UNLESS (1) SO REGISTERED OR THE TRANSACTION RELATING THERETO SHALL BE EXEMPT WITHIN THE MEANING OF SUCH ACT AND THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION ADOPTED THEREUNDER AND (2) SUCH TRANSACTION COMPLIES WITH THE PROVISIONS SET FORTH IN SECTION 205 OF THE INDENTURE. BECAUSE OF THE PROVISIONS FOR THE PAYMENT OF PRINCIPAL CONTAINED HEREIN, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS NOTE MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANYONE PURCHASING THIS NOTE MAY ASCERTAIN THE OUTSTANDING PRINCIPAL AMOUNT HEREOF BY INQUIRY TO THE INDENTURE TRUSTEE.

TEXTAINER MARINE CONTAINERS LIMITED
SECOND AMENDED AND RESTATED SECURED NOTE,
SERIES 2000-1

Up to $[__],000,000.00 No. [__]

June 8, 2006

KNOW ALL PERSONS BY THESE PRESENTS that Textainer Marine Containers Limited, a company organized and existing under the laws of Bermuda (the "Issuer"); for value received, hereby promises to pay to [_____], or registered assigns, at the principal corporate trust office of the Indenture Trustee named below, (i) the principal sum of up to [_____] Million Dollars ($[__],000,000), which sum shall be payable on the-dates and in the amounts set forth in the Second Amended and Restated Indenture, dated as of May 26, 2005 (the "Indenture"), and the Second Amended and Restated Series 2000-1 Supplement, dated as of June 8, 2006 (the "Series 2000-1 Supplement"), each between the Issuer and Wells Fargo Bank, National Association and (ii) interest on the outstanding principal amount of this Series 2000-1 Note on the dates and in the amounts set forth in the Indenture and the Series 2000-1 Supplement. A record of each Series 2000-1 Advance, Prepayment and repayment shall be made by, the related Deal Agent and absent manifest error such record shall be conclusive. This Note shall replace and supercede any note or notes previously issued pursuant to the Series 2000-1 Supplement. Capitalized terms not otherwise defined herein will have the meaning set forth in the Indenture and the Series 2000-1 Supplement.

Payment of the principal of and interest on this Series 2000-1 Note shall be made in lawful money of the United States of America which at the time of payment is legal tender for payment of public and private debts. The principal balance of, and interest on this Series 2000-1 Note is payable at the times and in the amounts set forth in the Indenture and

the Series 2000-1 Supplement by wire transfer of immediately available funds to the account designated by the Holder of record on the immediately preceding Record Date.

This Series 2000-1 Note is one of the authorized notes identified in the title hereto and issued in the aggregate principal amount of up to Three Hundred Million Dollars ($300,000,000.00) pursuant to the Indenture and the Series 2000-1 Supplement.

The Series 2000-1 Notes shall be an obligation of the Issuer and shall be secured by the Collateral, all as defined in, and subject to limitations set forth in, the Indenture and the Series 2000-1 Supplement.

This Series 2000-1 Note is transferable as provided in the Indenture and the Series 2000-1 Supplement, subject to certain limitations therein contained, only upon the books for registration and transfer kept by the Indenture Trustee, and only upon surrender of this Series 2000-1 Note for transfer to the Indenture Trustee duly endorsed by, or accompanied by a written instrument of transfer in form reasonably satisfactory to the Indenture Trustee duly executed by, the registered Holder hereof or his attorney duly authorized in writing. The Indenture Trustee or the Issuer may require payment by the Holder of a sum sufficient to cover any tax expense or other governmental charge payable in connection with any transfer or exchange of this Series 2000-1 Note.

The Issuer, the Indenture Trustee and any agent of the Issuer may treat the person in whose name this Series 2000-1 Note is registered as the absolute owner hereof for all purposes, and neither the Issuer, the Indenture Trustee, nor any other such agent shall be affected by notice to the contrary.

This Series 2000-1 Note is subject to Prepayment, at the times and subject to the conditions set forth in the Indenture and the Series 2000-1 Supplement.

If an Event of Default or Early Amortization Event shall occur and be continuing, the principal of and accrued interest on this Series 2000-1 Note may be declared to be due and payable in the manner and with the effect provided in the Indenture and the Series 2000-1 Supplement.

The Indenture permits, with certain exceptions as therein provided, the issuance of supplemental indentures with the consent of the Requisite Global Majority, in certain specifically described instances. Any consent given by the Requisite Global Majority shall be conclusive and binding upon the Holder of this Series 2000-1 Note and on all future holders of this Series 2000-1 Note and of any Series 2000-1 Note issued in lieu hereof whether or not notation of such consent is made upon this Series 2000-1 Note. Supplements and amendments to the Indenture and the Series 2000-1 Supplement may be made only to the extent and in circumstances permitted by the Indenture and the Series 2000-1 Supplement.

The Holder of this Series 2000-1 Note shall have no right to enforce the provisions of the Indenture or the Series 2000-1 Supplement or to institute action to enforce the covenants, or to take any action with respect to a default under the Indenture or the Series 2000-1 Supplement, or to institute, appear in or defend any suit or other Proceedings with respect thereto, except as provided under certain circumstances described in the Indenture and

the Series 2000-1 Supplement; *provided, however*, that nothing contained in the Indenture or the Series 2000-1 Supplement shall affect or impair any right of enforcement conferred on the Holder hereof to enforce any payment of the principal of and interest on this Series 2000-1 Note on or after the due date thereof; *provided further*, however, that by acceptance hereof the Holder is deemed to have covenanted and agreed that it will not institute against the Issuer any bankruptcy, reorganization, arrangement, insolvency or liquidation Proceedings, or other Proceedings under any applicable bankruptcy or similar law, at any time other than at such time as permitted by Section 1311 of the Indenture.

All terms and provisions of the Indenture and the Series 2000-1 Supplement are herein incorporated by reference as if set forth herein in their entirety.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the Series 2000-1 Supplement and the issuance of this Series 2000-1 Note and the issue of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee by manual signature of one of its authorized officers, this Series 2000-1 Note shall not be entitled to any benefit under the Indenture or the Series 2000-1 Supplement, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, Textainer Marine Containers Limited has caused this Series 2000-1 Note to be duly executed by its duly authorized representative, on this ___ day of June, 2006.

TEXTAINER MARINE CONTAINERS LIMITED

By: _____
Name:
Title:

This Note is one of the Series 2000-1 Notes described in the within-mentioned Indenture and the Series 2000-1 Supplement.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: _____
Name:
Title:

SCHEDULE 1

Minimum targeted principal balance percentage

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
0	100.00000%
1	99.44444%
2	98.88889%
3	98.33333%
4	97.77778%
5	97.22222%
6	96.66667%
7	96.11111%
8	95.55556%
9	95.00000%
10	94.44444%
11	93.88889%
12	93.33333%
13	92.77778%
14	92.22222%
15	91.66667%
16	91.11111%
17	90.55556%
18	90.00000%
19	89.44444%
20	88.88889%
21	88.33333%
22	87.77778%
23	87.22222%
24	86.66667%
25	86.11111%
26	85.55556%
27	85.00000%
28	84.44444%
29	83.88889%
30	83.33333%
31	82.77778%
32	82.22222%
33	81.66667%
34	81.11111%
35	80.55556%
36	80.00000%
37	79.44444%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
38	78.88889%
39	78.33333%
40	77.77778%
41	77.22222%
42	76.66667%
43	76.11111%
44	75.55556%
45	75.00000%
46	74.44444%
47	73.88889%
48	73.33333%
49	72.77778%
50	72.22222%
51	71.66667%
52	71.11111%
53	70.55556%
54	70.00000%
55	69.44444%
56	68.88889%
57	68.33333%
58	67.77778%
59	67.22222%
60	66.66667%
61	66.11111%
62	65.55556%
63	65.00000%
64	64.44444%
65	63.88889%
66	63.33333%
67	62.77778%
68	62.22222%
69	61.66667%
70	61.11111%
71	60.55556%
72	60.00000%
73	59.44444%
74	58.88889%
75	58.33333%
76	57.77778%
77	57.22222%
78	56.66667%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
79	56.11111%
80	55.55556%
81	55.00000%
82	54.44444%
83	53.88889%
84	53.33333%
85	52.77778%
86	52.22222%
87	51.66667%
88	51.11111%
89	50.55556%
90	50.00000%
91	49.44444%
92	48.88889%
93	48.33333%
94	47.77778%
95	47.22222%
96	46.66667%
97	46.11111%
98	45.55556%
99	45.00000%
100	44.44444%
101	43.88889%
102	43.33333%
103	42.77778%
104	42.22222%
105	41.66667%
106	41.11111%
107	40.55556%
108	40.00000%
109	39.44444%
110	38.88889%
111	38.33333%
112	37.77778%
113	37.22222%
114	36.66667%
115	36.11111%
116	35.55556%
117	35.00000%
118	34.44444%
119	33.88889%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
120	33.33333%
121	32.77778%
122	32.22222%
123	31.66667%
124	31.11111%
125	30.55556%
126	30.00000%
127	29.44444%
128	28.88889%
129	28.33333%
130	27.77778%
131	27.22222%
132	26.66667%
133	26.11111%
134	25.55556%
135	25.00000%
136	24.44444%
137	23.88889%
138	23.33333%
139	22.77778%
140	22.22222%
141	21.66667%
142	21.11111%
143	20.55556%
144	20.00000%
145	19.44444%
146	18.88889%
147	18.33333%
148	17.77778%
149	17.22222%
150	16.66667%
151	16.11111%
152	15.55556%
153	15.00000%
154	14.44444%
155	13.88889%
156	13.33333%
157	12.77778%
158	12.22222%
159	11.66667%
160	11.11111%

Payment Dates Elapsed From The Conversion Date	Percentage of Minimum Targeted Principal Balance
161	10.55556%
162	10.00000%
163	9.44444%
164	8.88889%
165	8.33333%
166	7.77778%
167	7.22222%
168	6.66667%
169	6.11111%
170	5.55556%
171	5.00000%
172	4.44444%
173	3.88889%
174	3.33333%
175	2.77778%
176	2.22222%
177	1.66667%
178	1.11111%
179	0.55556%
180	0.00000%

SCHEDULE 2

SCHEDULED TARGETED PRINCIPAL BALANCE PERCENTAGE

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
0	100.00000%
1	99.16667%
2	98.33333%
3	97.50000%
4	96.66667%
5	95.83333%
6	95.00000%
7	94.16667%
8	93.33333%
9	92.50000%
10	91.66667%
11	90.83333%
12	90.00000%
13	89.16667%
14	88.33333%
15	87.50000%
16	86.66667%
17	85.83333%
18	85.00000%
19	84.16667%
20	83.33333%
21	82.50000%
22	81.66667%
23	80.83333%
24	80.00000%
25	79.16667%
26	78.33333%
27	77.50000%
28	76.66667%
29	75.83333%
30	75.00000%
31	74.16667%
32	73.33333%
33	72.50000%
34	71.66667%
35	70.83333%
36	70.00000%
37	69.16667%
38	68.33333%

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
39	67.50000%
40	66.66667%
41	65.83333%
42	65.00000%
43	64.16667%
44	63.33333%
45	62.50000%
46	61.66667%
47	60.83333%
48	60.00000%
49	59.16667%
50	58.33333%
51	57.50000%
52	56.66667%
53	55.83333%
54	55.00000%
55	54.16667%
56	53.33333%
57	52.50000%
58	51.66667%
59	50.83333%
60	50.00000%
61	49.16667%
62	48.33333%
63	47.50000%
64	46.66667%
65	45.83333%
66	45.00000%
67	44.16667%
68	43.33333%
69	42.50000%
70	41.66667%
71	40.83333%
72	40.00000%
73	39.16667%
74	38.33333%
75	37.50000%
76	36.66667%
77	35.83333%
78	35.00000%
79	34.16667%
80	33.33333%
81	32.50000%

Payment Dates Elapsed From The Conversion Date	Percentage of Scheduled Targeted Principal Balance
82	31.66667%
83	30.83333%
84	30.00000%
85	29.16667%
86	28.33333%
87	27.50000%
88	26.66667%
89	25.83333%
90	25.00000%
91	24.16667%
92	23.33333%
93	22.50000%
94	21.66667%
95	20.83333%
96	20.00000%
97	19.16667%
98	18.33333%
99	17.50000%
100	16.66667%
101	15.83333%
102	15.00000%
103	14.16667%
104	13.33333%
105	12.50000%
106	11.66667%
107	10.83333%
108	10.00000%
109	9.16667%
110	8.33333%
111	7.50000%
112	6.66667%
113	5.83333%
114	5.00000%
115	4.16667%
116	3.33333%
117	2.50000%
118	1.66667%
119	0.83333%
120	0.00000%

Exhibit 10.14

EXECUTION VERSION

TEXTAINER MARINE CONTAINERS LIMITED
Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
Indenture Trustee

SERIES 2005-1 SUPPLEMENT

DATED AS OF MAY 26, 2005

TO

SECOND AMENDED AND RESTATED INDENTURE

DATED AS OF MAY 26, 2005

SERIES 2005-1 NOTES

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EXHIBITS

SCHEDULES

SERIES 2005-1 SUPPLEMENT, dated as of May 26, 2005 (as amended, modified and supplemented from time to time in accordance with the terms hereof, the "Supplement"), between Textainer Marine Containers Limited, a company organized under the laws of Bermuda (the " Issuer"), and Wells Fargo Bank, National Association, a national banking association, as Indenture Trustee (the "Indenture Trustee").

WHEREAS, pursuant to the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended and supplemented from time to time in accordance with its terms, the "Indenture"), between the Issuer and the Indenture Trustee, the Issuer may from time to time direct the Indenture Trustee to authenticate one or more new Series of Notes. The Principal Terms of any new Series are to be set forth in a Supplement to the Indenture.

WHEREAS, pursuant to this Supplement, the Issuer and the Indenture Trustee shall create a new Series of Notes (" Series 2005-1") and specify the Principal Terms thereof.

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions; Calculation Guidelines

Section 101. Definitions. (a) Whenever used in this Supplement, the following words and phrases shall have the following meanings, and the definitions of such terms are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

"Aggregate Series 2005-1 Note Principal Balance" means, as of any date of determination, an amount equal to the sum of the Series 2005-1 Note Principal Balances of all Series 2005-1 Notes then Outstanding, which as of the Closing Date shall be Five Hundred Eighty Million Dollars ($580,000,000.00).

"Ambac" means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin, and any successor thereto.

"Base Rate" means on any date, a fluctuating rate of interest per annum equal to the higher of (a) the Prime Rate and (b) the Federal Funds Rate plus 1.50% per annum.

"Clearing Agency" means, with respect to any Book Entry Note, any Person designated as such by Issuer, which Person must be registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934.

"Closing Date" means May 26, 2005.

"Control Party" means with respect to Series 2005-1 Notes: (i) so long as no Series Enhancer Default has occurred and is continuing and the Series 2005-1 Notes are Outstanding, the Policy has not expired or any amounts remain unpaid to the Series Enhancer pursuant to the Series 2005-1 Related Documents, the Series Enhancer; or (ii) if a Series Enhancer Default has occurred and is continuing, the Majority of Holders of the Series 2005-1 Notes.

"Default Interest" means, for any Payment Date, the amount of incremental interest payable on the Series 2005-1 Notes in accordance with the provisions of Section 203(b) hereof over the amount of interest payable pursuant to Section 203(a) hereof.

"Deficiency Amount" means (a) for any Payment Date (other than the Series 2005-1 Legal Final Payment Date), any shortfall in the aggregate amount available in the Series 2005-1 Series Account for the Series 2005-1 Notes or any other amounts available under the Indenture or this Supplement to pay the interest due and payable on all Series 2005-1 Notes on such Payment Date (excluding Default Interest), and (b) on the Series 2005-1 Legal Final Payment Date, any shortfall in the aggregate amount available in the Series 2005-1 Series Account or any other amounts available under the Indenture or this Supplement to pay the then unpaid principal balance of, and accrued interest (excluding Default Interest) on, all Series 2005-1 Notes on the Series 2005-1 Legal Final Payment Date.

"Deficiency Notice" shall have the meaning set forth in Section 302 hereof.

"DTC" shall have the meaning set forth in Section 207.

"Federal Funds Rate" means as of any date of determination, a fluctuating interest rate per annum equal to the weighted average of the federal funds rates and confirmed in Federal Reserve Board Statistical Release H.15 (519) or any successor or substitute publication selected by the Indenture Trustee (or, if such day is not a Business Day, for the next preceding Business Day), or, if, for any reason, such rate is not available on any day, the rate determined, in the sole opinion of the Indenture Trustee, to be the rate at which federal funds are being offered for sale in the national federal funds market at 9:00 a.m. (New York City time).

"Initial Commitment" means Five Hundred Eighty Million Dollars ($580,000,000.00).

"Initial Purchaser" means Wachovia Capital Markets, LLC, a limited liability company organized and existing under the laws of the State of Delaware.

"Institutional Accredited Investors" shall have the meaning set forth in Section 207.

"Insurance Agreement" means the Insurance and Indemnification Agreement, dated as of May 26, 2005, among the Issuer, the Manager and Ambac.

"Insured Amounts" shall have the meaning set forth in the Policy.

"Interest Accrual Period" means the period beginning with, and including, a Payment Date and ending on (and including) the day before the next succeeding Payment Date; except that, in the case of the first Interest Accrual Period, the period beginning with and including the Closing Date and ending on and including the day before the initial Payment Date.

"Letter of Representations" means the Letter of Representations, dated as of May 26, 2005, between the Issuer and the Clearing Agency.

"Majority of Holders" means, with respect to the Series 2005-1 Notes as of any date of determination, Series 2005-1 Noteholders representing more than fifty percent (50%) of the then Aggregate Series 2005-1 Note Principal Balance.

"Maximum Principal Withdrawal Amount" shall have the meaning set forth in the Indenture.

"Minimum Principal Payment Amount" means, for the Series 2005-1 Notes on any Payment Date, the excess, if any, of (x) the then Aggregate Series 2005-1 Note Principal Balance, over (y) the Minimum Targeted Principal Balance for the Series 2005-1 Notes for such Payment Date.

"Minimum Targeted Principal Balance" means for the Series 2005-1 Notes for each Payment Date, the amount set forth opposite such Payment Date on Schedule 1 hereto under the column entitled "Minimum Targeted Principal Balance".

"Notice" means the telephonic or telegraphic notice, promptly confirmed in writing by telecopy in the form required by the Policy, the original of which is subsequently delivered by registered or certified mail, for the Indenture Trustee specifying the Insured Amount which shall be due and owing on the applicable Payment Date.

"144A Book Entry Notes" means the 144A Book Entry Notes substantially in the form of Exhibit A-1 hereto.

"One-Month LIBOR" means, for any Interest Accrual Period, the rate per annum, determined by the Indenture Trustee and notified in writing by the Indenture Trustee to the Manager, which is the arithmetic mean (rounded to the nearest 1/100 of 1%) of the offered rates for dollar deposits having a maturity of one month commencing on the first day of such Interest Accrual Period that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page (defined below) at approximately 11:00 a.m., London time on the second full Business Day prior to such date; *provided*, *however*, that if there shall at any time no longer exist a Telerate British Bankers Assoc. Interest Settlement Rates Page, "*One-Month LIBOR*" shall mean the rate per annum equal to the average rate at which the principal London offices of Wachovia Bank, National Association, and Bank of America, N.A. are offered dollar deposits at or about 10:00 a.m., New York City time, two Business Days prior to the first Business Day of such Interest Accrual Period in the London eurodollar interbank market for delivery on the first day of such Interest Accrual Period for one month and in a principal amount equal to an amount of not less than $1,000,000. As used herein, "*Telerate British Bankers Assoc. Interest Settlement Rates Page*" means the display designated as Page 3750 on the Telerate System Incorporated

Service (or such other page as may replace such page on such service for the purpose of displaying the rates at which dollar deposits are offered by leading banks in the London interbank deposit market), as reported by Bloomberg Financial Markets Commodities News (or by another source selected by the Indenture Trustee and notified by the Indenture Trustee to the Manager).

"Overdue Rate" means, for any date of determination, an interest rate per annum equal to the sum of (i) the Base Rate then in effect, plus (ii) two percent (2%).

"Permitted Payment Date Withdrawal" means, with respect to Series 2005-1, either or both of the Permitted Interest Withdrawal, as such term is defined in Section 302 hereof, and/or the Permitted Principal Withdrawal, as such term is defined in Section 302 hereof.

"Policy" means, with respect to the Series 2005-1 Notes, the financial guaranty insurance policy number AB0890BE issued by the Series Enhancer.

"Preference Amount" shall have the meaning set forth in the Policy.

"Premium" means the amount payable to Ambac, as Series Enhancer for the Series 2005-1 Notes as set forth in the Premium Letter, in consideration for its issuance of the Policy.

"Premium Letter" means the letter, dated as of May 26, 2005, from the Issuer to the Series Enhancer, and acknowledged by the Indenture Trustee.

"Prime Rate" means the rate announced by Wachovia Bank, National Association, from time to time as its "prime rate" or "base rate" in the United States, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Wachovia Bank, National Association in connection with extensions of credit to debtors.

"Qualified Institutional Buyers" shall have the meaning set forth in Section 207.

"Rating Agencies" means, for Series 2005-1, each of Standard & Poor's and Moody's.

"Regulation S" shall have the meaning set forth in Section 207 hereof.

"Regulation S Temporary Book Entry Notes" means the Regulation S Temporary Book Entry Notes substantially in the form of Exhibit A-2.

"Reimbursement Amount" shall have the meaning set forth in the Indenture.

"Rule 144A" shall have the meaning set forth in Section 207 hereof.

"Scheduled Principal Payment Amount" means, for the Series 2005-1 Notes for any Payment Date, the excess, if any, of (x) the then Aggregate Series 2005-1 Note Principal

Balance (after giving effect to any payment of the Minimum Principal Payment Amount for the Series 2005-1 Notes actually paid on such Payment Date), over (y) the Scheduled Targeted Principal Balance for the Series 2005-1 Notes for such Payment Date.

"Scheduled Targeted Principal Balance" means, for the Series 2005-1 Notes for each Payment Date, the amount set forth opposite such Payment Date on Schedule 1 hereto under the column entitled "Scheduled Targeted Principal Balance".

"Series Enhancer" means Ambac.

"Series Enhancer Default" means the occurrence and continuance of any of the following events:

(a) the Series Enhancer shall have failed to pay an Insured Amount required under the Policy in accordance with its terms;

(b) the Series Enhancer shall have (i) filed a petition or commenced any case or Proceeding under any provision or chapter of the United States Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization, (ii) made a general assignment for the benefit of its creditors, or (iii) had an order for relief entered against it under the United States Bankruptcy Code or any other similar federal or state law relating to insolvency, bankruptcy, rehabilitation, liquidation or reorganization which is final and nonappealable; or

(c) a court of competent jurisdiction, the Wisconsin Department of Insurance or other competent regulatory authority shall have entered a final and nonappealable order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for the Series Enhancer or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of the Series Enhancer (or the taking of possession of all or any material portion of the property of the Series Enhancer).

"Series 2000-1 Notes" means the notes issued pursuant to the terms of the Amended and Restated Series 2000-1 Supplement between the Issuer and the Indenture Trustee in effect on the date of hereof (as amended through such date).

"Series 2001-1 Notes" means the notes issued pursuant to the terms of the Series 2001-1 Supplement between the Issuer and the Indenture Trustee in effect on the date of issuance thereof.

"Series 2005-1" means the Series of Notes the terms of which are specified in this Supplement.

"Series 2005-1 Expected Final Payment Date" means the Payment Date occurring in May 2015.

"Series 2005-1 Legal Final Payment Date" means the Payment Date occurring in May 2020.

"Series 2005-1 Note" means any one of the notes issued pursuant to the terms of Section 201(a) of this Supplement, substantially in the forms of Exhibit A-1, A-2, A-3 and A-4 to this Supplement, and any and all replacements or substitutions of such note.

"Series 2005-1 Note Interest Payment" means, for each Series 2005-1 Note on each Payment Date, the amount set forth in Section 203(a) hereof (exclusive of any Default Interest).

"Series 2005-1 Note Principal Balance" means, with respect to any Series 2005-1 Note as of any date of determination, an amount equal to the excess of (x) the Series 2005-1 Note Principal Balance of such Series 2005-1 Note as of the Closing Date, over (y) the cumulative amount of all Minimum Principal Payment Amounts, Scheduled Principal Payment Amounts and any other principal payments actually paid to the Series 2005-1 Noteholders subsequent to the Closing Date.

"Series 2005-1 Note Purchase Agreement" means the Series 2005-1 Note Purchase Agreement, dated as of May 18, 2005, among the Issuer, the Manager and the Initial Purchaser.

"Series 2005-1 Noteholder" means, at any time of determination for the Series 2005-1 Notes, any Person in whose name a Series 2005-1 Note is registered in the Note Register.

"Series 2005-1 Related Documents" means any and all of the Indenture, this Supplement, the Series 2005-1 Notes, the Management Agreement, the Contribution and Sale Agreement, the Series 2005-1 Note Purchase Agreement, the Administration Agreement, the Manager Transfer Facilitator Agreement, each Interest Rate Hedge Agreement (upon execution thereof), each Acquisition Agreement (upon execution thereof), the Policy, the Premium Letter, the Insurance Agreement and any and all other agreements, documents and instruments executed and delivered by or on behalf or in support of the Issuer with respect to the issuance and sale of the Series 2005-1 Notes, as any of the foregoing may from time to time be amended, modified, supplemented or renewed; provided, the term "Series 2005-1 Related Documents" shall not include the Members Agreement.

"Series 2005-1 Series Account" means the account of that name established in accordance with Section 301 hereof.

"Supplemental Principal Payment Amount" means, on each Payment Date, the amount of any Prepayment made in accordance with the provisions of Section 702(a) of the Indenture that is allocated to the Series 2005-1 Notes in accordance with such provision of the Indenture.

"Transferor" shall have the meaning set forth in Section 207 hereof.

"Unrestricted Book Entry Notes" means the Unrestricted Book Entry Notes substantially in the form of Exhibit A-3.

"U.S. Person" shall have the meaning set forth in Section 207 hereof.

(b) Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Indenture or, if not defined therein, as defined in the Series 2005-1 Note Purchase Agreement.

ARTICLE II

Creation of the Series 2005-1 Notes

Section 201. Designation. (a) There is hereby created a Series of Notes to be issued in one Class pursuant to the Indenture and this Supplement to be known respectively as "Textainer Marine Containers Limited Floating Rate Asset-Backed Notes, Series 2005-1". The Series 2005-1 Notes will be issued in the initial principal balance of $580,000,000 and will not have priority over any other Series, except to the extent set forth in the Supplement for such other Series. The issuance date of the Series 2005-1 Notes is May 26, 2005.

(b) The Payment Date with respect to the Series 2005-1 Notes shall be the fifteenth (15 th) calendar day of each month, commencing June 15, 2005 or, if such day is not a Business Day, the immediately following Business Day.

(c) Payments of principal on the Series 2005-1 Notes shall be payable from funds on deposit in the Series 2005-1 Series Account or otherwise at the times and in the amounts set forth in Article III of the Indenture and Article III of this Supplement.

(d) The Series 2005-1 Notes are classified as a "Term Note", as such term is used in the Indenture.

(e) The Policy, the Premium Letter and the Insurance Agreement shall constitute Enhancement Agreements with respect to Series 2005-1, and Ambac shall constitute a Series Enhancer with respect to Series 2005-1.

(f) In the event that the Series 2005-1 Note Interest Payment is paid by the Series Enhancer, then the Series Enhancer shall be entitled to be reimbursed therefor under the Insurance Agreement, together with interest thereon at the interest rate described in Section 203(a) hereof. In the event that any unpaid principal amount of the Series 2005-1 Notes is paid by the Series Enhancer, then the Series Enhancer shall be entitled to be reimbursed therefor under the Insurance Agreement, together with interest thereon at the Overdue Rate.

(g) In the event that any term or provision contained herein shall conflict with or be inconsistent with any term or provision contained in the Indenture, the terms and provisions of this Supplement shall govern.

Section 202. Authentication and Delivery.

(a) On the Closing Date, Issuer shall sign, and shall direct the Indenture Trustee in writing pursuant to Section 201 of the Indenture to duly authenticate, and the Indenture Trustee, upon receiving such direction, (i) shall authenticate, subject to compliance with the conditions precedent set forth in Section 501 hereof, the Series 2005-1 Notes in accordance with such written directions, and (ii) subject to compliance with the conditions precedent set forth in Section 501 hereof, shall deliver such Series 2005-1 Notes to the Initial Purchaser in accordance with such written directions.

(b) In accordance with Section 202 of the Indenture, the Series 2005-1 Notes sold in reliance on Rule 144A shall be represented by one or more Rule 144A Book-Entry Notes. Any Series 2005-1 Notes sold in reliance on Regulation S shall be represented by one or more Regulation S Book-Entry Notes. Any Series 2005-1 Notes sold to institutional Accredited Investors shall be represented by one or more Definitive Notes.

(c) The Series 2005-1 Notes shall be executed by manual or facsimile signature on behalf of Issuer by any officer of Issuer and shall be substantially in the forms of Exhibit A-1, A-2, A-3 and A-4 hereto, as applicable.

(d) The Series 2005-1 Notes shall be issued in minimum denominations of $250,000 and in integral multiples in excess thereof.

Section 203. Interest Payments on the Series 2005-1 Notes.

(a) Interest on Series 2005-1 Notes. Interest on each Series 2005-1 Note shall (i) accrue during each Interest Accrual Period at a rate per annum equal to the sum of (x) One-Month LIBOR for such Interest Accrual Period and (y) one quarter of one percent (.25%), (ii) be calculated on the basis of actual days elapsed during such Interest Accrual Period over a year consisting of 360 days, (iii) be due and payable on each Payment Date and (iv) be calculated based on the then Series 2005-1 Note Principal Balance of such Series 2005-1 Note. To the extent that the amount of interest which is due and payable on any Payment Date is not paid in full on such date, such shortfall, together with interest thereon at the Overdue Rate, shall be due and payable on the immediately succeeding Payment Date.

(b) Interest on Overdue Amounts. If the Issuer shall default in the payment of (i) the Series 2005-1 Note Principal Balance of any Series 2005-1 Notes on the Series 2005-1 Legal Final Payment Date, or (ii) the Series 2005-1 Note Interest Payment on any Series 2005-1 Note on any Payment Date, or (iii) any other amount becoming due under this Supplement, the Issuer shall, from time to time, pay interest on such unpaid amounts, to the extent permitted by Applicable Law, to, but not including, the date of actual payment (after as well as before judgment), at a rate per annum equal to the Overdue Rate, for the period during which such principal, interest or other amount shall be unpaid from the due date of such payment to the date of actual payment thereof. Default Interest shall be payable at the times and subject to the priorities set forth in Section 303 of this Supplement.

(c) Maximum Interest Rate. In no event shall the interest charged with respect to a Series 2005-1 Note exceed the maximum amount permitted by Applicable Law. If at any time the interest rate charged with respect to the Series 2005-1 Notes exceeds the maximum rate permitted by Applicable Law, the rate of interest to accrue pursuant to this Supplement and such Series 2005-1 Note shall be limited to the maximum rate permitted by Applicable Law, but any subsequent reductions in the One-Month LIBOR shall not reduce the interest to accrue on such Series 2005-1 Note below the maximum amount permitted by Applicable Law until the total amount of interest accrued on such Series 2005-1 Note equals the amount of interest that would have accrued if a varying rate per annum equal to the interest rate had at all times been in effect. If the total amount of interest paid or accrued on the Series 2005-1 Note under the foregoing provisions is less than the total amount of interest that would have accrued if the

interest rate had at all times been in effect, the Issuer agrees to pay to the Series 2005-1 Noteholders an amount equal to the difference between (a) the lesser of (i) the amount of interest that would have accrued if the maximum rate permitted by Applicable Law had at all times been in effect, or (ii) the amount of interest that would have accrued if the interest rate had at all times been in effect, and (b) the amount of interest accrued in accordance with the other provisions of this Supplement.

Section 204. Principal Payments on the Series 2005-1 Notes. The principal balance of the Series 2005-1 Notes shall be payable on each Payment Date from amounts on deposit in the Series 2005-1 Series Account in an amount equal to (i) so long as no Early Amortization Event is continuing, the Minimum Principal Payment Amount and the Scheduled Principal Payment Amount for such Payment Date or (ii) if an Early Amortization Event is then continuing, the then unpaid Aggregate Series 2005-1 Note Principal Balance shall be payable in full to the extent that funds are available for such purposes in accordance with the provisions of clause (5) of Part (II) of Section 303 hereof. The unpaid principal amount of each Series 2005-1 Note together with all unpaid interest (including all Default Interest), fees, expenses, costs and other amounts payable by the Issuer to the Series 2005-1 Noteholders, the Indenture Trustee and the Series Enhancer pursuant to the terms of the Indenture and this Supplement, shall be due and payable in full on the earlier to occur of (x) the date on which an Event of Default shall occur and the Series 2005-1 Notes have been accelerated in accordance with the provisions of Section 802 of the Indenture and (y) the Series 2005-1 Legal Final Payment Date.

Section 205. Prepayment of Principal on the Series 2005-1 Notes.

(a) The Aggregate Series 2005-1 Note Principal Balance of the Series 2005-1 Notes shall be required to be prepaid at the time and in the amounts set forth in Section 702(a) of the Indenture. In connection with any Prepayment made in accordance with this Section 205(a), the Issuer shall pay any termination, notional reduction, breakage or other fees or costs assessed by any Interest Rate Hedge Provider.

(b) The Issuer will not be permitted to make a voluntary Prepayment of all, or any portion of, the principal balance of the Series 2005-1 Notes prior to the Payment Date occurring in June 2008. On any Payment Date thereafter, the Issuer will have the option to prepay, without premium, on any Payment Date all, or a portion of, the Aggregate Series 2005-1 Note Principal Balance of the Series 2005-1 Notes, in a minimum amount of Two Hundred Fifty Thousand Dollars ($250,000). Any such Prepayment of the Aggregate Series 2005-1 Note Principal Balance shall also include accrued interest to the date of Prepayment on the principal balance being prepaid. The Issuer may not make such Prepayment from funds in the Trust Account, the Series 2005-1 Series Account or the Restricted Cash Account, except to the extent that funds in any such account would otherwise be payable to the Issuer in accordance with the terms of this Supplement. In the event of any prepayment of the Notes in accordance with this Section 205(b) or any other provision of the Indenture, the Issuer shall pay (i) any prepayment fees payable in accordance with the terms of the Insurance Agreement and (ii) any termination, notional reduction, breakage or other fees or costs assessed by any Interest Rate Hedge Provider.

(c) Any Prepayment of less than the entire outstanding principal balance of the Series 2005-1 Notes made in accordance with the provisions of Section 205(a) or Section

205(b) shall be applied to reduce all future Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts, on a *pro rata* basis, in the order in which such payments are due.

Section 206. Payments of Principal and Interest. All payments of principal and interest on the Series 2005-1 Notes shall be paid to the Series 2005-1 Noteholders reflected in the Note Register as of the related Record Date by wire transfer of immediately available funds for receipt prior to 11:00 a.m. (New York City time) on the related Payment Date. Any payments received by the Series 2005-1 Noteholders after 11:00 a.m. (New York City time) on any day shall be considered to have been received on the next succeeding Business Day.

Section 207. Restrictions on Transfer. (a) On the Closing Date, the Issuer shall sell the Series 2005-1 Notes to the Initial Purchaser pursuant to the Series 2005-1 Note Purchase Agreement and deliver such Series 2005-1 Notes in accordance herewith and therewith. Thereafter, no Series 2005-1 Note may be sold, transferred or otherwise disposed of except in compliance with the provisions of the Indenture and except as follows:

(A) to Persons that the transferring Person reasonably believes are Qualified Institutional Buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A promulgated thereunder (*"Rule 144A*");

(B) in offshore transactions in reliance on Regulation S under the Securities Act (*"Regulation S*");

(C) to institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act (*"Institutional Accredited Investors*") that take delivery of such Series 2005-1 Note in an amount of at least $250,000 and that deliver an Investment Letter substantially in the form of Exhibit C to the Indenture to the Indenture Trustee; or

(D) to a Person who is taking delivery of such Series 2005-1 Notes pursuant to a transaction that is otherwise exempt from the registration requirements of the Securities Act, as confirmed in an Opinion of Counsel by such Person or its transferor addressed to the Indenture Trustee and the Issuer which counsel and opinion are satisfactory to the Indenture Trustee and the Issuer.

The Indenture Trustee shall have no obligations or duties with respect to determining whether any transfers of the Series 2005-1 Notes are made in accordance with the Securities Act or any other law; *provided* that with respect to Definitive Notes, the Indenture Trustee shall enforce such transfer restrictions in accordance with the terms set forth in this Supplement.

(b) Each purchaser (other than the Initial Purchaser) of the Series 2005-1 Notes (including any purchaser, other than the Initial Purchaser, of an interest in the Series 2005-1 Notes which are Book-Entry Notes) shall be deemed to have acknowledged and agreed as follows:

(i) It is (A) a qualified institutional buyer as defined in Rule 144A (*"Qualified Institutional Buyer*") and is acquiring such Series 2005-1 Notes for

its own institutional account or for the account or accounts of a Qualified Institutional Buyer or (B) purchasing such Series 2005-1 Notes in a transaction exempt from registration under the Securities Act and in compliance with the provisions of this Supplement and in compliance with the legend set forth in *clause (v)* below or (C) not a U.S. Person as defined in Regulation S (a "U.S. Person") and is acquiring such Series 2005-1 Notes outside of the United States.

(ii) It is purchasing one or more Series 2005-1 Notes in an amount of at least $250,000 and it understands that such Series 2005-1 Notes may be resold, pledged or otherwise transferred only in an amount of at least $250,000.

(iii) It represents and warrants to the Issuer, the Indenture Trustee, the Initial Purchaser, the Manager and any successor Manager that either (i) it is not acquiring the Series 2005-1 Notes with the assets of a Plan; or (ii) the acquisition and holding of the Series 2005-1 Notes will not give rise to a nonexempt prohibited transaction under Section 406(a) of ERISA or Section 4975 of the Code;

(iv) It understands that the Series 2005-1 Notes are being transferred to it in a transaction not involving any public offering within the meaning of the Securities Act, and that, if in the future it decides to resell, pledge or otherwise transfer any Series 2005-1 Notes, such Series 2005-1 Notes may be resold, pledged or transferred only in accordance with applicable state securities laws and (1) in a transaction meeting the requirements of Rule 144A, to a Person that the seller reasonably believes is a Qualified Institutional Buyer that purchases for its own account (or for the account or accounts of a Qualified Institutional Buyer) and to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A, or (2) (A) to a Person that is an Institutional Accredited Investor, is taking delivery of such Series 2005-1 Notes in an amount of at least $250,000, and delivers an Investment Letter to the Indenture Trustee or (B) to a Person that is taking delivery of such Series 2005-1 Notes pursuant to a transaction that is otherwise exempt from the registration requirements of the Securities Act, as confirmed in an Opinion of Counsel addressed to the Indenture Trustee, the Issuer and the transferor, which counsel and Opinion are satisfactory to the Indenture Trustee, the Issuer and the transferor, or (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S.

(v) It understands that each Series 2005-1 Note shall bear a legend substantially to the following effect:

[For Book-Entry Notes Only: UNLESS THIS SERIES 2005-1 NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRANSFEROR OF SUCH NOTE (THE "TRANSFEROR") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY SERIES 2005-1 NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS

REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR THE USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

THIS SERIES 2005-1 NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SERIES 2005-1 NOTE, AGREES THAT SUCH SERIES 2005-1 NOTE MAY BE RESOLD, PLEDGED OR TRANSFERRED ONLY IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND (1) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON THAT THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT (OR FOR THE ACCOUNT OR ACCOUNTS OF A QUALIFIED INSTITUTIONAL BUYER) AND TO WHOM NOTICE IS GIVEN THAT THE RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) TO A PERSON (A) THAT IS AN INSTITUTIONAL "ACCREDITED INVESTOR," WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT, IS TAKING DELIVERY OF SUCH SERIES 2005-1 NOTE IN AN AMOUNT OF AT LEAST $250,000 AND DELIVERS AN INVESTMENT LETTER TO THE INDENTURE TRUSTEE OR (B) THAT IS TAKING DELIVERY OF SUCH SERIES 2005-1 NOTE PURSUANT TO A TRANSACTION THAT IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AS CONFIRMED IN AN OPINION OF COUNSEL ADDRESSED TO THE INDENTURE TRUSTEE AND THE ISSUER, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE ISSUER AND THE INDENTURE TRUSTEE.

EACH PURCHASER OF A SERIES 2005-1 NOTE SHALL BE DEEMED TO REPRESENT AND WARRANT TO THE INITIAL PURCHASER, THE ISSUER, THE INDENTURE TRUSTEE AND THE MANAGER THAT EITHER (1) IT IS NOT ACQUIRING THE SERIES 2005-1 NOTE WITH THE ASSETS OF AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF ERISA OR A "PLAN" WITHIN THE MEANING OF SECTION 4975 OF THE CODE; OR (2) THE ACQUISITION AND HOLDING OF THE SERIES 2005-1 NOTE WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406(a) OF ERISA OR SECTION 4975 OF THE CODE.

THIS SERIES 2005-1 NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

(vi) Each investor described in Section 207(a)(B) understands that the Series 2005-1 Notes have not and will not be registered under the Securities Act, that any offers, sales or deliveries of the Series 2005-1 Notes purchased by it in the United States or to U.S. Persons prior to the date that is 40 days after the later of (i) the commencement of the distribution of the Series 2005-1 Notes and (ii) the Closing Date, may constitute a violation of United States law, and that distributions of principal and interest will be made in respect of such Notes only following the delivery by the holder of a certification of non-U.S. beneficial ownership or the exchange of beneficial interest in Regulation S Temporary Book-Entry Notes for beneficial interests in the related Unrestricted Book-Entry

Notes (which in each case will itself require a certification of non-U.S. beneficial ownership), at the times and in the manner set forth in this Supplement.

(vii) The Regulation S Temporary Book-Entry Notes representing the Series 2005-1 Notes sold to each investor described in Section 207(a)(B) will bear a legend to the following effect, unless the Issuer determines otherwise consistent with Applicable Law:

[FOR REGULATION S BOOK-ENTRY NOTES ONLY: THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF (I) THE COMPLETION OF THE DISTRIBUTION OF THE SERIES 2005-1 NOTES AND (II) THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A U.S. PERSON EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.]

(viii) The Indenture Trustee shall not permit the transfer of any Series 2005-1 Notes unless such transfer complies with the terms of the foregoing legends and, in the case of a transfer (i) to an Institutional Accredited Investor (other than a Qualified Institutional Buyer), the transferee delivers a completed Investment Letter to the Indenture Trustee, or (ii) to a Person other than a Qualified Institutional Buyer or an Institutional Accredited Investor, upon delivery of an Opinion of Counsel satisfactory to the Indenture Trustee and the Transferor, to the effect that the transferee is taking delivery of the Series 2005-1 Notes in a transaction that is otherwise exempt from the registration requirements of the Securities Act.

(c) Exhibit(s) B through F, as appropriate, shall be completed in connection with any transfer of Notes.

ARTICLE III

Series 2005-1 Series Account and
Allocation and Application of Amounts Therein; Policy

Section 301. Series 2005-1 Series Account. The Indenture Trustee shall establish on the Closing Date and maintain, so long as any Series 2005-1 Note is Outstanding, an Eligible Account which shall be designated as the Series 2005-1 Series Account, which account shall be held in the name of the Indenture Trustee for the benefit of the Series 2005-1 Noteholders and the Series Enhancer. All deposits of funds by or for the benefit of the Series 2005-1 Noteholders from the Trust Account and the Restricted Cash Account shall be accumulated in, and withdrawn from, the Series 2005-1 Series Account in accordance with the provisions of the Indenture and this Supplement.

Section 302. Drawing Funds from the Restricted Cash Account.

(a) In the event that the Manager Report with respect to any Determination Date shall state that the funds on deposit in the Series 2005-1 Series Account will not be sufficient to make payment in full on the related Payment Date of the related Interest Payment then due for the Series 2005-1 Notes (the amount of such deficiency, the "Permitted Interest Withdrawal"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the lesser of (x) the Permitted Interest Withdrawal, and (y) the amount then on deposit in the Restricted Cash Account.

(b) In the event that the Manager Report delivered with respect to the Determination Date immediately preceding the Series 2005-1 Legal Final Payment Date shall state that (or the Administrative Agent shall, pursuant to Section 302(c) of the Indenture, determine that) the funds on deposit in the Series 2005-1 Series Account will not be sufficient to make payment in full on the Series 2005-1 Legal Final Payment Date of the then Aggregate Series 2005-1 Note Principal Balance (the amount of such deficiency, the "Permitted Principal Withdrawal"), then the Indenture Trustee shall on such Determination Date draw on the Restricted Cash Account in an amount equal to the least of (x) the Aggregate Series 2005-1 Note Principal Balance, (y) the Permitted Principal Withdrawal and (z) the Maximum Principal Withdrawal Amount as calculated for Series 2005-1.

(c) Drawings will be made pursuant to Section 302(a) before any drawing is made on such date pursuant to Section 302(b), and notice of each such drawing will be delivered to the Series Enhancer and the Manager, by hand delivery, a telex or facsimile transmission. Any such funds actually received by the Indenture Trustee pursuant to Section 302(a) or Section 302(b) shall be used solely to make payments of the Series 2005-1 Note Interest Payment or the Aggregate Series 2005-1 Note Principal Balance, as the case may be.

Section 303. Distributions from Series 2005-1 Series Account. On each Payment Date, the Indenture Trustee shall distribute funds then on deposit in the Series 2005-1 Series Account in accordance with the provisions of either subsection (I), (II) or (III) of this Section 303.

(I) If neither an Early Amortization Event nor an Event of Default shall have occurred and be continuing with respect to any Series of Notes:

(1) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Series 2005-1 Note Interest Payment for each such Payment Date;

(2) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Minimum Principal Payment Amount then due and payable to the Holders of a Series 2005-1 Note on such Payment Date;

(3) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Scheduled Principal Payment Amount then due and payable to the Holders of a Series 2005-1 Note on such Payment Date;

(4) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion (if any) of the Supplemental Principal Payment Amount then due and payable to the Holders of a Series 2005-1 Note on such Payment Date;

(5) To the Series Enhancer and each Holder of a Series 2005-1 Note on the immediately preceding Record Date, *pro rata* (based on respective amounts due), an amount equal to all taxes, increased costs, indemnities and other amounts (excluding Default Interest) then due and payable by the Issuer to the Series 2005-1 Noteholders and/or the Series Enhancer pursuant to the Series 2005-1 Related Documents; and

(6) To each Series 2005-1 Noteholder on the immediately preceding Record Date, an amount equal to Default Interest (if any, including any interest on such interest) then due and payable pursuant to the Series 2005-1 Related Documents; and

(7) To the Issuer, any remaining amounts then on deposit in the Series 2005-1 Series Account.

(II) If an Early Amortization Event shall have occurred and be continuing with respect to any Series but no Event of Default shall have occurred and be continuing with respect to any Series:

(1) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Series 2005-1 Note Interest Payment for each such Payment Date;

(2) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Minimum

Principal Payment Amount then due and payable to the Holders of a Series 2005-1 Note on such Payment Date;

(3) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Scheduled Principal Payment Amount then due and payable to the Holders of a Series 2005-1 Note on such Payment Date;

(4) Sequentially in payment of the amounts set forth in clauses (A) and (B): (A) to each Holder of a Series 2005-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the then Aggregate Series 2005-1 Note Principal Balance until the Aggregate Series 2005-1 Note Principal Balance has been reduced to zero, and then (B) to the Series Enhancer, in payment of Reimbursement Amounts owing in respect of principal payments on the Series 2005-1 Notes paid by the Series Enhancer;

(5) To the Series Enhancer and each Holder of a Series 2005-1 Note on the immediately preceding Record Date, *pro rata* (based on respective amounts due), an amount equal to all taxes, increased costs, indemnities and other amounts (including Default Interest) then due and payable by the Issuer to the Series 2005-1 Noteholders and/or the Series Enhancer pursuant to the Series 2005-1 Related Documents; *provided* that so long as the Series Enhancer shall not be in default of its payment obligations under the Policy, the Series Enhancer shall be entitled to Default Interest for the Series 2005-1 Notes in lieu of the Holders of the Series 2005-1 Notes then due and payable by the Issuer to the Series 2005-1 Noteholders and the Series Enhancer pursuant to the Series 2005-1 Related Documents; and

(6) To the Issuer, any remaining amounts then on deposit in the Series 2005-1 Series Account.

(III) If an Event of Default shall have occurred and be continuing with respect to any Series:

(1) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date an amount equal to its *pro rata* portion of the Series 2005-1 Note Interest Payment then due and payable for such Payment Date;

(2) To each Holder of a Series 2005-1 Note on the immediately preceding Record Date on a *pro rata* basis, an amount equal to the Aggregate Series 2005-1 Note Principal Balance until the Aggregate Series 2005-1 Note Principal Balance has been reduced to zero;

(3) To the Series Enhancer, in payment of Reimbursement Amounts owing in respect of principal payments on the Series 2005-1 Notes paid by the Series Enhancer;

(4) To the following Persons on a *pro rata* basis, to each Holder of a Series 2005-1 Note on the immediately preceding Record Date and to the Series Enhancer, an amount equal to all taxes, increased costs, indemnities and other amounts (including Default Interest); *provided* that so long as the Series Enhancer shall not be in default of its payment obligations under the Policy, the Series Enhancer shall be entitled to Default Interest for the Series 2005-1 Notes in lieu of the Holders of the Series 2005-1 Notes then due and payable by the Issuer to the Series 2005-1 Noteholders and the Series Enhancer pursuant to the Series 2005-1 Related Documents; and

(5) To the Issuer, any remaining amounts then on deposit in the Series 2005-1 Series Account.

Any amounts payable to a Noteholder or the Series Enhancer shall be made by wire transfer of immediately available funds to the account that such Noteholder or the Series Enhancer has designated to the Indenture Trustee in writing on or prior to the Business Day immediately preceding the Payment Date.

Section 304. The Policy.

(a) On each Determination Date, the Indenture Trustee shall determine, with respect to the immediately following Payment Date, based solely on the information contained in the Manager Report, whether there exists a Deficiency Amount.

(b) If there exists a Deficiency Amount with respect to a Payment Date which is an "Insured Amount" under the Policy, the Indenture Trustee shall complete a Notice in the form of Exhibit A to the Policy and submit such notice to the Series Enhancer in accordance with the terms of the Policy. Any payment made by the Series Enhancer under the Policy shall be applied solely to the payment of principal and/or interest (other than Default Interest) on the Series 2005-1 Notes subject to the terms of the Policy.

(c) The Indenture Trustee shall (i) receive Insured Amounts as attorney-in-fact of each of the Series 2005-1 Noteholders and (ii) disburse such Insured Amounts directly to the Series 2005-1 Noteholders. The Issuer hereby agrees for the benefit of the Series Enhancer (and each Series 2005-1 Noteholder, by acceptance of its Series 2005-1 Notes, will be deemed to have agreed) that, without limiting any other rights of the Series Enhancer, to the extent the Series Enhancer pays, or causes to be paid, Insured Amounts, either directly or indirectly (as by paying through distribution to the Indenture Trustee), to the Series 2005-1 Noteholders, the Series Enhancer will be entitled to receive the related Reimbursement Amount pursuant to Section 303 hereof in lieu of the Noteholders and will be subrogated to their payment rights thereunder.

(d) The Series 2005-1 Notes will be insured by the Policy pursuant to the terms set forth therein, notwithstanding any provisions to the contrary contained in this Supplement. All amounts received under the Policy shall be used solely for the payment when due to the Series 2005-1 Noteholders of the Insured Amounts.

(e) If a Corporate Trust Officer at any time has actual knowledge that a Deficiency Amount will exist on the applicable Payment Date, the Indenture Trustee shall immediately notify the Series Enhancer or its designee by telephone, promptly confirmed in writing by overnight mail or facsimile transmission, of the amount of such deficiency.

(f) Anything herein to the contrary notwithstanding, any payment with respect to the principal of or interest on the Series 2005-1 Notes which is made with moneys received pursuant to the terms of the Policy shall not be considered payment by the Issuer of the Series 2005-1 Notes, shall not discharge the Issuer in respect of its obligation to make such payment, and shall not result in the payment of, or the provision for the payment of, the principal of or interest on, the Series 2005-1 Notes for purposes of Section 203 hereof or for purposes of Section 302 of the Indenture. The Issuer and the Indenture Trustee acknowledge that, without the need for any further action on the part of the Series Enhancer, the Issuer, the Indenture Trustee or the Note Registrar, (i) to the extent the Series Enhancer makes payments, directly or indirectly, on account of principal of, or interest on, the Series 2005-1 Notes to the Series 2005-1 Noteholders, the Series Enhancer will be fully subrogated to the rights of such Series 2005-1 Noteholders to receive such principal and interest from the Issuer, and (ii) the Series Enhancer shall be paid such principal and interest in its capacity as partial subrogee of the Series 2005-1 Noteholders, but only from the sources and in the manner provided herein for the payment of such principal and interest. To evidence the Series Enhancer's subrogation to the rights of the Series 2005-1 Noteholders, the Note Registrar shall note the Series Enhancer's rights as subrogee upon the register of Series 2005-1 Noteholders upon receipt from the Series Enhancer of proof of payment by the Series Enhancer of any Insured Amounts.

(g) The parties hereto grant to the Series Enhancer, as long as no Series Enhancer Default shall have occurred and is continuing, the right of prior approval of amendments, waivers or supplements to the Series 2005-1 Related Documents (except any Acquisition Agreement) and of the exercise of any option, vote, right, power or the like which rights are in each such instance available to the Series 2005-1 Noteholders hereunder.

(h) The Indenture Trustee shall keep a complete and accurate record of the amount and allocation of Insured Amounts and the Series Enhancer shall have the right to inspect such records at reasonable times upon three Business Day's prior written notice to the Indenture Trustee.

(i) In the event that a Preference Amount is payable under the Policy, the Indenture Trustee shall so notify the Series Enhancer, shall comply with the provisions of the Policy to obtain payment by the Series Enhancer of such avoided payment, and shall, at the time it provides notice to the Series Enhancer, notify the Series 2005-1 Noteholders by mail that, in the event that any Series 2005-1 Noteholder's payment is so recoverable, the Indenture Trustee on behalf of such Series 2005-1 Noteholder will be entitled to payment thereof pursuant to the terms of the Policy. The Indenture Trustee shall furnish to the Series Enhancer, at its written request, the requested records it holds in its possession evidencing the payments of principal of and interest on Series 2005-1 Notes, if any, which have been made by the Indenture Trustee and subsequently recovered from Series 2005-1 Noteholders, and the dates on which such payments were made.

The Indenture Trustee shall promptly notify the Series Enhancer if a Corporate Trust Officer receives written notice of any Proceeding or the institution of any action seeking the avoidance as a preferential transfer under applicable bankruptcy, insolvency, receivership or similar law (a "Preference Claim") of any distribution made with respect to the Series 2005-1 Notes. Without limiting any rights of the Series Enhancer under the Policy or any other Series 2005-1 Related Document, and without modifying or otherwise affecting any terms or conditions of the Policy, each Series 2005-1 Noteholder, by its purchase of Series 2005-1 Notes, and the Indenture Trustee hereby agrees that, the Series Enhancer (so long as no Series Enhancer Default exists) may at any time during the continuation of any Proceeding relating to a Preference Amount direct all matters relating to such Preference Amount, including, without limitation, (i) the direction of any appeal of any order relating to any Preference Amount and (ii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Series Enhancer shall be subrogated to the rights of the Indenture Trustee and each such Series 2005-1 Noteholder, in the conduct of any such Preference Amount, including, without limitation, all rights of any party to an adversary Proceeding action with respect to any order issued in connection with any such Preference Amount. Insured Amounts paid by the Series Enhancer to the Indenture Trustee shall be received by the Indenture Trustee, as agent for the Series 2005-1 Noteholders. The Indenture Trustee, as agent to the Series 2005-1 Noteholders, hereby acknowledges and affirms that the rights of the Series 2005-1 Noteholders to any monies paid or payable in respect of the Series 2005-1 Notes shall be fully subrogated to the Series Enhancer to the extent of any payment made by the Series Enhancer pursuant to the terms of the Policy, and any interests due thereon.

(j) By acceptance of a Series 2005-1 Note, each Series 2005-1 Noteholder agrees to be bound by the terms of the Policy, including, without limitation, the method and timing of payment and the Series Enhancer's right of subrogation.

(k) Notwithstanding the foregoing, in the event that payments on the Series 2005-1 Notes are accelerated, such accelerated payments will not be covered by the Series Enhancer under the Policy, unless the Series Enhancer shall elect to make such accelerated payments in accordance with and subject to the terms of the Policy.

(l) The Indenture Trustee shall be entitled to enforce on behalf of the Series 2005-1 Noteholders the obligations of the Series Enhancer under the Policy. Notwithstanding any other provision of this Indenture or any Series 2005-1 Related Document, the Series 2005-1 Noteholders are not entitled to make any claims under the Policy or institute Proceedings directly against the Series Enhancer.

(m) Nothing in this Section 304 or in any other Section hereof shall or is intended to modify any of the terms, provisions or conditions of the Policy.

ARTICLE IV

Additional Covenants

In addition to the covenants set forth in Article VI of the Indenture, the Issuer hereby makes the following additional covenants for the benefit of the Series 2005-1 Noteholders:

Section 401. Rule 144A. So long as any of the Series 2005-1 Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, Issuer shall, unless it becomes subject to and complies with the reporting requirements of Section 13 or 15(d) of the Exchange Act, or rule 12g3-2(b) thereunder, provide to any Series 2005-1 Noteholder of such restricted securities, or to any prospective Series 2005-1 Noteholder of such restricted securities designated by a Series 2005-1 Noteholder, upon the request of such Noteholder or prospective Series 2005-1 Noteholders, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

Section 402. Use of Proceeds. The proceeds from the issuance of the Series 2005-1 Notes shall be used as follows: (i) to pay the costs of issuance of the Series 2005-1 Notes, (ii) to prepay a portion of the then unpaid principal balance of the 2000-1 Notes, and (iii) for other general corporate purposes, as contemplated in Section 624 of the Indenture.

ARTICLE V

Conditions to Issuance

Section 501. Conditions to Issuance. The Indenture Trustee shall not authenticate the Series 2005-1 Notes unless (i) all conditions to the issuance of the Series 2005-1 Notes under the Series 2005-1 Note Purchase Agreement shall have been satisfied, and (ii) the Issuer shall have delivered a certificate to the Indenture Trustee to the effect that all conditions set forth in the Series 2005-1 Note Purchase Agreement shall have been satisfied.

ARTICLE VI

Representations and Warranties

To induce the Series 2005-1 Noteholders to purchase the Series 2005-1 Notes hereunder, the Issuer hereby represents and warrants as of the Closing Date to the Series Enhancer and the Indenture Trustee for the benefit of the Series 2005-1 Noteholders that:

Section 601. Existence. Issuer is a company duly organized, validly existing and in compliance under the laws of Bermuda. Issuer is in good standing and is duly qualified to do business in each jurisdiction where the failure to do so would have a material adverse effect upon the Issuer and in each jurisdiction in which a failure to so qualify would materially and adversely affect the ability of the Indenture Trustee to enforce its security interest in the Collateral.

Section 602. Authorization. Issuer has the power and is duly authorized to execute and deliver this Supplement and the other Series 2005-1 Related Documents to which it is a party; Issuer is and will continue to be duly authorized to borrow monies hereunder; and Issuer is and will continue to be authorized to perform its obligations under this Supplement and under the other Series 2005-1 Related Documents. The execution, delivery and performance by Issuer of this Supplement and the other Series 2005-1 Related Documents to which it is a party and the borrowings hereunder do not and will not require any consent or approval of any Governmental Authority, shareholder or any other Person which has not already been obtained.

Section 603. No Conflict; Legal Compliance. The execution, delivery and performance of this Supplement and each of the other Series 2005-1 Related Documents and the execution, delivery and payment of the Series 2005-1 Notes will not: (a) contravene any provision of the Issuer's bye-laws or memorandum of association; (b) contravene, conflict with or violate any Applicable Law or regulation, or any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority; or (c) violate or result in the breach of, or constitute a default under the Indenture, the Series 2005-1 Related Documents, any other indenture or other loan or credit agreement, or other agreement or instrument to which Issuer is a party or by which Issuer, or its property and assets may be bound or affected. Issuer is not in violation or breach of or default under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any contract, agreement, lease, license, indenture or other instrument to which it is a party.

Section 604. Validity and Binding Effect. This Supplement is, and each Series 2005-1 Related Document to which Issuer is a party, when duly executed and delivered, will be, the legal, valid and binding obligation of Issuer, enforceable against Issuer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principles of equity limiting the availability of equitable remedies.

Section 605. Financial Statements. Since December 31, 2004, there has been no Material Adverse Change in the financial condition of any of the Issuer, Textainer Limited or the Manager.

Section 606. Place of Business. The Issuer's only "place of business" (within the meaning of Section 9-307 of the UCC) is located at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda. The Issuer does not maintain an office or assets in the United States, other than (i) the Trust Account, the Restricted Cash Account and the Series Accounts and (ii) off-hire containers located in depots in the United States and containers described in Section 606(g) of the Indenture.

Section 607. No Agreements or Contracts. The Issuer is not now and has not been a party to any contract or agreement (whether written or oral) other than the Series 2000-1 Related Documents, the Series 2001-1 Related Documents, the Series 2005-1 Related Documents (as each such term is defined in the Supplement for such Series), provided that all obligations under the Series 2001-1 Related Documents shall have been terminated prior to the issuance of the Series 2005-1 Notes (except for such obligations which pursuant to the terms of the 2001-1 Related Documents shall survive any termination thereof), the Related Documents (as defined in the Indenture) and the Members' Agreement.

Section 608. Consents and Approvals. No approval, authorization or consent of any trustee or holder of any Indebtedness or obligation of Issuer or of any other Person under any agreement, contract, lease or license or similar document or instrument to which Issuer is a party or by which Issuer is bound, is required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2005-1 Related Documents, except for those approvals, authorizations and consents that have been obtained on or prior to the Closing Date. All consents and approvals of, filings and registrations with, and other actions in respect of, all Governmental Authorities required to be obtained by Issuer in order to make or consummate the transactions contemplated under the Series 2005-1 Related Documents have been, or prior to the time when required will have been, obtained, given, filed or taken and are or will be in full force and effect.

Section 609. Margin Regulations. Issuer does not own any "margin security", as that term is defined in Regulation U of the Federal Reserve Board, and the proceeds of the Series 2005-1 Notes issued under this Supplement will be used only for the purposes contemplated hereunder. None of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security, for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the loans under this Supplement to be considered a "purpose credit" within the meaning of Regulations T, U and X. Issuer will not take or permit any agent acting on its behalf to take any action which might cause this Supplement or any document or instrument delivered pursuant hereto to violate any regulation of the Federal Reserve Board.

Section 610. Taxes. All federal, state, local and foreign tax returns, reports and statements required to be filed by Issuer have been filed with the appropriate Governmental Authorities, and all taxes and other impositions shown thereon to be due and payable by Issuer have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof, or any such fine, penalty, interest, late charge or loss has been paid, or Issuer is contesting its liability therefor in good faith and has fully reserved all such amounts according to GAAP in the financial statements provided to the Noteholders pursuant to Section 626 of the Indenture. Issuer has paid when due and payable all material charges upon the books of Issuer and no Governmental Authority has asserted any Lien against Issuer with respect to unpaid taxes. Proper and accurate amounts have been withheld by Issuer from its employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable federal, state, local and foreign law and such withholdings have been timely paid to the respective Governmental Authorities.

Section 611. Other Regulations. Issuer is not: (a) a "public utility company" or a "holding company," or an "affiliate" or a "Subsidiary company" of a "holding company," or an "affiliate" of such a "Subsidiary company," as such terms are defined in the Public Utility Holding Company Act of 1936, as amended, or (b) an "investment company," or an "affiliated person" of, or a "promoter" or "principal underwriter" for, an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended. The issuance of the Series 2005-1 Notes hereunder and the application of the proceeds and repayment thereof by Issuer and the performance of the transactions contemplated by this Supplement and the other Series 2005-1 Related Documents will not violate any provision of the Investment Company Act or the Public Utility Holding Company Act, or any rule, regulation or order issued by the SEC thereunder.

Section 612. Solvency and Separateness.

(i) The capital of the Issuer is adequate for the business and undertakings of the Issuer.

(ii) Other than with respect to the transactions contemplated hereby and by the Series 2000-1 Related Documents and the other Series 2005-1 Related Documents, the Issuer is not engaged in any business transactions with the Sellers or the Manager, except as permitted by the Management Agreement, the Contribution and Sale Agreement, the Members Agreement or any Acquisition Agreement.

(iii) The bye-laws of the Issuer provide that the Issuer shall have four directors (two directors appointed by Textainer Limited, and two directors appointed by MeesPierson Transport & Logistics Holding B.V. (now known as FB Aviation & Intermodal Finance Holding B.V.)) unless increased to five under certain circumstances described in the bye-laws, including, but not limited to, those discussed below. In the event of a resolution to institute voluntary Insolvency Proceedings on behalf of the Issuer, the bye-laws of the Issuer further provide that the number of directors is automatically increased to five and an

independent director from the Director Services Provider is elected by a majority of the directors. Such independent director shall participate solely in the vote on the voluntary Insolvency Proceedings and shall cease to be a director immediately following such vote. No action can be taken to institute voluntary Insolvency Proceedings on behalf of the Issuer unless such action shall have been approved or authorized by (x) a resolution of the board of directors for which at least ninety-nine percent (99%) of all directors (including the independent director) have voted in favor and (y) a resolution of the members representing at least ninety-nine percent (99%) of all Class A Shares and Class B Shares and (z) a resolution of the members representing at least ninety-nine percent (99%) of all Class C Shares then issued and outstanding.

(iv) The Issuer's funds and assets are not, and will not be, commingled with those of the Sellers or the Manager, except as permitted by the Management Agreement.

(v) The bye-laws of the Issuer require it to maintain (A) correct and complete books and records of account, and (B) minutes of the meetings and other proceedings of its members.

(vi) The Issuer is not insolvent under the Insolvency Law and will not be rendered insolvent by the transactions contemplated by the Series 2005-1 Related Documents and after giving effect to such transactions, the Issuer will not be left with an unreasonably small amount of capital with which to engage in its business nor will the Issuer have intended to incur, or believe that it has incurred, debts beyond its ability to pay such debts as they mature. The Issuer does not contemplate the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, trustee or similar official in respect of the Issuer or any of its assets.

Section 613. Survival of Representations and Warranties. So long as any of the Series 2005-1 Notes shall be Outstanding and until payment and performance in full of the Aggregate Outstanding Obligations, the representations and warranties contained herein shall have a continuing effect as having been true when made.

Section 614. No Default. No Event of Default or Early Amortization Event (or event or condition which with the giving of notice or passage of time or both would become an Event of Default or Early Amortization Event) has occurred and is continuing.

Section 615. Litigation and Contingent Liabilities. No claims, litigation, arbitration proceedings or governmental Proceedings by any Governmental Authority are pending or threatened against or are affecting the Issuer or any of its Affiliates the results of which might interfere with the consummation of any of the transactions contemplated by this Supplement or any document issued or delivered in connection herewith.

Section 616. Subsidiaries. Issuer has had no subsidiaries.

Section 617. No Partnership. Issuer is not a partner or joint venturer in any partnership or joint venture.

Section 618. Pension and Welfare Plans. No accumulated funding deficiency (as defined in Section 412 of the Code or Section 302 of ERISA) or reportable event (within the meaning of section 4043 of ERISA), has occurred with respect to the Plan of the Issuer or any ERISA Affiliate. The present value of all benefit liabilities under all Plans of the Issuer or any ERISA Affiliate subject to Title IV of ERISA, as defined in Section 4001(a)(16) of ERISA, exceeds the fair market value of all assets of Plans subject to Title IV of ERISA (determined as of the most recent valuation date for such Plan on the basis of assumptions prescribed by the Pension Benefit Guaranty Corporation for the purpose of Section 4044 of ERISA), by no more than $1.9 million. Neither Issuer nor any ERISA Affiliate is subject to any present or potential withdrawal liability pursuant to Title IV of ERISA and no multi-employer plan (with the meaning of Section 4001(a)(3) of ERISA) to which the Issuer or any ERISA Affiliate has an obligation to contribute or any liability, is or is likely to be disqualified for tax purposes, in reorganization within the meaning of Section 4241 of ERISA or Section 418 of the Code) or is insolvent (as defined in Section 4245 of ERISA). No liability (other than liability to make periodic contributions to fund benefits) with respect to any Plan of Issuer, or Plan subject to Title IV of ERISA or any ERISA Affiliate, has been, or is expected to be, incurred by Issuer or an ERISA Affiliate, either directly or indirectly. All Plans of Issuer are in material compliance with ERISA and the Code. No lien under Section 412 of the Code or 302(f) of ERISA or requirement to provide security under the Code or ERISA has been or is reasonably expected by Issuer to be imposed on its assets. The Issuer does not have any obligation under any collective bargaining agreement. As of the Closing Date, the Issuer is not an employee benefit plan with the meaning of ERISA or a "plan" within the meaning of Section 4975 of the Code and assets of the Issuer do not constitute "plan assets" within the meaning of Section 2510.3-101 of the regulations of the Department of Labor.

Section 619. Ownership of Issuer. The Issuer has three classes of ordinary shares issued and outstanding as of the Closing Date: the Class A Shares, the Class B Shares and the Class C Shares. The Class A Shares represent the only class of voting shares issued and outstanding and, as of the Closing Date, there are 12,000 shares issued and outstanding and owned in equal amounts by Textainer Limited, a Bermuda company and FB Aviation & Intermodal Finance Holding B.V., a company organized under the laws of the Kingdom of The Netherlands. The Class B Shares do not have voting rights (other than with respect to (i) any matter that adversely affects the rights of the holder of the Class B Shares and/or (ii) the commencement of a voluntary bankruptcy Proceeding by the Issuer) and all of such Class B Shares are owned by Textainer Limited on the Closing Date. The Class C Shares do not have voting rights (other than with respect to (i) any matter that adversely affects the rights of the holder of the Class C Shares and/or (ii) the commencement of a voluntary bankruptcy Proceeding by the Issuer) and all of such Class C Shares are owned by AMACAR Investments LLC, a Delaware limited liability company, on the Closing Date.

Section 620. Security Interest Representations.

(a) This Supplement and the Indenture create a valid and continuing security interest (as defined in the UCC) in the Collateral in favor of the Indenture Trustee, for the benefit of the Noteholders, each Series Enhancer and any Interest Rate Hedge Provider, which security interest is prior to all other Liens, and is enforceable as such as against creditors of and purchasers from the Issuer.

(b) The containers constitute "goods" or "inventory" within the meaning of the applicable UCC. The Leases constitute "tangible chattel paper" within the meaning of the UCC. The lease receivables constitute "accounts" or "proceeds" of the Leases within the meaning of the UCC. The Trust Account, the Restricted Cash Account and the Series 2005-1 Series Account constitute "securities accounts" within the meaning of the UCC. The Issuer's contractual rights under any Interest Rate Hedge Agreements, the Contribution and Sale Agreement and the Management Agreement constitute "general intangibles" within the meaning of the UCC.

(c) The Issuer owns and has good and marketable title to the Collateral, free and clear of any Lien (whether senior, junior or pari passu), claim or encumbrance of any Person, except for Permitted Encumbrances.

(d) The Issuer has caused the filing of all appropriate financing statements or documents of similar import in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Collateral granted to the Indenture Trustee in this Supplement and the Indenture. All financing statements filed against the Issuer in favor of the Indenture Trustee in connection herewith describing the Collateral contain a statement to the following effect: "A purchase of or security interest in any collateral described in this financing statement will violate the rights of the Indenture Trustee."

(e) Other than the security interest granted to the Indenture Trustee pursuant to this Supplement and the Indenture, the Issuer has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral, except as permitted pursuant to the Indenture. The Issuer has not authorized the filing of, and is not aware of, any financing statements against the Issuer that include a description of collateral covering the Collateral other than any financing statement or document of similar import (i) relating to the security interest granted to the Indenture Trustee in this Supplement or the Indenture or (ii) that has been terminated. The Issuer is not aware of any judgment or tax lien filings against the Issuer.

(f) The Issuer has received a written acknowledgment from the Manager that the Manager or an Affiliate thereof is holding the Leases, to the extent they relate to the Managed Containers, on behalf of, and for the benefit of, the Indenture Trustee. None of the Leases that constitute or evidence the Collateral have any marks or notations indicating that they have been pledged, assigned or otherwise conveyed to any Person. The Sellers have caused the filing of all appropriate financing statements or documents of similar import in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest of the Issuer (and the Indenture Trustee as its assignee) in the Leases (to the extent that such Leases relate to the Managed Containers) granted to the Issuer in the Contribution and Sale Agreement.

(g) The Issuer has received all necessary consents and approvals required by the terms of the Collateral to the pledge to the Indenture Trustee of its interest and rights in such Collateral hereunder or under the Indenture.

(h) The Issuer has taken all steps necessary to cause Wells Fargo Bank, National Association (in its capacity as securities intermediary) to identify in its records the Indenture Trustee as the Person having a "security entitlement" (within the meaning of Section 8-102(a)(17) of the UCC in each of the Trust Account, the Restricted Cash Account and the Series 2005-1 Series Account.

(i) The Trust Account, the Restricted Cash Account and Series 2005-1 Series Account are not in the name of any Person other than the Indenture Trustee. The Issuer has not consented to Wells Fargo Bank, National Association (as the securities intermediary of the Trust Account, the Restricted Cash Account and the Series 2005-1 Series Account) to comply with entitlement orders of any Person other than the Indenture Trustee.

(j) No creditor of the Issuer (other than (x) with respect to the Managed Containers, the related Lessee and (y) the Manager in its capacity as Manager under the Management Agreement) has in its possession any goods that constitute or evidence the Collateral.

The representations and warranties set forth in this Section 620 shall survive until this Supplement is terminated in accordance with its terms and the terms of the Indenture. Any breaches of the representations and warranties set forth in this Section 620 may be waived by the Indenture Trustee, only with the prior written consent of the Control Party and with the prior satisfaction of the Rating Agency Condition.

ARTICLE VII

Miscellaneous Provisions

Section 701. Ratification of Indenture. As supplemented by this Supplement, the Indenture is in all respects ratified and confirmed and the Indenture as so supplemented by this Supplement shall be read, taken and construed as one and the same instrument.

Section 702. Counterparts. This Supplement may be executed in two or more counterparts, and by different parties on separate counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Supplement by facsimile or by electronic means shall be equally effective as of the delivery of an originally executed counterpart.

Section 703. Governing Law. THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT REFERENCE TO ITS CONFLICTS OF LAW PROVISIONS, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 704. Notices to Rating Agencies. Whenever any notice or other communication is required to be given to the Rating Agencies pursuant to the Indenture or this Supplement, such notice or communication shall be delivered as follows: (i) to Moody's at Moody's Investors Service, Inc., 99 Church Street, New York, New York 10004, Attention: ABS Monitoring Group and (ii) if to Standard & Poor's at Standard & Poor's Ratings Services, 55 Water Street, 41st Floor, New York, New York 10041, Attention: Asset-Backed Surveillance Group, fax: (212/438-2664). Any rights to notices conveyed to a Rating Agency pursuant to the terms of this Supplement shall terminate immediately if such Rating Agency no longer has a rating outstanding with respect to the Series 2005-1 Notes.

Section 705. Amendments and Modifications. The terms of the Supplement may be waived, modified or amended only in a written instrument signed by each of the Issuer, the Control Party and the Indenture Trustee and, except with respect to the matters set forth in (and subject to the terms of) Section 1001 of the Indenture, only with the prior written consent of the Requisite Global Majority for Series 2005-1 or, with respect to the matters set forth in Section 1002(a) of the Indenture, the prior written consent of the Holders of all Series 2005-1 Notes then Outstanding.

Section 706. Consent to Jurisdiction. ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST THE ISSUER ARISING OUT OF OR RELATING TO THIS SUPPLEMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY, MAY BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, STATE OF NEW YORK AND THE ISSUER HEREBY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND, SOLELY FOR THE PURPOSES OF ENFORCING THIS SUPPLEMENT, THE ISSUER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING. THE ISSUER HEREBY IRREVOCABLY APPOINTS AND DESIGNATES NATIONAL CORPORATE RESEARCH LTD. HAVING AN ADDRESS AT 225 W 34TH STREET, NEW YORK, NEW YORK 10122, ITS TRUE AND LAWFUL ATTORNEY-IN-FACT AND DULY AUTHORIZED AGENT FOR THE LIMITED PURPOSE OF ACCEPTING SERVICING OF LEGAL PROCESS AND THE ISSUER AGREES THAT SERVICE OF PROCESS UPON SUCH PARTY SHALL CONSTITUTE PERSONAL SERVICE OF SUCH PROCESS ON SUCH PERSON. THE ISSUER SHALL MAINTAIN THE DESIGNATION AND APPOINTMENT OF SUCH AUTHORIZED AGENT UNTIL ALL AMOUNTS PAYABLE UNDER THIS SUPPLEMENT SHALL HAVE BEEN PAID IN FULL. IF SUCH AGENT SHALL CEASE TO SO ACT, THE ISSUER SHALL IMMEDIATELY DESIGNATE AND APPOINT ANOTHER SUCH AGENT SATISFACTORY TO THE INDENTURE TRUSTEE AND SHALL PROMPTLY DELIVER TO THE INDENTURE TRUSTEE EVIDENCE IN WRITING OF SUCH OTHER AGENT'S ACCEPTANCE OF SUCH APPOINTMENT.

Section 707. Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OTHER SERIES 2005-1 RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

Section 708. Third Party Beneficiaries. The Series Enhancer is an express third party beneficiary of this Supplement and shall be entitled to rely on all representations, warranties, covenants and agreements contained herein, and in the Indenture to the extent related hereto, as if made directly to it and as if it were a party hereto and shall have full power and authority to enforce the obligations of the parties hereunder.

IN WITNESS WHEREOF, the Issuer and the Indenture Trustee have caused this Supplement to be duly executed and delivered by their respective officers all as of the day and year first above written.

TEXTAINER MARINE CONTAINERS LIMITED

By: /s/ D. R. Cottingham
Name: D. R. Cottingham
Title: Secretary

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /s/ Marianna C. Stershic
Name: Marianna C. Stershic
Title: Vice President

EXHIBIT A-1

FORM OF 144A BOOK ENTRY NOTE

EXHIBIT A-2

FORM OF REGULATION S TEMPORARY BOOK ENTRY NOTE

EXHIBIT A-3

FORM OF UNRESTRICTED BOOK ENTRY NOTE

EXHIBIT A-4

FORM OF NOTE ISSUED TO INSTITUTIONAL ACCREDITED INVESTORS

EXHIBIT B

FORM OF
CERTIFICATE TO BE GIVEN BY NOTEHOLDER

[Euroclear Bank S.A./N.V., as operator
of the Euroclear Clearance System
1 Boulevard du Roi Albert II
B-1210 Brussels, Belgium]

[Clearstream Banking, société anonyme
67 Boulevard Grand-Duchesse Charlotte
L-1331 Luxembourg]

Re: Floating Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2005-1 Supplement, dated as of May 26, 2005, between Textainer Marine Containers Limited (the "Issuer") and Wells Fargo Bank, National Association (the "Indenture Trustee") to the Second Amended and Restated Indenture, dated as of May 26, 2005, between the Issuer and the Indenture Trustee.

This is to certify that as of the date hereof, and except as set forth below, the beneficial interest in the Offered Notes held by you for our account is owned by Persons that are not U.S. Persons (as defined in Rule 902 under the Securities Act of 1933, as amended).

The undersigned undertakes to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Offered Notes held by you in which the undersigned has acquired, or intends to acquire, a beneficial interest in accordance with your operating procedures if any applicable statement herein is not correct on such date. In the absence of any such notification, it may be assumed that this certification applies as of such date.

[This certification excepts beneficial interests in and does not relate to U.S. $ _____ principal amount of the Offered Notes appearing in your books as being held for our account but that we have sold or as to which we are not yet able to certify.]

We understand that this certification is required in connection with certain securities laws in the United States of America. If administrative or legal Proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy thereof to any interested party in such Proceedings.

Dated:*_____ By: _____
Account Holder

* Certification must be dated on or after the 15th day before the date of the Euroclear or Clearstream certificate to which this certification relates.

EXHIBIT C

FORM OF
CERTIFICATE TO BE GIVEN BY EUROCLEAR OR CLEARSTREAM

Wells Fargo Bank, National Association,
as Indenture Trustee and Note Registrar
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administrator

Re: Floating Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2005-1 Supplement, dated as of May 26, 2005, between Textainer Marine Containers Limited (the "Issuer") and Wells Fargo Bank, National Association (the "Indenture Trustee") to the Second Amended and Restated Indenture, dated as of May 26, 2005, between the Issuer and the Indenture Trustee.

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organizations appearing in our records as Persons being entitled to a portion of the principal amount set forth below (our " Member Organizations") as of the date hereof, $_____ principal amount of the Offered Notes is owned by Persons (a) that are not U.S. Persons (as defined in Rule 902 under the Securities Act of 1933, as amended (the "Securities Act")) or (b) who purchased their Offered Notes (or interests therein) in a transaction or transactions that did not require registration under the Securities Act.

We further certify (a) that we are not making available herewith for exchange any portion of the related Regulation S Temporary Book-Entry Note excepted in such certifications and (b) that as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by them with respect to any portion of the part submitted herewith for exchange are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain securities laws of the United States of America. If administrative or legal Proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy hereof to any interested party in such Proceedings.

Date:_____

Yours faithfully,

By:
[Morgan Guaranty Trust Company of New York, Brussels Office, as Operator of the Euroclear Clearance System] [Clearstream Banking, société anonyme]

EXHIBIT D

FORM OF
CERTIFICATE TO BE GIVEN BY TRANSFEREE OF BENEFICIAL INTEREST IN A
REGULATION S TEMPORARY BOOK ENTRY NOTE

[Euroclear Bank S.A./N.V., as operator
of the Euroclear Clearance System
1 Boulevard du Roi Albert II
B-1210 Brussels, Belgium]

[Clearstream Banking, société anonyme
67 Boulevard Grand-Duchesse Charlotte
L-1331 Luxembourg]

Re: Floating Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2005-1 Supplement, dated as of May 26, 2005, between Textainer Marine Containers Limited (the "Issuer") and Wells Fargo Bank, National Association (the "Indenture Trustee") to the Second Amended and Restated Indenture, dated as of May 26, 2005, between the Issuer and the Indenture Trustee.

This is to certify that as of the date hereof, and except as set forth below, for purposes of acquiring a beneficial interest in the Offered Notes, the undersigned certifies that it is not a U.S. Person (as defined in Rule 902 under the Securities Act of 1933, as amended).

The undersigned undertakes to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Offered Notes held by you in which the undersigned intends to acquire a beneficial interest in accordance with your operating procedures if any applicable statement herein is not correct on such date. In the absence of any such notification, it may be assumed that this certification applies as of such date.

We understand that this certification is required in connection with certain securities laws in the United States of America. If administrative or legal Proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorize you to produce this certification or a copy thereof to any interested party in such Proceedings.

Dated: By:

EXHIBIT E

FORM OF
TRANSFER CERTIFICATE FOR EXCHANGE OR
TRANSFER FROM 144A BOOK-ENTRY NOTE
TO REGULATION S BOOK-ENTRY NOTE

Wells Fargo Bank, National Association,
as Indenture Trustee and Note Registrar
Sixth Street and Marquette Avenue
Minneapolis, Minnesota 55479
Attention: Corporate Trust Services/Asset-Backed Administrator

Re: Floating Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2005-1 Supplement, dated as of May 26, 2005, between Textainer Marine Containers Limited (the "Issuer") and Wells Fargo Bank, National Association (the "Indenture Trustee") to the Second Amended and Restated Indenture, dated as of May 26, 2005, between the Issuer and the Indenture Trustee.

Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

This letter relates to U.S. $_____ principal amount of Offered Notes that are held as a beneficial interest in the 144A Book-Entry Note (CUSIP No. 883145AC8) with DTC in the name of [insert name of transferor] (the "Transferor"). The Transferor has requested an exchange or transfer of the beneficial interest for an interest in the Regulation S Book-Entry Note (CUSIP No. G8766UAB9) to be held with [Euroclear] [Clearstream] through DTC.

In connection with the request and in receipt of the Offered Notes, the Transferor does hereby certify that the exchange or transfer has been effected in accordance with the transfer restrictions set forth in the Indenture and the Offered Notes and:

(a) pursuant to and in accordance with Regulation S under the Securities Act of 1933, as amended (the " Securities Act"), and accordingly the Transferor does hereby certify that:

(i) the offer of the Offered Notes was not made to a Person in the United States of America,

(ii) either (A) at the time the buy order was originated, the transferee was outside the United States of America or the Transferor and any Person acting on its behalf reasonably believed that the transferee was outside the United States of America, or (B) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither the Transferor nor any Person acting on its behalf knows that the transaction was pre-arranged with a buyer in the United States of America,

(iii) no directed selling efforts have been made in contravention of the requirements of Rule 903 or 904 of Regulation S, as applicable, and the other conditions of Rule 903 or Rule 904 of Regulation S, as applicable, have been satisfied and

(iv) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act, and

(b) with respect to transfers made in reliance on Rule 144A under the Securities Act, the Transferor does hereby certify that the Notes are being transferred in a transaction permitted by Rule 144A under the Securities Act.

This certification and the statements contained herein are made for your benefit and the benefit of the Issuer and Wachovia Capital Markets, LLC, as the Initial Purchaser.

[Insert name of Transferor]

Dated:

By:
Title:

EXHIBIT F

FORM OF
INITIAL PURCHASER EXCHANGE INSTRUCTIONS

Depository Trust Company
55 Water Street
50th Floor
New York, New York 10041

Re: $_____ of the Floating Rate Asset Backed Notes, Series 2005-1 (the "Notes") issued pursuant to the Series 2005-1 Supplement, dated as of May 26, 2005, between Textainer Marine Containers Limited (the "Issuer") and Wells Fargo Bank, National Association (the "Indenture Trustee") to the Second Amended and Restated Indenture, dated as of May 26, 2005, between the Issuer and the Indenture Trustee.

Pursuant to Section 207 of the Series 2005-1 Supplement, Wachovia Capital Markets, LLC ("WCM"), an indirect, wholly-owned subsidiary of Wachovia Corporation (the "Initial Purchaser"), hereby requests that $_____ aggregate principal amount of the Notes held by you for our account and represented by the Regulation S Temporary Book-Entry Note (CUSIP No. G8766UAB9) (as defined in the Series 2005-1 Supplement) be exchanged for an equal principal amount represented by the 144A Book-Entry Note (CUSIP No. 883145AC8) to be held by you for our account.

Dated:

Wachovia Capital Markets, LLC,
as Initial Purchaser

By:
Title:

SCHEDULE I

Minimum Targeted Principal Balances and Scheduled Targeted Principal Balances

Period	Payment Date Occurring In:	Minimum Targeted Principal Balance	Period	Payment Date Occurring In:	Minimum Targeted Principal Balance	Period	Payment Date Occurring In:	Minimum Targeted Principal Balance
0	Closing Date	$ 580,000,000	61	Jun 2010	$ 383,444,444	121	Jun 2015	$ 190,111,111
1	Jun 2005	576,777,778	62	Jul 2010	380,222,222	122	Jul 2015	186,888,889
2	Jul 2005	573,555,556	63	Aug 2010	377,000,000	123	Aug 2015	183,666,667
3	Aug 2005	570,333,333	64	Sep 2010	373,777,778	124	Sep 2015	180,444,444
4	Sep 2005	567,111,111	65	Oct 2010	370,555,556	125	Oct 2015	177,222,222
5	Oct 2005	563,888,889	66	Nov 2010	367,333,333	126	Nov 2015	174,000,000
6	Nov 2005	560,666,667	67	Dec 2010	364,111,111	127	Dec 2015	170,777,778
7	Dec 2005	557,444,444	68	Jan 2011	360,888,889	128	Jan 2016	167,555,556
8	Jan 2006	554,222,222	69	Feb 2011	357,666,667	129	Feb 2016	164,333,333
9	Feb 2006	551,000,000	70	Mar 2011	354,444,444	130	Mar 2016	161,111,111
10	Mar 2006	547,777,778	71	Apr 2011	351,222,222	131	Apr 2016	157,888,889
11	Apr 2006	544,555,556	72	May 2011	348,000,000	132	May 2016	154,666,667
12	May 2006	541,333,333	73	Jun 2011	344,777,778	133	Jun 2016	151,444,444
13	Jun 2006	538,111,111	74	Jul 2011	341,555,556	134	Jul 2016	148,222,222
14	Jul 2006	534,888,889	75	Aug 2011	338,333,333	135	Aug 2016	145,000,000
15	Aug 2006	531,666,667	76	Sep 2011	335,111,111	136	Sep 2016	141,777,778
16	Sep 2006	528,444,444	77	Oct 2011	331,888,889	137	Oct 2016	138,555,556
17	Oct 2006	525,222,222	78	Nov 2011	328,666,667	138	Nov 2016	135,333,333
18	Nov 2006	522,000,000	79	Dec 2011	325,444,444	139	Dec 2016	132,111,111
19	Dec 2006	518,777,778	80	Jan 2012	322,222,222	140	Jan 2017	128,888,889
20	Jan 2007	515,555,556	81	Feb 2012	319,000,000	141	Feb 2017	125,666,667
21	Feb 2007	512,333,333	82	Mar 2012	315,777,778	142	Mar 2017	122,444,444
22	Mar 2007	509,111,111	83	Apr 2012	312,555,556	143	Apr 2017	119,222,222
23	Apr 2007	505,888,889	84	May 2012	309,333,333	144	May 2017	116,000,000
24	May 2007	502,666,667	85	Jun 2012	306,111,111	145	Jun 2017	112,777,778
25	Jun 2007	499,444,444	86	Jul 2012	302,888,889	146	Jul 2017	109,555,556
26	Jul 2007	496,222,222	87	Aug 2012	299,666,667	147	Aug 2017	106,333,333
27	Aug 2007	493,000,000	88	Sep 2012	296,444,444	148	Sep 2017	103,111,111
28	Sep 2007	489,777,778	89	Oct 2012	293,222,222	149	Oct 2017	99,888,889
29	Oct 2007	486,555,556	90	Nov 2012	290,000,000	150	Nov 2017	96,666,667
30	Nov 2007	483,333,333	91	Dec 2012	286,777,778	151	Dec 2017	93,444,444
31	Dec 2007	480,111,111	92	Jan 2013	283,555,556	152	Jan 2018	90,222,222
32	Jan 2008	476,888,889	93	Feb 2013	280,333,333	153	Feb 2018	87,000,000
33	Feb 2008	473,666,667	94	Mar 2013	277,111,111	154	Mar 2018	83,777,778
34	Mar 2008	470,444,444	95	Apr 2013	273,888,889	155	Apr 2018	80,555,556
35	Apr 2008	467,222,222	96	May 2013	270,666,667	156	May 2018	77,333,333
36	May 2008	464,000,000	97	Jun 2013	267,444,444	157	Jun 2018	74,111,111
37	Jun 2008	460,777,778	98	Jul 2013	264,222,222	158	Jul 2018	70,888,889
38	Jul 2008	457,555,556	99	Aug 2013	261,000,000	159	Aug 2018	67,666,667
39	Aug 2008	454,333,333	100	Sep 2013	257,777,778	160	Sep 2018	64,444,444
40	Sep 2008	451,111,111	101	Oct 2013	254,555,556	161	Oct 2018	61,222,222
41	Oct 2008	447,888,889	102	Nov 2013	251,333,333	162	Nov 2018	58,000,000
42	Nov 2008	444,666,667	103	Dec 2013	248,111,111	163	Dec 2018	54,777,778
43	Dec 2008	441,444,444	104	Jan 2014	244,888,889	164	Jan 2019	51,555,556
44	Jan 2009	438,222,222	105	Feb 2014	241,666,667	165	Feb 2019	48,333,333
45	Feb 2009	435,000,000	106	Mar 2014	238,444,444	166	Mar 2019	45,111,111
46	Mar 2009	431,777,778	107	Apr 2014	235,222,222	167	Apr 2019	41,888,889
47	Apr 2009	428,555,556	108	May 2014	232,000,000	168	May 2019	38,666,667
48	May 2009	425,333,333	109	Jun 2014	228,777,778	169	Jun 2019	35,444,444
49	Jun 2009	422,111,111	110	Jul 2014	225,555,556	170	Jul 2019	32,222,222
50	Jul 2009	418,888,889	111	Aug 2014	222,333,333	171	Aug 2019	29,000,000
51	Aug 2009	415,666,667	112	Sep 2014	219,111,111	172	Sep 2019	25,777,778
52	Sep 2009	412,444,444	113	Oct 2014	215,888,889	173	Oct 2019	22,555,556
53	Oct 2009	409,222,222	114	Nov 2014	212,666,667	174	Nov 2019	19,333,333
54	Nov 2009	406,000,000	115	Dec 2014	209,444,444	175	Dec 2019	16,111,111
55	Dec 2009	402,777,778	116	Jan 2015	206,222,222	176	Jan 2020	12,888,889
56	Jan 2010	399,555,556	117	Feb 2015	203,000,000	177	Feb 2020	9,666,667
57	Feb 2010	396,333,333	118	Mar 2015	199,777,778	178	Mar 2020	6,444,444
58	Mar 2010	393,111,111	119	Apr 2015	196,555,556	179	Apr 2020	3,222,222
59	Apr 2010	389,888,889	120	May 2015	193,333,333	180	May 2020	0
60	May 2010	386,666,667						

SCHEDULE I

Minimum Targeted Principal Balances and Scheduled Targeted Principal Balances

Period	Payment Date Occurring In:	Scheduled Targeted Principal Balance	Period	Payment Date Occurring In:	Scheduled Targeted Principal Balance
0	Closing Date	$ 580,000,000	61	Jun 2010	$285,166,667
1	Jun 2005	575,166,667	62	Jul 2010	280,333,333
2	Jul 2005	570,333,333	63	Aug 2010	275,500,000
3	Aug 2005	565,500,000	64	Sep 2010	270,666,667
4	Sep 2005	560,666,667	65	Oct 2010	265,833,333
5	Oct 2005	555,833,333	66	Nov 2010	261,000,000
6	Nov 2005	551,000,000	67	Dec 2010	256,166,667
7	Dec 2005	546,166,667	68	Jan 2011	251,333,333
8	Jan 2006	541,333,333	69	Feb 2011	246,500,000
9	Feb 2006	536,500,000	70	Mar 2011	241,666,667
10	Mar 2006	531,666,667	71	Apr 2011	236,833,333
11	Apr 2006	526,833,333	72	May 2011	232,000,000
12	May 2006	522,000,000	73	Jun 2011	227,166,667
13	Jun 2006	517,166,667	74	Jul 2011	222,333,333
14	Jul 2006	512,333,333	75	Aug 2011	217,500,000
15	Aug 2006	507,500,000	76	Sep 2011	212,666,667
16	Sep 2006	502,666,667	77	Oct 2011	207,833,333
17	Oct 2006	497,833,333	78	Nov 2011	203,000,000
18	Nov 2006	493,000,000	79	Dec 2011	198,166,667
19	Dec 2006	488,166,667	80	Jan 2012	193,333,333
20	Jan 2007	483,333,333	81	Feb 2012	188,500,000
21	Feb 2007	478,500,000	82	Mar 2012	183,666,667
22	Mar 2007	473,666,667	83	Apr 2012	178,833,333
23	Apr 2007	468,833,333	84	May 2012	174,000,000
24	May 2007	464,000,000	85	Jun 2012	169,166,667
25	Jun 2007	459,166,667	86	Jul 2012	164,333,333
26	Jul 2007	454,333,333	87	Aug 2012	159,500,000
27	Aug 2007	449,500,000	88	Sep 2012	154,666,667
28	Sep 2007	444,666,667	89	Oct 2012	149,833,333
29	Oct 2007	439,833,333	90	Nov 2012	145,000,000
30	Nov 2007	435,000,000	91	Dec 2012	140,166,667
31	Dec 2007	430,166,667	92	Jan 2013	135,333,333
32	Jan 2008	425,333,333	93	Feb 2013	130,500,000
33	Feb 2008	420,500,000	94	Mar 2013	125,666,667
34	Mar 2008	415,666,667	95	Apr 2013	120,833,333
35	Apr 2008	410,833,333	96	May 2013	116,000,000
36	May 2008	406,000,000	97	Jun 2013	111,166,667
37	Jun 2008	401,166,667	98	Jul 2013	106,333,333
38	Jul 2008	396,333,333	99	Aug 2013	101,500,000
39	Aug 2008	391,500,000	100	Sep 2013	96,666,667
40	Sep 2008	386,666,667	101	Oct 2013	91,833,333
41	Oct 2008	381,833,333	102	Nov 2013	87,000,000
42	Nov 2008	377,000,000	103	Dec 2013	82,166,667
43	Dec 2008	372,166,667	104	Jan 2014	77,333,333
44	Jan 2009	367,333,333	105	Feb 2014	72,500,000
45	Feb 2009	362,500,000	106	Mar 2014	67,666,667
46	Mar 2009	357,666,667	107	Apr 2014	62,833,333
47	Apr 2009	352,833,333	108	May 2014	58,000,000
48	May 2009	348,000,000	109	Jun 2014	53,166,667
49	Jun 2009	343,166,667	110	Jul 2014	48,333,333
50	Jul 2009	338,333,333	111	Aug 2014	43,500,000
51	Aug 2009	333,500,000	112	Sep 2014	38,666,667
52	Sep 2009	328,666,667	113	Oct 2014	33,833,333
53	Oct 2009	323,833,333	114	Nov 2014	29,000,000
54	Nov 2009	319,000,000	115	Dec 2014	24,166,667
55	Dec 2009	314,166,667	116	Jan 2015	19,333,333
56	Jan 2010	309,333,333	117	Feb 2015	14,500,000
57	Feb 2010	304,500,000	118	Mar 2015	9,666,667
58	Mar 2010	299,666,667	119	Apr 2015	4,833,333
59	Apr 2010	294,833,333	120	May 2015	0
60	May 2010	290,000,000			

Exhibit 10.16

1313 STANDARD BANK CENTRE
HEERENGRACHT CAPE TOWN 8001
TEL 021 421 7310
FAX 021 419 3692
INTERNATIONAL +27 21
E-MAIL info@trencor.net
www.trencor.net
Corporate Office

Textainer Ltd and
Textainer Equipment Management Ltd

By e-mail

28 November 2006

Attention John Maccarone and Phil Brewer

Dear John and Phil

Chang Sheng/Alan George settlements: Arrangements between Trencor Containers (Pty) Ltd ("Trencor") and Textainer Limited and Textainer Equipment Management Limited (collectively "Textainer") re Textainer contribution to possible shortfall and participation in possible excess

This letter records the understanding between Trencor and Textainer (each a "Party" and jointly the "Parties") regarding a contribution by Textainer to any possible shortfall and participation by Textainer in any possible excess (both "shortfall" and "excess" as defined below) that Trencor may suffer or gain, as the case may be, following settlement arrangements with Alan George and his Chang Sheng companies (together "Chang Sheng") to cancel the earlier sale of Trencor's Parow Tank Plant equipment to Chang Sheng:

1. Firstly, a brief recap of the relevant background:

   a. Trencor previously sold the manufacturing plant equipment constituting its Isithebe and Parow container factories to Chang Sheng. Chang Sheng paid certain amounts towards the purchase prices, but as at 10 November 2006 still owed Trencor $ 800,000 and $ 2.5 million in respect of the Isithebe and Parow equipment respectively, and was experiencing difficulties in meeting these obligations. As the proceeds of selling the Parow equipment may have been Chang Sheng's only source of funds to pay Trencor, Trencor agreed with Chang Sheng to 1) cancel the sale of the Parow equipment, 2) apply $ 1 million already paid by Chang Sheng in respect of the Parow equipment to settle the outstanding balance of $ 800,000 on the Isithebe equipment and certain other obligations of Chang Sheng and 3) take back the Parow equipment. Trencor will now attempt to recover an amount equal to or more than the said outstanding aggregate amount of $ 3.3 million by realizing the Parow Plant in a suitable manner. Trencor's agreement to do so was subject to Chang Sheng agreeing to the litigation settlement described in the following subparagraph.

   b. Textainer was engaged in various litigation and arbitration proceedings with Chang Sheng parties. These proceedings would have been costly and would have placed significant demands on senior management time and other resources. Thus Textainer

was prepared to settle all of this litigation on the basis that all claims and counterclaims would be waived provided that Chang Sheng entered into the settlement agreement with Trencor described above.

c. Chang Sheng and related parties were agreeable to the litigation settlement envisaged in 1(b), provided that Trencor agreed to the cancellation of the sale of the Parow equipment on the basis recorded in 1 (a). Trencor, Textainer and Chang Sheng therefore entered into settlement agreements in terms of which the matters detailed in 1(a) and 1(b) above were settled, broadly on the basis outlined above.

2. Trencor fears that it may not be able to realize the Parow equipment, or to realize it for an amount sufficient to cover the said $ 3.3 million, but was prepared nevertheless to proceed with the above settlement on the basis that Textainer undertakes to contribute to any shortfall Trencor may suffer in this regard. Textainer is prepared to give such an undertaking on the basis recorded in the following paragraphs.

3. Following the signing of the settlement agreements, Trencor and Textainer will now use their collective best endeavours to realize the Parow equipment at the best possible price and as soon as practically possible.

If, despite the best efforts of Trencor and Textainer, the Parow equipment is not realized at a price sufficient to avoid any shortfall on the $ 3.3 million plus cost of realization, Trencor and Textainer will carry the shortfall in equal shares, but with Textainer's contribution limited to $ 750,000. On the other hand, should the proceeds exceed $ 3.3 million plus the cost of realization, Trencor and Textainer will share the excess in equal shares. For these purposes, the terms "cost of realization", "shortfall" and "excess" are defined as follows:

"cost of realization" means the aggregate of all out of pocket expenses and costs incurred by Trencor and Textainer in selling, attempting to sell or otherwise to realize the Parow equipment, including all payments (past and future) due to Textainer for rental of containers in which the Parow equipment is stored, storage costs (past and future) in respect of storing the Parow equipment until it is dealt with, repair and maintenance costs (including to bring the Parow equipment to a state where it is fit to be sold), any possible commission on the sale of the Parow equipment, etc – provided that for purposes of this letter agreement "cost of realization" will be capped at $ 150,000 in the aggregate and with respect to Trencor and Textainer individually the lower of such Party's actual "cost of realization" and $75,000;

"shortfall" means the amount (if any) by which the net proceeds of realizing the Parow equipment falls short of the $ 3.3 million plus the cost of realization – note that in determining the shortfall no interest on the $ 3.3 million or on the cost of realization will be taken into account; and

"excess" means the amount (if any) by which the net proceeds of the Parow equipment exceeds the $ 3.3 plus the cost of realization.

4. In the event that the Parow equipment is not so realized within 12 months from the date hereof, Trencor and Textainer will in good faith negotiate an alternative solution. Should they be unable to agree, the arrangements in terms thereof will continue indefinitely, but Textainer will be entitled (but not obliged) to terminate these by paying the contribution of $ 750,000 to Trencor in full and final settlement of its obligation to contribute, in which event its entitlement to share in any excess will remain in effect.

If you agree that the above correctly records our understanding, please countersign a copy of the letter at the end and return to us.

/s/ H. R. van der Merwe
H R van der Merwe
For Trencor Containers (Pty) Ltd

We agree that the above letter is a correct recording of our understanding in this matter.

/s/ John Maccarone
John Maccarone
For Textainer Ltd and
Textainer Equipment Management Ltd

Exhibit 10.17

REDACTED

FOURTH

AMENDED AND RESTATED

EQUIPMENT MANAGEMENT SERVICES AGREEMENT

TEXTAINER EQUIPMENT MANAGEMENT LIMITED

AND

LEASED ASSETS POOL COMPANY LIMITED

as of 1 June 2002

TABLE OF CONTENTS

REDACTED

FOURTH
AMENDED AND RESTATED
EQUIPMENT MANAGEMENT SERVICES AGREEMENT

THIS FOURTH AMENDED AND RESTATED EQUIPMENT MANAGEMENT SERVICES AGREEMENT (the "**Agreement**") is made as of 1 June 2002 between LEASED ASSETS POOL COMPANY LIMITED, a Bermuda company whose registered office is at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda ("**LAPCO**") and TEXTAINER EQUIPMENT MANAGEMENT LIMITED, a Bermuda company whose registered office is at Century House, 16 Par-la-Ville Road, Hamilton, HM HX, Bermuda ("**Manager**").

RECITALS

A. LAPCO and Manager are parties to that certain Equipment Management Services Agreement dated 31 October 2001 ("**Original Agreement**").

B. LAPCO now owns all of the Containers (as defined below) (a) formerly owned by TAC Limited, a Bermuda company, and managed by Manager pursuant to the Amended and Restated Equipment Management Services Agreement, dated 1 August 1997 ("**TAC Agreement**"), and (b) formerly owned by Capital Asset Leasing Company Limited, a Bermuda company, and managed by Manager pursuant to the Amended and Restated Equipment Management Services Agreement, dated 1 August 1997 ("**CALCO Agreement**").

C. LAPCO and Manager desire to terminate the TAC Agreement and the CALCO Agreement, to include all of the Containers subject to such agreements in the Original Agreement, and to amend and restate the Original Agreement in its entirety as set forth herein.

AGREEMENT

IT IS HEREBY AGREED as follows:

1. **DEFINITIONS**

An Index of Definitions is attached to the end of this Agreement for the convenience of the parties. Capitalized terms used in this Agreement and not defined in their context shall have the meanings set forth in this Section 1.

"**Acquisition Fee**" means, with respect to any Container acquired pursuant to Clause 4.4, an amount equal to **** of the manufacturer's or vendor's invoice price of such Container, plus the cost of: (i) positioning such Container (by means of ocean freight, trucking or rail) from its purchase location to any location where such Container is first put on Lease, (ii) certification, (iii) painting, repairs and decaling, if such Container is purchased used, and (iv) all other costs or expenses associated with taking title to and placing such Container into service, excluding storage costs, foregone rental income (free days granted), DPP costs incurred, credits for pick-up or drop-off, and the cost of factory inspection, if any, conducted by Manager on a new Container.

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"**Affiliate**" means, when used with reference to a specified Person (i) any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an executive officer of, partner in, or serves in a similar capacity to, the specified Person or of which the specified Person is an executive officer or partner or with respect to which the specified Person serves in a similar capacity; or (iii) any Person or entity owning or controlling ten percent (10%) or more of the outstanding voting securities of such other entity. For the purposes of this definition, "control," when, used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Agreement Termination Date**" means the date this Agreement is terminated pursuant to the provisions of Clauses 2 and 9.1.

"**Casualty Loss**" means any of the following events with respect to any Container: (a) the actual total loss or compromised total loss of such Container, (b) the loss, theft or destruction of such Container, or (c) if such Container is subject to a Lease, such Container shall have been deemed under its Lease to have suffered a casualty loss as to the entire Container.

"**Casualty Proceeds**" means, for any accounting period, all proceeds due to Manager from insurance or other sources, including proceeds from the insurance specified in Clauses 8.1 and 8.2, as a result of a Casualty Loss with respect to a LAPCO Container.

"**CEU**" means a fixed unit of measurement which expresses the ratio of the cost of a Container to the cost of a twenty-foot Container. The CEU for each type of Container is shown on Schedule 1 to this Agreement.

"**CEU Value**" means the sum, for all Containers in question, of the CEUs for each Container (determined by multiplying the number of Containers by Container Type by the CEU for such Container Type as shown on Schedule 1 and adding the results).

"**Container**" means a marine cargo container.

"**Container Type**" means a Container's type, as set forth in Schedule 1 to this Agreement.

"**Disposition Fees**" means **** of the Sales Proceeds (exclusive of any repair allowances) from the sale of any LAPCO Container in the immediately preceding month (except for any sale (i) to Manager or any Affiliate of Manager, (ii) pursuant to the exercise of a purchase option contained in a Lease, or (iii) that is due to a Casualty Loss).

"**Finance Lease**" means any Lease for a Container whose lease agreement provides the Lessee the right or option to purchase the container at the expiration of the Lease and satisfies the criteria for classification as a capital lease pursuant to U.S. GAAP, including Statement of Financial Accounting Standards No. 13, as amended.

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"**Finance Lease Proceeds**" means, for any period of determination, all amounts due to Manager, including without limitation balloon payments, in connection with the ownership, use and/or operation of Containers subject to a Finance Lease, including, but not limited to, rental, handling, Location Revenue and other rental-related charges arising from the leasing of such Containers, but excluding Miscellaneous Owner Proceeds and Casualty Proceeds.

"**Fleet**" means, at any time, the fleet of Containers managed by Manager.

"**Gross Revenue**" means all income (without reduction for expenses or costs), calculated on an accrual basis in accordance with U.S. GAAP, earned in connection with the ownership, use and/or operation of Containers, including, but not limited to, rental, handling, Location Revenue, damage protection and other rental-related charges arising from the leasing of such Containers, but excluding Finance Lease Proceeds, Miscellaneous Owner Proceeds, Casualty Proceeds, Indemnification Proceeds and Sales Proceeds.

"**Indemnification Proceeds**" means, for any accounting period, all proceeds due to Manager from Lessees pursuant to the Leases, insurance or other sources, including proceeds from the insurance specified in Clauses 8.1 and 8.2, for indemnification of liability and loss with respect to the LAPCO Containers, excluding Casualty Proceeds, Sales Proceeds and Miscellaneous Owner Proceeds.

"**LAPCO Container**" means all of the Containers which are owned by LAPCO and subject to management by Manager under this Agreement.

"**Lease**" means a lease for one or more Containers entered into with a Lessee.

"**Lessee**" means any entity to whom Manager leases one or more Containers.

"**Location Revenue**" means the net amount (which can be a positive or negative number) of charges and credits to lessees related to delivery and return of Containers in geographic locations.

"**Long-Term Lease Fleet**" means, as of any date of determination, all LAPCO Containers that are then (a) subject to a Lease, other than a Finance Lease, having an initial term of twenty-four (24) months or more or (b) off-lease if their Leases in effect immediately before they went off-lease were Leases of the type described in clause (a) of this definition.

"**Master Lease Fleet**" means, as of any date of determination, all LAPCO Containers that are then (a) subject to a Lease other than a Finance Lease or a Lease having an initial term of twenty-four (24) months or less or (b) off-lease if their Leases in effect immediately before they went off lease were Leases of the type described in clause (a) of this definition.

"**Miscellaneous Owner Proceeds**" means amounts due to Manager (i) from the manufacturers or sellers of LAPCO Containers for breach of sale warranties relating thereto, and (ii) in payment or settlement of any claims, losses, disputes or proceedings relating to such Containers, including proceeds from the insurance specified in Clauses 8.1 and 8.2 for damage to such Containers; provided, however, Miscellaneous Owner Proceeds shall not include Sales Proceeds, Casualty Proceeds, and Indemnification Proceeds.

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"**NOI**" means, for any accounting period, Gross Revenue for such period minus Operating Expenses for such period.

"**Operating Expenses**" means all expenses and costs, calculated on an accrual basis in accordance with U.S. GAAP, incurred in connection with the ownership, use and/or operation of Containers, including, but not limited to: (i) agency costs and expenses; (ii) depot fees, handling, and storage costs and expenses; (iii) maintenance and repairs; (iv) repositioning; (v) inspecting; marking and remarking such Containers, except for factory inspection costs associated with the acquisition of new Containers pursuant to Clause 4.4; (vi) bankruptcy recovery; (vii) bad debts; (viii) audit fees (shared on a CEU basis by Containers in the Fleet); (ix) legal fees incurred in connection with enforcing rights under a Lease of such Containers or repossessing such Containers; (x) insurance (including, without limitation, insurance obtained by Manager pursuant to the provisions of Clauses 4.1(h) and 8.2); (xi) taxes, levies, duties, charges, assessments, fees, penalties, deductions or withholdings assessed, charged or imposed upon or against such containers; (xii) expenses, liabilities, claims and costs (including, without limitation, reasonable attorneys fees) incurred by Manager or made against Manager by any third party arising directly or indirectly (whether wholly or in part) out of the state, condition, operation, use, storage, possession, repair, maintenance or transportation of such containers; (xiii) expenses and costs (including legal fees) of pursuing claims against manufacturers or sellers of such containers; and (xiv) non-recoverable sales and value-added taxes on such expenses and costs.

"**Owner Bank Account**" means a bank account identified by LAPCO to Manager as the account to which all Owner Proceeds are to be deposited, which shall (subject to subsequent notice) be account number ****, in the name of the Owner.

"**Person**" means an individual, partnership, joint venture, corporation, limited liability company, company, trust, estate, or other entity.

"**Sales Proceeds**" means the gross proceeds due to Manager from the sale or other disposition of LAPCO Containers, less commissions, administrative fees, handling charges or other amounts paid or to be paid to third parties in connection with the sale or other disposition of such Containers, as determined in the sole discretion of Manager.

"**Specified Group**" means each a specific group of Containers identified on Schedule 2 to this Agreement.

"**Standby Management Fee**" means a fee calculated on a per-CEU per-day basis for the Standby Containers (as defined in Clause 4.2), in an amount equal to **** of the cost to Manager, per-CEU per-day, for the contingency insurance which Manager may maintain under Clause 8.2 hereto), for all Containers managed by Manager. Such Standby Management Fee shall be reset as of each renewal or rate adjustment date for such contingent insurance.

"**Terminated Container**" means a LAPCO Container which: (i) is off-hire and in a depot on the Agreement Termination Date, or (ii) is subject to a Finance Lease on the Agreement Termination Date, or (iii) after the Agreement Termination Date is (a) off-hired and returned to a depot, or (b) declared lost or unrecoverable by a Lessee or Manager.

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"**U.S. GAAP**" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other Person as may be approved by the significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"**US$ or US Dollars**" means the lawful currency of the United States of America.

2. **TERMINATION OF PRIOR AGREEMENTS; TERM.**

Effective as of the day and year first herein written, this Agreement supercedes and terminates the TAC Agreement and the CALCO Agreement, and amends and restates the Original Agreement in its entirety as set forth herein.

Subject to the provisions of Clauses 9 and 10, this Agreement shall continue in force with respect to a LAPCO Container until the earlier of the destruction or loss of such Container, or the sale or other disposition of such Container by Manager pursuant to the terms of this Agreement.

3. **APPOINTMENT.**

Upon the terms and conditions hereinafter provided, LAPCO hereby engages Manager, and Manager hereby undertakes to provide to LAPCO, management services in respect of the LAPCO Containers, as agent for and on behalf of LAPCO. LAPCO Containers shall remain subject to the provisions of this Agreement and Manager shall be entitled to retain possession and control of such Containers until such Containers become Terminated Containers.

LAPCO confers on Manager all such authorities and grants all such consents as may be necessary for Manager's performance of its duties under this Agreement, and will, at the request of Manager, confirm any such authorities and consents to any third parties, execute such other documents and do such other things as Manager may reasonably request for the purpose of giving full effect to this Agreement and enabling Manager to carry out its duties hereunder.

4. **DUTIES OF MANAGER.**

4.1 Management Services. Manager shall, in the name of Manager but as agent for and on behalf of LAPCO, manage and administer the LAPCO Containers, arrange the leasing and enter into Leases of the LAPCO Containers, and administer such Leases. Without prejudice to the generality of the foregoing Manager shall:

(a) decide the identity of each Lessee, the period of the Lease, the rental or other sums payable thereunder, and the form and content of the Lease, and seek Lessees and enter into Leases as lessor in the name of Manager;

(b) perform on behalf of LAPCO the obligations of the lessor under the Leases;

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(c) exercise all rights of the lessor under the Leases, including, without limitation, the invoicing and collection of rental and other payments due from Lessees;

(d) take any actions Manager deems necessary to ensure compliance by Lessees with the terms of their Leases;

(e) log interchanges of LAPCO Containers including the return and issue of such Containers from depots;

(f) inspect, repair, maintain, service and store LAPCO Containers to the extent Manager deems necessary for the purposes of this Agreement or to comply with the Leases and in accordance with Manager's maintenance and repair standards for other Containers managed by Manager;

(g) sell LAPCO Containers, outright or through a lease/purchase arrangement, in accordance with Manager's sell/repair decision-making procedures that are from time to time in effect; and

(h) obtain insurance in respect of any matters which Manager considers necessary or prudent, including, without limitation, public liability insurance.

In the performance of its obligations under this Agreement, Manager shall maintain separate accounting records and prepare reports for each Specified Group.

4.2 Recovery Services. As of the date of this Agreement, LAPCO owns certain Containers which are listed on Schedule 3 to this Agreement and subject to a Finance Lease or management agreement between LAPCO and one of the Persons listed on Schedule 4 to this Agreement ("**Standby Containers**"). LAPCO may give written notice to Manager instructing Manager to recover any one or more Standby Containers, which notice shall include the termination date of any lease or sub-lease agreement then applicable to such Container and all information regarding the location, condition and status thereof which LAPCO may reasonably obtain ("**Activation Notice**"). A Standby Container with respect to which an Activation Notice has been received by Manager is an " **Activated Container**." Upon receipt of an Activation Notice, Manager shall recover physical control of the Activated Containers upon termination of their then applicable lease or sub-lease agreements, and place such Activated Containers in a condition to be managed and leased under this Agreement, including, without limitation, repair in accordance with applicable container leasing industry standards, repositioning, inspection and marking and remarking. Activated Containers shall be deemed to be LAPCO Containers and shall be managed in accordance with this Agreement other than this Section 4.2.

4.3 Standards; Discretion. In performing its duties pursuant to this Agreement and providing the services described herein, Manager shall operate the LAPCO Containers in accordance with reasonable business practice and without preference to ownership thereof, and no preference will be afforded to or against the LAPCO Containers. Subject to the foregoing, Manager shall have absolute discretion as to the manner of performance of its duties and the exercise of its rights under this Agreement.

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4.4 Acquisitions

(a) Required Acquisitions. Subject to the provisions of this Clause 4.4, LAPCO shall have the right to require Manager to arrange for the purchase of Containers having a CEU Value not to exceed in any calendar year the greater of (a) the CEU Value of the LAPCO Containers which have been disposed of the immediately preceding calendar year and (b) Containers having a CEU Value equal to fifteen percent (15%) of the CEU Value of all of the Containers that Manager adds to the Fleet in such calendar year.

(b) Manager's Rights With Respect to Purchase. LAPCO shall not purchase Containers through any Person other than Manager unless LAPCO has funds available for investment in Containers and Manager is unable to apply such funds to the purchase of Containers on LAPCO's behalf.

(c) Procedures.

(i) Within forty five (45) days after the end of each calendar year, Manager shall notify LAPCO of the CEU Value of LAPCO Containers disposed of during such calendar year.

(ii) Within fifteen (15) days after the beginning of each calendar quarter, LAPCO shall notify Manager of the total amount of funds LAPCO has available for investment in Containers in such quarter ("Available Funds").

(iii) Manager's Equipment Investment Committee meets monthly to order Containers based on market and other factors and on the amount of Available Funds and funds available from other Container owners. When the Equipment Investment Committee has placed orders for Containers, Manager will inform LAPCO by electronic mail of the number and cost of Containers allocated to LAPCO. Within five (5) days thereafter, LAPCO shall confirm in writing or by electronic mail the number and cost of Containers LAPCO wishes to purchase from such allocation (a "Confirmation"); the Confirmation shall obligate LAPCO to complete the purchase of the Containers referred to in the Confirmation.

(iv) Manager's receipt of a Confirmation is hereby agreed to constitute LAPCO's authorization of Manager to act as LAPCO's agent for the purchase of the Containers referred to in the Confirmation.

(d) Conditions Applicable to Acquisitions. LAPCO's purchase of Containers under this Clause 4.4 is subject to the following conditions:

(i) LAPCO shall not be entitled to purchase any Containers under Clause 4.4(a) other than Containers which the Equipment Investment Committee has decided to purchase under Clause (c)(iii);

(ii) Manager shall not be required to allocate Containers to LAPCO in violation of any of Manager's contractual obligations or in violation of equipment acquisition policy described in the last full paragraph of page 19 of the Prospectus for Textainer Equipment

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Income Fund VI, L. P. dated May 10, 1996 for any such Containers purchased (a copy of which paragraph is attached hereto as Schedule 5);

(iii) Unless agreed otherwise by Manager, LAPCO shall have timely delivered a Confirmation to Manager;

(iv) Unless agreed otherwise by Manager, LAPCO shall not, at the time of the delivery of the Confirmation, be in default of its obligations hereunder;

(v) All purchases of Containers shall be subject to Manager's approval of Container Type, location of manufacture or delivery and pricing; and

(vi) All Containers purchased under this Clause 4.4 shall, upon purchase, become LAPCO Containers.

5. **PAYMENTS**

5.1 Introduction. The Manager will deposit all revenues from management of the Fleet other than Indemnification Proceeds into a trust account maintained by Manager, in Manager's name as trustee. At the end of each week of the calendar month, the Manager will distribute Pre-Adjustment Owner Proceeds to LAPCO, net of expenses to be reimbursed to Manager; in the last week of the calendar month the Manager will deduct the Estimated Manager Fee for such calendar month from the payment to LAPCO. When the Manager closes its books for a calendar month, it will make a final determination of the Owner Proceeds and the actual Manager Fee and, depending on the outcome, Manager will either make a payment to LAPCO or deduct an amount from future payments to be made to LAPCO for the Owner Proceeds and the Manager Fee.

5.2 Manager Fee. In consideration of Manager's services to LAPCO hereunder, LAPCO shall pay to Manager a monthly fee (" **Manager Fee**") equal to the sum of:

(a) ****; plus

(b) ****; plus

(c) ****; plus

(d) ****; plus

(e) ****; plus

(f) ****; plus

(g) **** for each Standby Container for which Manager has received an Activation Notice, if (a) Manager recovers physical control of such Container, or (b) LAPCO receives the replacement cost thereof in lieu of Manager recovering physical control of such Container; plus

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(h) An adjustment to the amounts in Clauses 5.2 (c) and 5.2 (d) above based on any Finance Lease Proceeds or Sales Proceeds determined by Manager to be uncollectible during such month ("**Bad Debt Adjustment**"); plus

(i) A reimbursement for any Bad Debt Adjustment previously made, to the extent that any Finance Lease Proceeds or Sales Proceeds on which such Bad Debt Adjustment was based were collected during such month.

5.3 Determination, of Pre-Adjustment Owner Proceeds and Estimated Manager Fee .

At the end of each week, based on its records of cash receipts and disbursements, Manager will calculate the Owner Proceeds subject to adjustment when Manager closes its books for the month in which such week occurs (" **Pre-Adjustment Owner Proceeds**") which shall equal

(a) the sum of Gross Revenue for the LAPCO Containers to the extent collected by Manager during such week; plus

(b) the sum of (i) Sales Proceeds, (ii) Casualty Proceeds, and (iii) Miscellaneous Owner Proceeds, in each case to the extent collected by Manager during such week; minus

(c) Operating Expenses for the LAPCO Containers paid by Manager during such week.

The "**Estimated Manager Fee**" for each calendar month shall be an amount equal to the Manager Fee for the immediately preceding calendar month.

Subject to Clause 5.7, Manager shall, no later than seven (7) days after the last day of each week, distribute cash from its trust account and deposit into the Owner Bank Account equal to the Pre-Adjustment Owner Proceeds for such week, less, in the case of the distribution made for the last week of the calendar month, the Estimated Manager Fee.

5.4 Reconciliation and Adjustment. After the close of Manager's accounting records for each calendar month, Manager shall determine the Manager Fee for such month in accordance with Clause 5.2 and shall make a final determination of the Owner Proceeds. If (a) the Pre-Adjustment Owner Proceeds less the Estimated Manager Fee distributed for such calendar month pursuant to Clause 5.3 exceed (b) the Owner Proceeds less the Manager Fee as such amounts are finally determined for such month, then Manager shall remit the difference to the Owner Bank Account. If (a) the Pre-Adjustment Owner Proceeds less the Estimated Manager Fee distributed for such calendar month pursuant to Clause 5.3 is less than (b) the Owner Proceeds less the Manager Fee as such amounts are finally determined for such month, then Manager shall deduct such amount from the next payments to be made to LAPCO under Clause 5.3 hereof. Payments to be made under this Clause 5.4 shall be made by Manager within ten (10) days after the close of Manager's accounting records for each calendar month.

5.5 Reimbursements of Expenses to Manager. LAPCO shall be responsible for the payment of, and shall reimburse Manager for all (i) expenses, liabilities, claims and costs

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(including, without limitation, reasonable attorneys fees) incurred by or asserted against Manager as a result of LAPCO's failure to comply with or perform its obligations under this Agreement; and (ii) expenses and costs incurred by Manager in the performance of services to recover and condition Activated Containers under Clause 4.2 hereof. Manager may deduct such amounts from the weekly distribution of Pre-Adjustment Owner Proceeds.

5.6 Indemnification Proceeds. When Manager receives Indemnification Proceeds, Manager shall retain for its own account Indemnification Proceeds to the extent Manager has not been reimbursed for the costs incurred by Manager and to which such Indemnification Proceeds apply, and shall, within seven (7) days after receipt, deposit the balance of such Indemnification Proceeds into the Owner Bank Account.

5.7 Manager's Right of Offset. Manager may, at its option, offset and deduct from amounts received or held by Manager for the credit of LAPCO any amount due from LAPCO to Manager under this Agreement.

6. REPORTS.

6.1 Monthly Reports. Manager shall, no later than sixty (60) days after the end of each calendar month during the term of this Agreement, deliver to LAPCO financial reports with respect to performance of the LAPCO Containers, broken down by Specified Group, similar in form and content to reports provided by Manager to other owners of equipment managed by Manager.

6.2 LAPCO Container Financial Reports. Manager shall, no later than the 30th of April of each year during the term of this Agreement, deliver to LAPCO a financial report with respect to the LAPCO Containers, broken down by Specified Group, for the year ended on the preceding 31st of December, and, if requested by LAPCO, arrange for its auditors, at the expense of LAPCO, to certify to LAPCO that such report is in accordance with: (i) the books and records of Manager relating to the LAPCO Containers, and (ii) generally accepted accounting principles consistently applied.

6.3 Manager's Financial Statements. Manager shall, as soon as practicable and in any event within one hundred twenty (120) days after the end of each fiscal year of Manager during the term of this Agreement, deliver to LAPCO a copy of the annual audited financial statements of Manager prepared on a basis in conformity with generally accepted accounting principles consistently applied and certified by an independent certified public accountant of recognized national standing.

7. WARRANTY AND LIABILITY.

MANAGER WARRANTS THAT IT WILL CARRY OUT ITS SERVICES WITH REASONABLE CARE AND SKILL. THIS EXPRESS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED. UNDER NO CIRCUMSTANCES SHALL MANAGER HAVE ANY LIABILITY TO LAPCO FOR ANY SPECIAL INDIRECT OR CONSEQUENTIAL DAMAGES.

8. INSURANCE.

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8.1 Lessee/Depot Insurance. Manager shall require that all Lessees and container depots insure (via third-party insurance, or self insurance when acceptable to Manager) the LAPCO Containers against all normally insurable risks (including liability, loss, damage and recovery cost) while any LAPCO Containers are under the control of such person.

8.2 Contingency Insurance. Manager may, in its discretion, obtain and maintain in force contingency insurance against all or any portion of the risks described in Clause 8.1, which may provide coverage when: (i) recoveries are not effected under any policies in force pursuant to Clause 8.1, and/or (ii) any LAPCO Container is not returned to Manager by a Lessee (including coverage of the costs of recovering such Container), or (iii) a Lessee or container depot fails to obtain insurance as provided under Clause 8.1.

8.3 General Insurance Provisions. LAPCO hereby irrevocably appoints Manager as the agent of LAPCO for the purpose of receiving all monies payable under such policy or policies of insurance as described in Clauses 8.1 and 8.2, whether effected by Manager, depots or Lessees, and Manager may give a good discharge therefor to the insurance company for all such monies. Manager shall have no liability for any loss, damage, recovery cost or other cost or expense whatsoever with respect to a lost or destroyed Container, whether or not covered by insurance. LAPCO hereby acknowledges and agrees that Manager will not obtain any insurance with respect to Standby Containers until such time, if ever, such Containers become Activated Containers subject to the provisions of this Agreement.

9. **TERMINATION.**

9.1 Termination for Breach. Either party may terminate this Agreement by written notice to the other in the event: (i) the other commits a material breach of this Agreement, and (ii) such breach has not been remedied within thirty (30) days after written notice thereof. Without prejudice to the generality of the foregoing, the failure to make, when due, any payment required to be made under this Agreement shall be deemed a material breach.

9.2 Breach While Loan Outstanding. In addition, for so long as any amounts remain outstanding under that certain Fifth Amended and Restated Revolving Credit and Term Loan Agreement, dated as of 1 June 2002, among LAPCO and Wachovia Bank, National Association, Fortis Bank (Nederland) N.V., Variable Funding Capital Corporation and First Union Securities, Inc. (as such Agreement may be amended or novated from time to time), the Manager shall be deemed to be in material breach of this agreement if:

(a) the Manager fails to pay any amounts due under, or suffers to exist an event of default with respect to the terms of Indebtedness which singularly or in the aggregate exceeds **** and the effect of such failure or event of default is to cause such Indebtedness to be declared due and payable prior to the date on which it would otherwise have been due and payable;

(b) the Manager has Funded Debt in excess of ****;

(c) the annual after-tax profit (as determined under U.S. GAAP) of the Manager calculated on a rolling four quarter basis is less than ****;

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(d) the Tangible Net Worth of the Manager, as reflected in the most recently available audited annual financial statements of the Manager, is less than ****;

(e) the Leverage Ratio of Textainer Group Holdings Limited exceeds **** as of the end of any fiscal year.

For the purposes of this clause:

"**Affiliate**" means, with respect to any person, any other person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, "**control**," when used with respect to any specified person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing.

"**Contingent Obligations**" means for any person as of any date of determination, (a) any Guaranty Obligation of that person and (b) any direct or indirect obligation or liability of that person, contingent or otherwise, (i) in respect of any letter of credit or similar instrument issued for the account of that person or as to which that person is otherwise liable for reimbursement of drawings, (ii) with respect to the Indebtedness of any partnership or joint venture of which such person is a partner or a joint venturer, excluding any such partnership or joint venture indebtedness which is specifically non-recourse as to the person, (iii) to purchase any materials, supplies or other property from, or to obtain the services of, another person if the relevant contract or other related document or obligation requires that payment of such materials, supplies or other property, or for such services, shall be made regardless of whether delivery of such materials, supplies or other property is ever made or tendered, or such services are ever performed or tendered, or (iv) in respect of any interest rate protection contract that is not entered into in a bona fide hedging operation that provides offsetting benefits to such person. The amount of any Contingent Obligation shall (subject, in the case of Guaranty Obligations, to the last sentence of the definition of "**Guaranty Obligation**") be deemed equal to the maximum reasonably anticipated liability in respect thereof, and shall, with respect to clause (b)(iv) of this definition, be marked to market on a current basis.

"**Funded Debt**" means, in respect of any person, as of any date of determination, the total amount of all such person's interest-bearing obligations (determined in accordance with U.S. GAAP and including all issued and undrawn letters of credit) which obligations shall include without limitation (1) the principal amount of all indebtedness, (2) all Contingent Obligations, (3) all capital lease obligations, (4) all obligations for the deferred purchase price of equipment, and (5) the present value of all operating lease payments for leases to such person of equipment (such present value shall be calculated using a discount rate equal to Libor plus ****, but shall exclude intracompany obligations between such person and any of its Affiliates.

"**Guaranty Obligation**" means for any person as of any date of determination, any direct or indirect liability of that person with respect to any Indebtedness, lease for capital equipment, dividend, letter of credit ("**primary obligations**") of another person (the "**primary obligor**") including any obligation of that person, whether or not contingent (a) to purchase, repurchase or otherwise acquire such primary obligations of any property constituting direct or indirect security

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therefor, or (b) to advance or provide funds (i) for the payment or discharge of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor or (c) to purchase property, security or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) otherwise to assure or hold harmless the holder of any such primary obligation against loss in respect thereof. The amount of any Guaranty Obligation shall be deemed equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made or, if not stated or if indeterminable, the maximum reasonably anticipated liability in respect thereof.

"**Indebtedness**" means for any person as of the date of determination, without duplication, any obligation of such person for borrowed money, including, without limitation, (i) any obligation incurred through the issuance and sale of bonds, debentures, notes or other similar debt instruments and (ii) any obligation for borrowed money which is non-recourse to the credit of such person but which is secured by any asset of such person.

"**Leverage Ratio**" means as of any date of determination, for Textainer Group Holdings Limited on a consolidated basis, the ratio of (a) the Funded Debt to (b) the Tangible Net Worth. For purposes of computing the Leverage Ratio for Textainer Group Holdings Limited on a consolidated basis, which includes Textainer Marine Containers Limited, the portion of consolidated Funded Debt allocable to MeesPierson Transport & Logistics Holding B.V. shall be removed from this calculation.

"**Libor**" means, for any period, the rate per annum, determined by LAPCO, which is the arithmetic mean (rounded to the nearest 1/100 of 1%) of the offered rates for dollar deposits having a maturity of one month commencing on the first day of such period that appears on the Telerate British Bankers Assoc. Interest Settlement Rates Page (defined below) at approximately 11:00 a.m., London time two Business Days prior to the first day of such period (such day, the "**LIBOR Determination Date**"); provided, however, that if there shall at any time no longer exist a Telerate British Bankers Assoc. Interest Settlement Rates Page, "**Libor**" shall mean the rate per annum equal to the average rate at which the principal London offices of Bank of America, N.A., Citibank N.A. and J.P. Morgan are offered dollar deposits at or about 10:00 a.m., New York City time, on the LIBOR Determination Date in the London eurodollar interbank market for delivery on the first day of such period for one month and in a principal amount equal to an amount of not less than $1,000,000. As used herein, "**Telerate British Bankers Assoc. Interest Settlement Rates Page**" means the display designated as Page 3750 on the Telerate System Incorporated Service (or such other page as may replace such page on such service for the purpose of displaying the rates at which dollar deposits are offered by leading banks in the London interbank deposit market), as reported by Bloomberg Financial Markets Commodities News.

"**Tangible Net Worth**" means as of any date of determination, the excess of:

(i) the tangible assets calculated in accordance with U.S. GAAP, as reduced by adequate reserves in each case where reserves are proper, over

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(ii) all Indebtedness;

provided, however, that (X) in no event shall there be included in the above calculation any intangible assets such as patents, trademarks, trade names, copyrights, licenses, goodwill, organizational costs, amounts relating to covenants not to compete, or any securities unless the same are marketable in the United States of America or entitled to be used as a credit against federal income tax liabilities, and (Y) securities included as such intangible assets shall be taken into account at their current market price or cost, whichever is lower. Tangible Net Worth will be determined without taking account of FASB Statement 133.

9.3 Rights Upon Termination. Notwithstanding the foregoing, this Agreement shall continue in full force and effect with respect to each LAPCO Container and Manager shall continue to manage such LAPCO Container pursuant to the terms and conditions of this Agreement, until the date such LAPCO Container becomes a Terminated Container. Termination of this Agreement shall be without prejudice to the rights and obligations of the parties which have accrued prior to such termination.

10. **RETURN OF EQUIPMENT.**

LAPCO shall have no right to recover possession or control of any LAPCO Container prior to the date such LAPCO Container becomes a Terminated Container. Promptly after a Container becomes a Terminated Container, if such Terminated Container is not lost or unrecoverable, Manager shall:

(a) with respect to a Terminated Container which is not subject to a Finance Lease, (i) deliver to LAPCO a report of the location of such Terminated Container, and (ii) procure the return of such Terminated Container to LAPCO; and

(b) with respect to a Terminated Container which is subject to a Finance Lease, assign such Finance Lease to LAPCO.

In no event shall Manager be obligated to act in any manner inconsistent with the rights of Lessees with respect to the LAPCO Containers.

11. **ASSIGNMENT; SUB-CONTRACTING AND AGENTS.**

Manager shall be entitled to appoint subcontractors or agents to carry out all or any portion of its duties hereunder; provided, however, that without the prior written consent of LAPCO, Manager shall not subcontract all or a substantial portion of its management duties to any Person which is not an Affiliate of Manager. Subject to the foregoing, neither party may assign its rights under this Agreement or delegate its obligations hereunder without the written consent of the other party, such consent not to be unreasonably withheld. Subject to this Clause 11, this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, LAPCO and Manager, and their respective successors and assigns.

12. **FORCE MAJEURE.**

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Neither party shall be deemed to be in breach of its obligations hereunder nor shall it be liable to the other for any loss or damage which may be suffered as a direct or indirect result of the performance of any of their respective obligations being prevented, hindered or delayed by reason of any act of God, war, riot, civil commotion, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of plant or machinery, explosion, fire, flood, difficulty in obtaining workmen, materials or transport, government action, epidemic, difficulty or impossibility in obtaining access to any LAPCO Container, or other circumstances whatsoever outside the control of such party affecting the performance of such party's duties hereunder.

13. **INTEREST/CURRENCY.**

13.1 All sums payable hereunder shall be paid in US Dollars. Each party shall (without prejudice to any other remedy available to such party and whether before or after judgment) be entitled to charge interest at a fluctuating rate per annum equal to two per cent (2%) above the prime rate from time to time being in force at Wells Fargo Bank, San Francisco, California U.S.A. on any amount due hereunder which is not paid on or before the due date thereof.

14. **GENERAL.**

14.1 Notices. All notices, consents, approvals, requests, demands or other communications pursuant to this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered (including by courier), telecopied (with confirmed receipt) or five (5) days after deposit into the mail, registered or certified mail, return receipt requested, postage prepaid, to the following address (or to such other address as a party hereto shall have last designated by notice to other):

To Manager: Textainer Equipment Management Limited
c/o Century House
16 Par-la-Ville Road
Hamilton HM HX, Bermuda
Telephone: (441) 292-2487
Telefax: (441) 295-4164
Attention: Chief Financial Officer

with a copy to.

Textainer Equipment Management (U.S.) Limited
650 California Street, 16th floor
San Francisco, CA 94108
U.S.A.
Telephone: (415) 434-0551
Telefax: (415) 434-0599
Attention: Chief Financial Officer

To LAPCO: Leased Assets Pool Company Limited
c/o Century House
16 Par-la-Ville Road

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Hamilton HM HX, Bermuda
Telephone: (441) 292-2487
Telefax: (441) 295-4164
Attention: Dudley Cottingham

with a copy to:

Leased Assets Pool Company Limited
PO Box 618, Hirzel Court
St Peter Port, Guernsey GYI 4PG
U.K.
Attention: Robert du Feu
Telephone: 44 1481 714 340
Telefax: 44 1481 714 43 1

and to:

Container Investment Services, Limited
C.I. Tower, 9th Floor
New Malden, KT3 4TE
U.K.
Attention: Hugh Cooksey
Telephone: 44 208 336 2888
Telefax: 44 208 949 5453

14.2 Attorney Fees. If any proceeding is brought for enforcement of this Agreement or because of an alleged dispute, breach, default, in connection with any provision of this Agreement, the prevailing party shall be entitled to recover, in addition to other relief to which it may be entitled, reasonable attorney fees and other costs incurred in connection therewith.

14.3 Further Assurances. LAPCO and Manager shall each perform such further acts and execute such further documents as may be necessary to implement the intent of, and consummate the transactions contemplated by, this Agreement.

14.4 Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

14.5 No Partnership. Nothing in the Agreement shall be deemed to constitute a partnership between the parties hereto.

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14.6 Waiver. Waiver of any term or condition contained in this Agreement by either party to this Agreement shall not be construed as a waiver of a subsequent breach or failure of the same term or condition or as a waiver of any other term or condition contained in this Agreement.

14.7 Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.8 Entire Agreement. This Agreement embodies the entire agreement and understanding between LAPCO and Manager and supersedes all prior agreements and understandings relating to the subject matter hereof. The terms of this Agreement may not be contradicted by evidence of any prior or contemporaneous agreement. All schedules attached hereto or referred to herein are incorporated herein by this reference.

14.9 Amendments. This Agreement may not be modified, amended or terminated except by an instrument in writing signed by LAPCO and Manager, and any provision of this Agreement may be waived only in writing by the party to be charged with the waiver.

14.10 Counterparts. This Agreement may be signed in counterparts each of which shall constitute an original instrument, but all of which together shall constitute but one and the same instrument.

14.11 Signatures. Any signature required with respect to this Agreement may be provided via facsimile, provided that original of such signatures are supplied by each party to the other party promptly thereafter.

14.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, U.S.A.

14.13 Jurisdiction. The parties hereto hereby submit to the non-exclusive jurisdiction of the courts of the State of California, U.S.A., provided that such submission shall not preclude the taking of proceedings in any other forum.

14.14 Service of Process. The parties hereby irrevocably authorize and appoint the Persons specified below (or such other Persons resident in California, as it may by notice to the other party hereto substitute) to accept service of all legal process arising out of or connected with this Agreement and service on such Person (or such substitute) shall be deemed to be service on the party concerned:

Textainer Equipment Management Limited
c/o Textainer Equipment Management (US) Limited
650 California Street, 16th Floor
San Francisco CA 94108
Attention: Chief Financial Officer

Leased Assets Pool Company Limited
PO Box 618, Hirzel Court
St Peter Port, Guernsey GY1 4PG

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Attention: Robert du Feu

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED

By: /s/ D.R. Cottingham
Title: Director
Date: May 30, 2002

LEASED ASSETS POOL COMPANY LIMITED

By: /s/ Michael J. Harvey
Title: Director
Date: May 30, 2002

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SCHEDULE 1

CEUs BY CONTAINER TYPE

CONTAINER TYPE	TYPE CODE	CEUs
20’ Bulker	2B	****
20’ Curtainside	2C	****
20’ Side Door	2D	****
20’ Fixed Flat	2F	****
20’ Tank	2K	****
20’ Folding Flat	2L	****
20’ Platform	2P	****
20’ Reefer	2R	****
20’ Standard Dry Cargo	2S	****
20’ Open Top	2T	****
20’ Container Chassis	2Z	****
40’ Fixed Flat	4F	****
40’ High Cube Dry Cargo	4H	****
40’ Folding Flat	4L	****
40’ Platform	4P	****
40’ Reefer	4R	****
40’ Standard Dry Cargo	4S	****
40’ Open Top	4T	****
40’ Container Chassis	4Z	****

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SCHEDULE 2

SPECIFIED GROUPS

CALCO

CALCO-B

TAC

LAPCO 1

LAPCO 2

LAPCO 3

LAPCO 4

PSH

PSAO

New Additions Pool

Such other groups of new Containers as may be agreed by LAPCO and Manager

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SCHEDULE 3

STANDBY CONTAINERS

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SCHEDULE 4

STANDBY CONTAINER MANAGERS/LESSEES

The following entities or the parent or any subsidiary of any of them:

Cronos Containers (Cayman) Limited
Transamerica Corporation
Bridgehead Container Services Ltd.
Catu Containers S. A.
Container Applications International Inc.
Almar Trading Corp.
Gold Container Corp.
Amphibious Container Leasing Ltd.

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SCHEDULE 5

EQUIPMENT ACQUISITION POLICY

TEXTAINER EQUIPMENT INCOME FUND VI, L.P.

The Partnership Agreement provides that if the Partnership and another program or owner of equipment are in a position to acquire the same equipment (including, without limitation, through the reinvestment of funds), the General Partners will consider, as to each, (i) the amount of cash available for equipment acquisitions, (ii) the effect of the acquisition on the diversification of its equipment portfolio, (iii) the date it commenced operations, (iv) its objectives, (v) the suitability of the acquisition in light of such objectives, and (vi) the length of time it has had funds available for investment or reinvestment. However, in allocating investment opportunities which come to the attention of the General Partners, the General Partners have a fiduciary duty to give preference to the interests of programs for which the General Partners are sponsors (to the extent that such programs have funds available for investment and after considering the factors listed in the previous sentence) over the interests of the General Partners.

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Note: Definitions used only for purposes of Clause 9.2 are not listed above.

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Exhibit 10.18

AMENDMENT TO THE FOURTH
AMENDED AND RESTATED
EQUIPMENT MANAGEMENT SERVICES AGREEMENT

THIS AMENDMENT TO THE FOURTH AMENDED AND RESTATED EQUIPMENT MANAGEMENT SERVICES AGREEMENT (the "**Amendment**") is made on September 12, 2007, by and between LEASED ASSETS POOL COMPANY LIMITED, a Bermuda company whose registered office is at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda (" **LAPCO**") and TEXTAINER EQUIPMENT MANAGEMENT LIMITED, a Bermuda company whose registered office is at Century House, 16 Par-la-Ville Road, Hamilton, HM HX, Bermuda (" **Manager**").

RECITALS

A. LAPCO and Manager are parties to that certain Fourth Amended and Restated Equipment Management Services Agreement, dated June 1, 2002 ("**Agreement**").

B. LAPCO and Manager desire to amend the Agreement to clarify two definitions.

AGREEMENT

IT IS HEREBY AGREED that the following two definitions in the Agreement are deleted in their entirety and replaced with the following:

"**Long-Term Lease Fleet**" means, as of any date of determination, all LAPCO Containers that are then (a) subject to a Lease having an initial term of twenty-four (24) months or more, other than a Finance Lease, or (b) off-lease if their Leases in effect immediately before they went off-lease were Leases of the type described in clause (a) of this definition.

"**Master Lease Fleet**" means, as of any date of determination, all LAPCO Containers that are then (a) subject to a Lease having an initial term of less than twenty-four (24) months, other than a Finance Lease, or (b) off-lease if their Leases in effect immediately before they went off-lease were Leases of the type described in clause (a) of this definition.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED

By: /s/ Dudley R. Cottingham
Title: Director
Date:

LEASED ASSETS POOL COMPANY LIMITED

By: /s/ Michael J. Harvey
Title: Directror
Date:

Exhibit 10.19

REDACTED

CONTAINER MANAGEMENT SERVICES AGREEMENT
(REVISED)

THIS AGREEMENT is made the 1st day of September 1990 between ISAM K. KABBANI, an individual (the "Owner") and TEXTAINER EQUIPMENT MANAGEMENT N.V., a company incorporated under the laws of the Netherlands Antilles (the "Manager").

WHEREAS, Owner is currently purchasing through Manager as agent, **** 40' x 8' x 8' 6" steel dry freight marine cargo containers having an Invoice Price of up to **** (the "Equipment") from Hyundai Precision and Ind., Co., Ltd. or its affiliates ("HYUNDAI");

WHEREAS, Owner wishes to enter into a contract with the Manager whereby Manager will provide for the management of the Equipment within a pool of equipment of similar age and specification to the Equipment;

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS.

In this Agreement:

1.1 "Acquisition Fee" refers to the fee of ****.

1.2 "Affiliate" means, when used with reference to a specified Person (i) any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person; or (ii) any Person that is an executive officer of partner in, or serves in a similar capacity to, the specified Person or of which the specified Person is an executive officer or partner or with respect to which the specified Person serves in a similar capacity; or (iii) any Person or entity owning or controlling ten percent (10%) or more of the outstanding voting securities of such other entity.

1.3 "Available Days" means the number of days in a given period that any Equipment is managed by Manager.

1.4 "CEU" or "Cost-equivalent Unit" shall mean a unit of measurement based on the value of a container relative to the cost of a twenty-foot standard dry cargo container. The CEU value for various container types shall be as defined in Schedule 1 to this Agreement.

1.5 "CEU Available Days" means the Available Days for any Equipment type, multiplied by the CEU value of such Equipment type.

1.6 the "Equipment" means the forty-foot (40') dry freight marine cargo containers referred to in the first recital hereto and set out in the Subscription Agreement.

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1.7 “G. & A. Expenses” means all general and administrative expenses including the following overhead expenses of the Manager: salaries, wages and salary related costs incurred with respect to the Manager’s employees; rent; utilities; communications; depreciation of equipment owned by the Manager; office supplies and equipment; advertising expenses; temporary help; and recruiting fees.

1.8 “Gross Investment” means the sum of: (i) the aggregate Invoice Price of all of the Equipment; and (ii) Manager’s Acquisition Fee.

1.9 “Owner’s Gross Revenue” equals the Pooled Gross Revenue for each accounting period multiplied by the ratio of CEU Available Days for the Equipment to the CEU Available Days for all Pool A Equipment during such accounting period.

1.10 “Invoice Price” means, for any unit of Equipment, the manufacturer’s actual invoice price of such unit, including the cost of painting, positioning, cost of certification, and all other costs or expenses associated with taking title and placing into service the containers, but excluding the Acquisition Fee of Manager.

1.11 “Lease” means a lease for the Equipment entered into with a User.

1.12 the “Manager” includes, unless the context otherwise requires or the contrary is expressly stated, any Affiliate of the Manager to which the Manager has delegated in whole or in part any of its duties or obligations hereunder.

1.13 Net Operating Income (“N.O.I.”) means for any accounting period, the Owner’s Gross Revenues for said period less the amount of Owner’s Operating Expenses for such accounting period.

1.14 “Owner’s Operating Expenses” equals the Pooled Operating Expenses for each accounting period multiplied by the ratio of CEU Available Days for the Equipment to the CEU Available Days for all Pool A Equipment during such accounting period.

1.15 the “Owner” includes a personal representative, trustee in bankruptcy, receiver, manager, liquidator and any other person as may be entitled or bound to administer the affairs of the Owner.

1.16 “Person” means an individual, partnership, joint venture, corporation, trust, estate or other entity.

1.17 “Pool A” means a group of maritime containers that: (i) are under management by Manager; (ii) are first managed by Manager no later than 24 months after they were first manufactured; and (iii) are of a type comprising twenty- and forty-foot standard and high-cube dry freight containers. Such Pool shall close no later than December 1995, except with the written approval of the Owners of a minimum of two-thirds of the Equipment in Pool A.

1.18 “Pool A Equipment” means the marine cargo containers managed in Pool A.

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1.19 “Pooled Gross Revenue” means all income generated by the Pool A Equipment (unreduced by any expenses or costs) derived from the ownership, use and/or operation of the Pool A Equipment, including, but not limited to, per-diem, handling, location and other rental-related charges arising from leasing of the Pool A Equipment, but shall not include any proceeds from sale of the Pool A Equipment and any proceeds from insurance on the Pool A Equipment payable as a result of loss or destruction of, or damage caused by, the Pool A Equipment.

1.20 “Pooled Operating Expenses” means all expenses and costs incurred in connection with the ownership, arrangement, use and/or operation of the Pool A Equipment, including, but not limited to agency costs and expenses; depot fees, handling, and storage costs and expenses; maintenance; repairs; repositioning; bankruptcy recovery; bad debts; marking the Pool A Equipment; auditing fees; legal fees incurred in connection with enforcing rights under the Leases (or any of them) or repossessing the Pool A Equipment; insurance; charges, assessments or levies imposed upon or against the Pool A Equipment of whatever kind or nature; and ad valorem, gross receipts and other property taxes which are levied against the Pool A Equipment.

1.21 “Preferred Owner Return” means ****.

1.22 “Subscription Agreement” means the agreement between Owner and Manager, of even date herewith, pursuant to which Owner agreed to purchase the Equipment and to have it managed pursuant to this Agreement.

1.23 “US $” means the lawful currency of the United States of America.

1.24 “User” means an ocean going shipping company or other person to whom the Equipment is leased.

2. APPOINTMENT.

The Owner hereby engages the Manager to provide and the Manager undertakes to provide to the Owner management services in respect of the Equipment commencing with the Manager’s Acceptance Date for each unit of Equipment as set forth on the Schedule 2 hereto upon the terms and conditions hereinafter provided.

3. DUTIES OF MANAGER.

3.1 The Manager shall in the name of the Manager but on behalf of the Owner manage and administer the Equipment and arrange the leasing of the Equipment. Without prejudice to the generality of the foregoing the Manager shall carry out the following duties with reasonable care:

(i) seek Users and, as agent for the Owner, enter into Leases as lessor in the name of the Manager;

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(ii) carry out on behalf of the Owner the obligations of the lessors under the Leases;

(iii) administer the Leases including by the exercise of all rights of the Lessor under the Leases and the invoicing and collection of all rental and other payments due from Users under the Leases;

(iv) pay on behalf of the Owner all Operating Expenses of the Owner;

(v) take any steps necessary to ensure compliance by Users with the terms of their Leases;

(vi) log interchanges of the Equipment including the return and issue of Equipment from depots;

(vii) inspect, repair, maintain, service and store the Equipment to the extent necessary in connection with or for the purposes of this Agreement or to enable the Owner to comply with all its relevant obligations under the leases;

(viii) sell Equipment not subject to a Lease which has reached the end of its economic life or has been damaged to the extent that any necessary repairs to bring it into good serviceable condition are too costly to be reasonably recovered during the remaining life of the Equipment in accordance with Manager's sell/repair decision malting procedures that are from time to time in effect; and

(ix) sell Equipment not subject to a Lease from time to time in accordance with Owner's written instructions. Owner hereby gives Manager and the Affiliates of Manager the first option to buy such Equipment at the then fair market value.

The Manager shall have an absolute discretion as to the manner of performance of its duties under this Agreement. Without prejudice to the generality of the foregoing discretion or of Clause 16 any duty of the Manager under this Agreement may, in the absolute discretion of the Manager, be performed by any Affiliate of the Manager and any such Affiliate may, but without limitation, enter into Leases as lessor in its own name.

3.2 In exercising the discretion accorded under Clause 3.1 above, the Manager shall as between different owners whose containers are under its management make all decisions according to the availability of containers or otherwise in accordance with reasonable business practice and not by reference to the identity of the owner.

4. LEASES.

The Manager shall decide the identity of each User, the period of the Lease, the rental or other sums payable thereunder and, provided that the same is in accordance with this Agreement, the form and content of the Lease.

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5. POOLING.

The Owner confers on the Manager the right to include the Equipment in Pool A and to allocate Pooled Gross Revenue and Pooled Operating Expenses among all owners of equipment in Pool A. Such allocation shall be calculated using the ratio of the number of CEU Available Days for each owners' equipment in Pool A to the CEU Available Days for all Pool A Equipment.

6. AUTHORITIES; APPROVED CERTIFICATES.

The Owner confers on the Manager all such authorities and grants all such consents as the Manager requires for the performance of its duties under the Agreement and will at the request of the Manager confirm any such authorities and consents to any third parties or execute such other document and do such other things as the Manager may reasonably request for the purpose of giving full effect to the Agreement and enabling the Manager to carry out its duties hereunder in the most efficient mariner.

7. REMUNERATION.

7.1 In consideration of the Manager providing services hereunder, each month the Owner shall pay to the Manager as remuneration:

(i) ****. The Base Fee shall be payable to the Manager in cash on the same day on which the Manager renders an invoice or invoices to Owner pursuant to Clause 8.1 of this Agreement and may be deducted from any sums payable by Manager to Owner.

(ii) ****. Such fees shall be payable to the Manager in cash on the same day on which Manager renders an invoice or invoices to Owner pursuant to Clause 8.1 of this Agreement and may be deducted from any sums payable by Manager to Owner.

7.2 The Manager shall use all reasonable lawful means to avoid any value added tax, sales taxes and other similar taxes being or becoming payable by the Owner or the Manager on any of the transactions contemplated herein. However, all sums payable hereunder shall be deemed to be exclusive of any applicable value added tax or similar tax which shall be payable in addition to the remuneration or fee hereinbefore referred to.

7.3 All sums payable hereunder shall be paid in United States dollars.

7.4 Each party shall (without prejudice to any other remedy available to such party and whether before or after judgment) be entitled to charge interest on overdue accounts (other than overdue accounts with respect to the first three months after the effective date of this Agreement) for each day interest is due hereunder at **** for each such day then being in force of Wells Fargo Bank, National Association, San Francisco, California.

8. FINANCIAL ARRANGEMENTS.

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8.1 The Manager shall within a period of thirty (30) days of the last day of each quarter render to the Owner an invoice or several invoices (as the case may require) in respect of services rendered to the Owner and disbursements made and expenses incurred on behalf of the Owner by the Manager during each quarter and shall render to the Owner with such invoice all sums received by the Manager on behalf of the Owner in connection with the matters referred to in this Agreement less, in accordance with the provisions of Clause 7.1, 7.4, 9.1, 9.2, 9.3 and 13.1 any sums payable by the Owner to the Manager in consideration of the services rendered and disbursements made and expenses incurred by the Manager hereunder.

8.2 The Manager shall be entitled to deduct from any sum payable by it hereunder to the Owner any and all amounts required by law to be deducted or withheld for or on account of any present or future taxes, levies, duties, charges, fees, penalties, deductions or withholdings assessable or chargeable against the Owner, the Equipment or arising as a result of the operation and/or management of the Equipment in any and all competent jurisdictions.

8.3 The Manager shall by the 30th of April each year during the continuance of this Agreement provide to the Owner a financial report concerning the Equipment the subject of this Agreement and any costs and/or expenses arising in connection therewith for the year ended on the preceding 31st of December and arrange for its auditors if so requested by the Owner, at the expense of the Owner, to certify within a reasonable time thereafter to the Owner that such report is in accordance with the books and records of the Manager relating to the Equipment concerned and in accordance with generally accepted accounting principles consistently applied.

8.4 The Manager shall (subject to the Owner giving to the Manager not less than thirty (30) days prior written notice) permit the Owner or any agent of the Owner engaged for the purpose to have access to such relevant books and records at such reasonable time(s) during normal office hours as shall previously have been arranged between the parties and shall permit the Owner or such agent to review and examine such books and records and to take extracts from and make copies of any directly relevant entries therein.

9. COSTS AND EXPENSES.

9.1 The Owner shall indemnify the Manager against all liabilities claims costs and demands incurred or made against the Manager by any third party arising directly or indirectly (whether wholly or in part) out of the state, condition, operation, use, storage, possession, repair, maintenance or transportation of the Equipment to the extent that such claim does not arise from failure by the Manager to carry out its obligations with reasonable care and skill.

9.2 ****. Without prejudice to Clause 11 the Manager may (in its absolute discretion) at any time and from time to time effect insurance in respect of any matters in respect of which the Manager considers it necessary or prudent to effect insurance and shall be entitled to reimburse itself against the cost of such insurance in accordance with sub-clause 9.3 below.

9.3 The Owner shall indemnify and reimburse the Manager against all costs, disbursements and expenses incurred by the Manager in performing its duties and carrying out

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its obligations under this Agreement (other than G. & A. Expenses). The Manager may (at its option but without prejudice to the foregoing provisions of this sub-clause 93) charge or reimburse itself against such costs, disbursements and expenses from any sum held by the Manager to the credit of the Owner.

10. WARRANTY AND LIABILITY.

THE MANAGER WARRANTS THAT SUBJECT TO ALL CONDITIONS WARRANTIES AND REPRESENTATIONS EXPRESSED OR IMPLIED BY STATUTE COMMON LAW OR OTHERWISE IT WILL CARRY OUT ITS SERVICES WITH REASONABLE CARE AND SKILL. THE MANAGER SHALL HAVE NO LIABILITY TO THE OWNER FOR ANY INDIRECT OR CONSEQUENTIAL LOSS EXCEPT WITH RESPECT TO INTENTIONAL MISCONDUCT OR FRAUD.

11. INSURANCE.

11.1 (i) The Manager shall require that all the Users and independent container depots insure the Equipment against all normally insurable risks (including container loss, damage and recovery cost) while the Equipment is under the control of such Lessees and independent container depots.

(ii) The Manager shall make reasonable efforts to obtain and maintain in force contingency insurance arrangements against similar risks, which shall provide cover for losses in those instances in which (a) recoveries are not effected under *any policies* in force pursuant to Clause 11.1(i), and/or (b) any Equipment is not returned to the Manager by the Users (including costs of recovering such Equipment) or the User fails to effect insurance under Clause 11.1(i). The Manager shall notify the Owner in any case where the Manager shall not have been able to obtain or maintain such contingency insurance arrangements.

(iii) The Manager shall be entitled to maintain public liability insurance in respect of the Equipment and its operation but shall be obliged to notify the Owner in writing whether or not it will do so and if at any time it decides to cease to maintain such public liability insurance it shall notify the Owner in writing no fewer than 30 days before the expiry of such insurance.

11.2 The Owner acknowledges that the Equipment will be insured for its current market value at the time of the event giving rise to a claim. Should any Equipment be lost or totally destroyed, the Owner shall be entitled to receive such sum as is equivalent to any payment payable and received under such insurance policy relating to the Equipment. In the event such loss or total destruction shall occur, this Agreement shall be of no further force and effect with respect to any lost or totally destroyed Equipment. So long as the Manager shall maintain contingency insurance in accordance with Clause 11.1(ii) or shall have made reasonable efforts to obtain such contingency insurance and, having failed therein having advised the Owner in

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writing of such failure, the Manager shall have no liability for any loss, damage, recovery cost or other cost or expense whatsoever covered by such insurance or not.

11.3 The Manager shall notify the Owner of any occurrences which shall or may give rise to a claim under the policy of insurance and shall not agree to a settlement of any such claim without the prior concurrence of the Owner and shall, if the Owner requires the Manager to do so, assign to the Owner all rights claims and benefits under such policy or policies.

12. TERM.

12.1 The Agreement shall commence upon the Manager's Acceptance Date of each unit of Equipment as set forth in Schedule 2 hereto and subject to the provisions of Clause 14, shall continue in force except to any unit of Equipment which is destroyed, lost, sold, foreclosed upon or otherwise disposed of; then, this Agreement shall, with respect to such unit of Equipment only, terminate on the day of destruction, loss, sale or other disposal.

12.2 The Owner shall not and shall procure that no Affiliate of the Owner shall during the period ending 31 August 2005, in any part of the world, either solely or jointly with or as manager, adviser, consultant or agent for any other person firm or corporation directly or indirectly carry on or be engaged or concerned or interested in any business of managing containers, where the Owner has in any of the foregoing ways carried on or been engaged or concerned or interested directly or indirectly in such business immediately prior to the date of this Agreement or canvass, solicit for orders from, or entice away from the Manager any person firm or company who or which shall at any time during the period of twelve (12) months prior to the date of this Agreement have been a customer of the Owner's business of managing containers.

13. SALES OF EQUIPMENT.

13.1 In respect of any sale of any Equipment made by the Manager on behalf of the Owner, except for sales to the Manager or to any Affiliate of the Manager, the Manager shall be entitled to collect from the owner a fee of ****.

13.2 In pursuance of sales of any Equipment carried out by the Manager on behalf of the Owner the Manager shall not give title or physical possession of the Owner's goods before the proceeds of the sale have been received by the Manager.

14. TERMINATION.

14.1 Either party shall have the right to terminate this Agreement forthwith upon giving notice in writing to the other in the event that the other:

(i) is adjudged a bankrupt, becomes insolvent or has a receiver of its assets or property appointed because of insolvency, makes a general assignment for the benefit of creditors, suffers any judgment against it to remain unsatisfied and unbonded for thirty

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(30) days or longer, or institutes or suffers to be instituted any proceeding for the reorganization or rearrangement of its affairs.

(ii) commits a material breach of this Agreement and (if such breach is remediable) shall not have remedied such breach within thirty (30) days of receiving notice in writing requiring remedy of such breach. Without prejudice to the generality of the foregoing non-payment of any sum due from either party to the other hereunder shall be deemed to be a material breach; or

(iii) is served with a court order with respect to any container the compliance with which would materially adversely alter the terms of this Agreement with respect to such containers then such court order shall be complied with or this Agreement may be terminated with respect to such containers upon thirty days written notice after receipt of such court order.

14.2 Upon termination of the Agreement the Manager shall continue to be entitled, but shall not be obligated:

(i) to receive and retain rental and other payments from Users until it has received all sums due or potentially due to it under this Agreement; and

(ii) where any Lease(s) continue(s) in force after such termination to continue to act in respect of such Lease(s) as if this Agreement were still in force until the expiry or termination of such Lease(s) and this Agreement shall be deemed to continue in force in respect of such Leases for such purposes.

14.3 Termination of this Agreement (however arising) shall be without prejudice to the rights and obligations of the parties which have accrued prior to such termination.

15. RETURN OF EQUIPMENT.

15.1 The Owner shall have no right to recover possession or control of the Equipment or any of them prior to termination of this Agreement.

15.2 Upon termination of this Agreement (howsoever arising) the Manager shall (subject as hereinafter provided) return or procure the return of the Equipment to the Owner at such premises as the parties shall agree provided that where the Equipment or any part thereof is let to Users or is in the possession or control of Users the Manager shall not be obliged by any of the foregoing provisions to act in any manner inconsistent with the rights of the User or Users concerned. All costs of and incidental to the return of the Equipment shall be borne by the Owner and the provisions of Clause 9 shall apply thereto.

15.3 Upon termination of this Agreement with respect to any containers (the "Terminated Containers"), subject to Clause 15.2 above,

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(i) Manager shall provide Owner a full listing of the Terminated Containers, their latest status, the name of the Lessee, their precise location if in depot and confirmation of all accrued storage and repair fees which have been settled.

(ii) Manager shall use reasonable efforts to cause any Terminated Containers in depots to be immediately released to Owner.

(iii) In the event that any Terminated Containers have not been released to Owner in accordance with Clause 15.3(ii) above within thirty days after the termination date thereof, Manager shall provide to Owner on a weekly basis all details concerning such Terminated Containers, including without limitation the duration of any lease, name of lessee, and the date and place at which each such Terminated Container is off hired. Manager shall assist Owner in directly billing lessees for all Terminated Containers, less any amounts owing to Manager hereunder with respect to such Terminated Containers, and all amounts collected by Manager with respect to any Terminated Containers shall be credited to Owner.

16. SUB-CONTRACTORS AND AGENTS.

The Manager shall be entitled to appoint subcontractors or agents to carry out all or any of its duties hereunder; provided, however, that, without the prior written consent of Owner, the Manager shall not subcontract the management of all or any substantial portion of the Equipment to unaffiliated entities.

17. NO PARTNERSHIP.

Nothing in the Agreement shall be deemed to constitute a partnership between the parties hereto.

18. FORCE MAJEURE.

Neither party shall be deemed to be in breach of its obligations hereunder nor shall it be liable to the other for any loss or damage which may be suffered as a direct or indirect result of the performance of any of their respective obligations being prevented, hindered or delayed by reason of any force majeure circumstances. “Force majeure circumstances” shall mean any act of God, war, riot, civil commotion, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of plant or machinery, explosion, fire, flood, difficulty in obtaining workmen, materials or transport, government action, epidemic, difficulty or impossibility in obtaining access to any of the equipment or other circumstances whatsoever outside the control of such party affecting the performance of such party’s duties hereunder.

19. GENERAL.

19.1 This Agreement supersedes and cancels all previous agreements and working arrangements, whether oral or written, express or implied, between the parties in respect of the provision of management services by the Manager in respect of the Equipment.

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19.2 Clause headings are inserted in this Agreement for ease of reference only and do not form part of this Agreement for the purposes of interpretation.

19.3 No relaxation, forbearance, delay or indulgence by either party in enforcing any of the terms and conditions of this Agreement or the granting of time by either party to the other shall prejudice, affect or restrict the rights and powers of the former hereunder nor shall any waiver by either party of any breach hereof operate as a waiver on any subsequent or any continuing breach hereof.

19.4 No amendment or other variation to this Agreement shall be effective unless it is in writing, dated and signed by a duly authorized representative of each of the parties hereto.

19.5 Any notice to be given hereunder shall be in writing and shall be given by personal delivery, certified or registered post, cable, telegraph, or telex to the address of the relevant party set out in this Agreement or to such other address as such party may have notified to the other for such purpose (notices posted to addresses in another country to be sent by air mail). Any such notice shall be deemed to have been delivered upon receipt thereof.

19.6 This Agreement may be signed in one or more counterparts.

19.7 This Agreement shall inure to the benefit of, and be binding upon, each party and its respective successors and assigns hereto; provided, however, that no assignment hereof by either party or transfer of any of either party's rights hereunder whether by operation of law or otherwise shall be valid or effective as against the other party without the prior written consent of such party, which consent shall not be unreasonably withheld.

Notwithstanding any other provision of this Agreement, Owner may, without the consent of the Manager, assign any or all of Owner's rights hereunder to one or more affiliated entities and/or members of Owner's immediate family. An assignment of Owner's interest in this Agreement shall be void unless Owner's assignee executes a confidentiality agreement with Manager in form and substance reasonably acceptable to Manager.

20. GOVERNING LAW; JURISDICTION.

20.1 This Agreement shall be governed by and construed in accordance with the laws of the State of California, U.S.A.

20.2 The parties hereto hereby submit to the non-exclusive jurisdiction of the California Courts provided that such submission shall not preclude the taking of proceedings in any other forum.

20.3 The parties hereby irrevocably authorize and appoint the persons specified against their respective names below (or such other persons resident in California, as it may by notice to the other party hereto substitute) to accept service of all legal process arising out of or connected with this Agreement and service on such person (or such substitute) shall be deemed to be service on the party concerned.

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Owner: Isam K. Kabbani
****

Manager: Textainer Equipment Management N.V.
C/O Textainer Equipment
Management (U.S.) Limited
650 California Street, 16th Floor
San Francisco, CA 94108 U.S.A.

(or other its registered office from time to time)

AS WITNESS, the hands of the parties hereto or their fully authorized representatives the day and year first before written.

TEXTAINER EQUIPMENT MANAGEMENT N.V.

BY: /s/ James E. Hoelter
TITLE: Chairman

In the presence of:

Name: /s/ John R. Rhodes
Address: 650 California St., San Francisco, CA
Occupation: Exec. VP

ISAM K. KABBANI

BY: /s/ Isam K. Kabbani
TITLE:

In the presence of:

Name: /s/ Susan L. Fiddaman
Address: 650 California St., San Francisco, CA
Occupation: President - TCC

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SCHEDULE 1 TO THE
CONTAINER MANAGEMENT SERVICES AGREEMENT
BETWEEN
ISAM K. KABBANI
AND
TEXTAINER EQUIPMENT MANAGEMENT N.V

CEU SCHEDULE

DESCRIPTION	TYPE CODE	CEU VALUE
20’ Bulker	2B	****
20’ Curtainside	2C	****
20’ Side Door	2D	****
20’ Fixed Flat	2F	****
20’ Tank	2K	****
20’ Folding Flat	2L	****
20’ Platform	2P	****
20’ Reefer	2R	****
20’ Standard Dry Cargo	2S	****
20’ Open Top	2T	****
20’ Container Chassis	2Z	****
40’ Fixed Flat	4F	****
40’ High Cube Dry Cargo	4H	****
40’ Folding Flat	4L	****
40’ Platform	4P	****
40’ Reefer	4R	****
40’ Standard Dry Cargo	4S	****
40’ Open Top	4T	****
40’ Container Chassis	4Z	****

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REDACTED

SCHEDULE 2 TO THE
CONTAINER MANAGEMENT SERVICES AGREEMENT
BETWEEN
ISAM K. KABBANI
AND
TEXTAINER EQUIPMENT MANAGEMENT N.V.

EQUIPMENT ACCEPTANCE SCHEDULE

Number _____

CONTAINER NUMBER	TYPE	DATE OF BUREAU VERITAS CERTIFICATION	MANAGER'S ACCEPTANCE DATE	LOCATION ON ACCEPTANCE DATE

TEXTAINER EQUIPMENT MANAGEMENT N.V.

BY: _____
TITLE: _____
DATE: _____

ISAM K. KABBANI

BY: _____
TITLE: _____
DATE: _____

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REDACTED

AMENDMENT NO. 1
TO
CONTAINER MANAGEMENT SERVICES AGREEMENT
DATED AS OF 1 SEPTEMBER 1990
(AS REVISED)

This Amendment No. 1 is made as of 1 September 1990 to the Agreement by and between TEXTAINER EQUIPMENT MANAGEMENT N.V., as Manager, and ISAM K KABBANI, as Owner (the "Agreement"). The parties hereby agree that the Agreement shall be amended as follows:

1) Section 1.8 "Gross Investment" as set forth in the Agreement shall be amended in its entirety to read as follows:

"1.8 "Gross Investment" means the sum of: (i) the aggregate Invoice Price of all of the Equipment and (ii) Manager's Acquisition Fee, less the Invoice Price plus Acquisition Fee of any Equipment subsequently lost, destroyed or sold for which Owner has received appropriate disposal proceeds."

2) Section 1.21 "Preferred Owner Return" as set forth in the Agreement shall be amended in its entirety to read as follows:

"1.21 "Preferred Owner Return" means ****."

3) All other terms and conditions of this lease, as previously amended, are unchanged and remain in full force and effect.

IN WITNESS whereof, the parties have caused this Amendment to be executed in duplicate by their respective duly authorized officers as of the date first above written.

TEXTAINER EQUIPMENT MANAGEMENT N.V., MANAGER	ISAM K. KABBANI
BY: /s/ John R. Rhodes	BY: /s/ Isam K. Kabbani
TITLE: Secretary	TITLE: Owner

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REDACTED

AMENDMENT NO. 2
TO
CONTAINER MANAGEMENT SERVICES AGREEMENT
DATED AS OF 1 SEPTEMBER 1990
(AS REVISED)

This amendment No. 2 is made as of 1 November 1993 to the Agreement by and between TEXTAINER EQUIPMENT MANAGEMENT N.V., as Manager, and ISAM K. KABBANI, as Owner (the "Agreement").

WHEREAS Owner has purchased additional Equipment to be managed by Manager and may purchase additional Equipment to be managed by Manager, and Owner's equipment will not be grouped in "Pool A" as described in the Agreement, the parties hereby agree that the Agreement shall be amended as follows:

1) Section 1.6 "Equipment" as set forth in the Agreement shall be deleted in its entirety and the following Section 1.6 shall be inserted in its stead:

"1.6 the "Equipment" means marine cargo containers of the types listed in Schedule 1.4 to this Agreement."

2) Section 1.17 "Pool A" is deleted in its entirety, and existing Sections 1.18, 1.19, 1.20 and 1.21 shall be renumbered accordingly.

3) Section 5.2 is deleted in its entirety.

4) Base management fee ("Base Fee") per day as specified in Section 6.1 (i) shall be ****.

IN WITNESS whereof, the parties have caused this Amendment to be executed in duplicate by their respective duly authorized officers as of the date first above written.

TEXTAINER EQUIPMENT MANAGEMENT N.V., MANAGER	ISAM K. KABBANI, OWNER
BY: /s/ Ernest J. Furtado	BY: /s/ Isam K. Kabbani
TITLE: VP + Controller	TITLE: Chairman, National Marketing

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AMENDMENT NO. 3
TO
CONTAINER MANAGEMENT SERVICES AGREEMENT
DATED AS OF 1 SEPTEMBER 1990 (AS REVISED)

This Amendment No. 3 is made as of 1 July 1995 to the Container Management Services Agreement between TEXTAINER EQUIPMENT MANAGEMENT N.V., and ISAM K. KABBANI, dated as of 1 September 1990 (as revised) (the "Agreement"). The parties hereby agree that the Agreement shall be amended as follows:

1) Effective 1 December 1994, Textainer Equipment Management N.V. ("TEM-NV") redomiciled.

   The Agreement is hereby amended, effective 1 December 1994, by deleting all references to TEM-NV and inserting in their stead "Textainer Equipment Management Limited ("TEML")" and deleting the address for TEM-NV and inserting in its stead the address for TEML, which is P.O. Box HM 1806, Century House, Richmond Road, Hamilton HM HX, Bermuda, telephone - 809.292.2487 and fax - 809.295.4164.

2) All other terms and conditions of the Agreement are incorporated herein by reference as if fully set forth in this Amendment.

IN WITNESS whereof, the parties have caused this Amendment to be executed in duplicate by their respective duly authorized officers as of the date first above written.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED

BY: /s/ John R. Rhodes
TITLE: Executive Vice President and Chief Financial Officer

ISAM K. KABBANI

BY: /s/ Isam K. Kabbani
TITLE: Chairman, IKK Group

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AMENDMENT NO. 4
TO
CONTAINER MANAGEMENT SERVICES AGREEMENT
DATED AS OF 1 SEPTEMBER 1990 (AS REVISED), AS AMENDED

This Amendment No. 4 is made as of 1 May 2000 to the Container Management Services Agreement between TEXTAINER EQUIPMENT MANAGEMENT LIMITED, and IKK FOUNDATION, dated as of 1 September 1990 (as revised), as amended (the "Agreement"). The parties hereby agree that the Agreement shall be amended as follows:

1) Effective 1 December 1999, the parties agree that the Agreement shall be amended as follows:

   a) Section 1.20 "Preferred Owner Return" shall be deleted in its entirety and existing Sections 1.21, 1.22 and 1.23 shall be renumbered accordingly.

   b) Section 1 "Definitions" shall be amended to include the following subsections:

   "1.24 "Base Management Fee" has the meaning set forth in Section 7.1 hereto.

   1.25 "Owner Fleet" means, the Equipment which Owner and Manager shall from time to time mutually agree will be managed under the terms of this Agreement."

   c) Section 7.1 as set forth in the Agreement shall be deleted in its entirety and the following Section 7.1 shall be inserted in its stead:

   "7.1 In consideration of the Manager providing services hereunder, each month the Owner shall pay to the Manager as remuneration:

      (i) a fee ("Base Management Fee") for such month equal to:

         (a) Effective 1 December 1999 through 30 November 2004, ****, and

         (b) Effective 1 December 2004 and thereafter, ****."

2) Any and all references to "Schedule 1.4" as set forth in the Agreement shall be corrected to read as " *Schedule 1*."

3) All other terms and conditions of the Agreement are incorporated herein by reference as if fully set forth in this Amendment.

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IN WITNESS whereof, the parties have caused this Amendment to be executed in duplicate by their respective duly authorized officers as of the date first above written.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED		IKK FOUNDATION	
BY:	/s/ Dudley R. Cottingham	BY:	/s/ Isam K. Kabbani
TITLE:	Vice President	TITLE:	President

**** Confidential Treatment Requested.

AMENDMENT NO. 5
TO
CONTAINER MANAGEMENT SERVICES AGREEMENT
DATED AS OF 1 SEPTEMBER 1990 (AS REVISED), AS AMENDED

This Amendment No. 5 is made as of 1 September 2000 to the Container Management Services Agreement between TEXTAINER EQUIPMENT MANAGEMENT LIMITED, and IKK FOUNDATION, dated as of 1 September 1990 (as revised), as amended (the "Agreement"). The parties hereby agree that the Agreement shall be amended as follows:

1) Section 1.25 as set forth in the Agreement shall be amended in its entirety as follows:

   Section 1.25 "Original Owner Fleet" means the Equipment acquired by Manager on behalf of Owner *prior* to 1 September 2000, that Owner and Manager shall from time to time mutually agree will be managed under the terms of this Agreement.

2) Section 1.26 shall be added to the Agreement as follows:

   Section 1.26 "Owner Fleet Additions" means the Equipment that Owner and Manager mutually agree will be acquired and managed by Manager effective 1 September 2000 and thereafter, that Owner and Manager shall from time to time mutually agree will be managed under the terms of this Agreement.

3) Section 7.1 as set forth in the Agreement shall be deleted in its entirety and the following Section 7.1 shall be inserted in its stead:

   "7.1 In consideration of the Manager providing services hereunder, each month the Owner shall pay to the Manager as remuneration:

   (i) a fee ("Base Management Fee") for such month equal to:

   (a) Effective 1 December 1999 through 30 November 2004, ****.

   (b) Effective 1 December 2004 and thereafter, ****.

   (c) Effective 1 September 2000 and thereafter, ****."

4) All other terms and conditions of the Agreement are incorporated herein by reference as if fully set forth in this Amendment.

**** Confidential Treatment Requested.

IN WITNESS whereof, the parties have caused this Amendment to be executed in duplicate by their respective duly authorized officers as of the date first above written.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED	IKK FOUNDATION
BY: /s/ John Maccarone	BY: /s/ Isam K. Kabbani
TITLE: President	TITLE: IKK Foundation

**** Confidential Treatment Requested.

Exhibit 10.20

FORM OF MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (as further amended, restated or otherwise modified from time to time in accordance with the terms hereof, the "Agreement") is made as of the 23 day of July, 2007 ("Effective Date") between **GREEN EAGLE INVESTMENTS N.V.**, a company incorporated in the Netherlands Antilles with limited liability, having its principal place of business at Schottegatweg Oost 18, Curacao, Netherlands Antilles (the "Owner") and **TEXTAINER EQUIPMENT MANAGEMENT LIMITED**, an exempted company organized under the laws of Bermuda with limited liability, having its registered office at Century House, 16 Par-la-Ville Road, Hamilton HM HX, Bermuda (" TEML" or the "Manager").

RECITALS

A. The Owner intends to acquire by way of a sale share and purchase agreement (" SPA") one hundred per cent of the shares in Capital Lease Limited, a company duly organized under the laws of Hong Kong, registered with the Companies House under no. 616161 (" Capital Lease"). Capital Lease and its wholly owned subsidiaries, Capital Lease inc. (Miami, USA), Capital Lease GmbH (Hamburg, Germany), Capital Lease Assets Limited (Hong Kong) and Capital (Yangpu) Container Service Co. Ltd. (China) (these subsidiaries collectively "Subsidiaries"; the Subsidiaries and Capital Lease together "Capital Group", each of the Companies a "Capital Company") are involved in the business of leasing Containers (as defined herein) which they either own or lease from third parties; and

B. After the consummation of the SPA and certain restructurings envisaged by the Owner with respect to the Capital Group for the period after consummation of the SPA the Owner will directly or indirectly (through Capital Lease Group and other Affiliates and companies controlled by it) be the owner or lessee of the Owner Containers (as defined herein); and

C. TEML is in the business of leasing Containers to shipping lines and other Container users, and is experienced in the administration of a Container-management company; and

D. Pursuant to (i) that certain First Agreement as of July 23, 2007, between TEML and the Owner pertaining to certain Containers currently managed by Capital Lease and its subsidiaries and not listed in the Second Purchase Agreement (the " TEML Purchase Agreement"), (ii) the Second Agreement, as of July 23, 2007, between TEML and the Owner pertaining to certain Containers listed therein and currently managed by Capital Lease and its subsidiaries (the "Second Purchase Agreement"), (iii) and the Second Management Services Agreement, as of July 23, 2007, between TEML and the Owner pertaining to the management of the Containers contemplated in the Second Purchase Agreement, and subject to the execution and consummation of the SPA, the Owner desires to contract with TEML to manage the operation and leasing of the Owner Containers, and TEML desires to operate and lease the

Owner Containers as part of the Managed Containers (as defined herein), and to perform certain specified administrative duties for the Owner, all as herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual representations, warranties, covenants and agreements contained herein, the parties hereto hereby agree as follows:

1. DEFINITIONS. Capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to them in this Clause 1. The Index of Definitions attached hereto sets forth an index of the defined terms contained herein.

"Affiliate" means, when used with reference to a specified Person, any individual, partnership, corporation, trust or other entity that directly or indirectly controls, or is controlled by, or is under common control with, such Person, but that individual or entity shall be deemed an Affiliate of such Person only so long as such control continues to exist. For purposes of this definition, "control" or "controlled" or "controlling" or any variation thereof shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. For the sake of clarity, (i) the direct or indirect beneficial ownership of more than ten percent (10%) of the outstanding capital stock (or other ownership interests) of a corporation or other entity having the ordinary voting power to elect directors or their equivalent managing authority shall be presumed to be a controlling interest, and (ii) none of TEML or any of its Affiliates shall be considered an Affiliate of the Owner or any of its respective Affiliates for any purpose.

"Applicable Law" means, with respect to a party, all laws, treaties, judgments, decrees, injunctions, writs, rules, regulations, orders, directives, concessions, licenses and permits of any Governmental Authority applicable to the party or its properties or business in any jurisdiction where the party has been organized or is domiciled or maintains operations or conducts its business in any material respect.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Hong Kong and Netherlands Antilles.

"Casualty Loss" means any of the following events with respect to any Container: (a) the actual total loss or compromised total loss of such Container, (b) the loss, theft or destruction of such Container, (c) thirty (30) days following the Manager's determination in its sole discretion that such Container is damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, (d) the seizure, condemnation or confiscation of such Container for a period exceeding sixty (60) days, or (e) if such Container is subject to a Lease, such Container shall have been deemed under its Lease to have suffered a casualty loss as to the entire Container.

"Casualty Proceeds" means, for any accounting period, all proceeds due to the Manager, as agent of Owner (or the relevant Capital Companies), from (i) a Lessee, (ii) the insurance specified in Clauses 9.1 and 9.2, and (iii) any other source, to compensate Owner (or the relevant Capital Companies) for a Casualty Loss with respect to an Owner Container.

"CEU" means a fixed unit of measurement, which expresses the ratio of the cost of a Container to the cost of a twenty (20) foot standard dry freight Container. The CEU value for each type of Container is shown on Schedule 1 to this Agreement.

"Container" means any dry cargo, refrigerated, open top, flat rack, domestic storage, tank, high cube or other type of marine or intermodal container (including any related equipment).

"Container Debt" means the liabilities of the Owner under (i) the Senior Facility Agreement for US$ 335,000,000 senior revolving facility, which shall be executed on or around July 23, 2007, by and among Green Eagle Investments N.V. as borrower, DVB Bank America N.V. as mandated lead arranger, ING Bank N.V. as Agent, Senior Facility Arranger and Security Agent and the Lenders named therein ("Senior Facility Agreement"); and (ii) the Junior Revolving Facility Agreement for US$100,000,000 junior revolving facility which shall be executed on or around July 23, 2007, by and among Green Eagle Investments N.V. as borrower, DVB Bank America N.V. as the junior agent, DVB Bank America N.V. as the junior arranger, ING Bank N.V. as security agent and the Lenders named therein.

"Finance Lease" means, as of any period of determination, any Lease of one or more Containers that satisfies the criteria for classification on the balance sheet of the Owner as a capital lease pursuant to GAAP, including Statement of Financial Accounting Standards No. 13, as amended.

"Finance Lease Payments" means, for any period of determination, all amounts received by the Manager, on behalf of the Owner (or the relevant Capital Companies), in connection with the ownership, use or operation of any Owner Containers that are subject to a Finance Lease, including but not limited to balloon payments, rental, handling, Location Revenue and other rental-related charges arising from the leasing of such Owner Containers, but excluding Miscellaneous Owner Proceeds, Casualty Proceeds, Indemnification Proceeds and Sales Proceeds.

"GAAP" means those generally accepted accounting principles in the United States as in effect from time to time. Unless otherwise defined or the context otherwise requires, all accounting terms used herein shall be construed, and all accounting determinations and computations required hereunder shall be made, in accordance with GAAP in effect on the date on which they are applied, and shall be applied consistently throughout the relevant periods.

"Governmental Authority" means (a) any national, state or other sovereign government, and any federal, regional, state, provincial, local, city government or other political subdivision, (b) any governmental or quasi-governmental agency, authority, board, bureau, commission, department, instrumentality or public body, (c) any court or administrative tribunal or (d) with respect to any Person, any arbitration tribunal or other non-governmental authority to whose jurisdiction that Person has consented.

"Gross Revenue" means all revenue (without reduction for expenses or costs), calculated on an accrual basis in accordance with GAAP, earned in connection with the ownership, use or operation of a Container, including, but not limited to, rental, handling, Location Revenue,

damage protection, interchange fees and other rental-related charges arising from the leasing of such Container, but excluding Miscellaneous Owner Proceeds, Casualty Proceeds, Indemnification Proceeds, Finance Lease Payments and Sales Proceeds.

"Indemnification Proceeds" means, for any accounting period, all proceeds received by the Manager on a cash basis, on its own behalf or as agent of Owner (or the relevant Capital Companies), from Lessees pursuant to the Leases, insurance or other sources, including amounts received on a cash basis from the insurance specified in Clauses 9.1 and 9.2, as payment for indemnification of Manager and/or Owner (or the relevant Capital Companies) against liability and loss (other than a Casualty Loss to the extent that Casualty Proceeds compensate Owner (or the relevant Capital Companies) for such Casualty Loss) with respect to the Owner Containers.

"Independent Accountant" means an independent certified public accounting firm of recognized national standing in the United States.

"Knowledge" means, with respect to a Person and a particular fact or other matter, such Person is actually aware of such fact or other matter. Each party hereto shall be deemed to have "Knowledge" of a particular fact or other matter if any of their respective directors, officers or employees with the authority to establish policy for the party is actually aware of such fact or other matter.

"Lease" means a Lease, as such term is defined in the TEML Purchase Agreement, which is not governed by the Second Purchase Agreement, or a lease, or a sublease, of one or more Owner Containers between the Owner, the Manager or an Affiliate of the Manager or Owner (or their predecessors in interest) as a lessor or sublessor or agent and a Lessee.

"Lenders" means the Lenders as defined in the Senior Facility Agreement.

"Lenders' Security Agent" means ING Bank N.V. Netherlands as Security Agent for the Lenders and Finance Parties as defined in that certain senior facility agreement.

"Lessee" means the lessee or sublessee of one or more Owner Containers under a Lease, other than Leases governed by the Second Purchase Agreement.

"Lien" means any security interest, lien, charge, pledge, equity or encumbrance of any kind, except that the term does not include Leases.

"Location Revenue" means the net amount (which can be a positive or negative number) of charges and credits to Lessees related to delivery and return of Containers in geographic locations, including but not limited to Container pick-up charges and Container drop-off charges.

"Managed Containers" means all of the Containers managed by the Manager as of the relevant date of determination, including, but not limited, to the Owner Containers.

"Manager Collection Account" means any of the bank accounts titled as such that have been established and maintained by the Manager into which account all Gross Revenue, Miscellaneous Owner Proceeds, Casualty Proceeds, Finance Lease Payments and Sales

Proceeds, in each case for the Managed Containers, are deposited and from which all Operating Expenses for the Managed Containers are paid.

"Manager Reports" means fleet statements, revenue summary reports and unit status reports, in the format which the Manager uses for the Managed Containers, which itemize by container type in total dollars and on a per unit or CEU per-day basis: Gross Revenue, Operating Expenses, NOI, utilization, Container additions, disposals, lease outs and returns and on-hire status for the Owner Containers, or the relevant portion thereof, such reports to include the information listed in Schedule 2 hereto, and to be substantially in the form set forth in Schedule 2.

"Management Rights Collateral" means all of (i) the Owner Containers, (ii) the Leases, all chattel paper, documents, instruments, schedules, supplements, amendments, modifications, renewals and extensions in relation thereto, all guaranties and other credit support with respect to the foregoing, all rentals, payments and monies due and to become due with respect to the foregoing, and all rights to terminate or compel performance thereof, and (iii) all proceeds of the foregoing.

"Master Lease" means a Lease, other than a Finance Lease or a Term Lease.

"Miscellaneous Owner Proceeds" means amounts, other than Casualty Proceeds, Indemnification Proceeds and Sales Proceeds, due to the Manager, as agent of the Owner (or the relevant Capital Companies): (a) from the manufacturers or sellers of Owner Containers for breach of sale warranties relating thereto, (b) from Lessees for repair rebill proceeds on Owner Containers which are designated for sale, and (c) in payment or settlement of any claims, losses, disputes or Proceedings relating to the Owner Containers, including proceeds from the insurance specified in Clauses 9.1 and 9.2 for damage to such Owner Containers.

"NOI" means, for any accounting period, Gross Revenue for the Owner Containers, or the relevant portion thereof, for such period minus Operating Expenses for the Owner Containers, or the relevant portion thereof, for such period.

"Operating Expenses" means all direct and indirect expenses and costs, calculated on an accrual basis in accordance with GAAP, incurred in connection with the ownership, use and/or operation of Containers, including but not limited to: (i) agency costs and expenses; (ii) depot fees, handling, and storage costs and expenses; (iii) survey, maintenance and repair expenses (including the actual or estimated cost of repairs to be made pursuant to a damage protection plan); (iv) repositioning expense; (v) the cost of inspecting, marking and remarking such Containers, except for factory inspection costs associated with the acquisition of new Containers pursuant to Clause 3.4; (vi) third-party fees and expenses for bankruptcy recovery; (vii) bad debt expense; (viii) audit fees related to the annual review by the Manager's Independent Accountant of the Gross Revenue, Operating Expenses and Management Fees for the Managed Containers (but excluding the accounting fees for the audit or accounting work referenced in Clause 7.2) (such costs to be allocated on a proportional CEU basis to the Containers); (ix) expenses, liabilities, claims and costs (including without limitation reasonable attorneys' fees) incurred in connection with enforcing rights under the Leases of such Containers or repossessing such Containers; (x) insurance expense (including without limitation insurance obtained by the

Manager pursuant to the provisions of Clause 3.1(h) and Clause 9); (xi) taxes, levies, duties, charges, assessments, fees, penalties, deductions or withholdings assessed, charged or imposed upon or against such Containers, including but not limited to ad valorem, gross receipts and other property taxes imposed against such Containers or against the revenues generated by such Containers, but excluding for the avoidance of doubt any income or franchise or net profits or similar taxes or any interest or penalties or additions related thereto imposed on the Manager in respect of its services; (xii) expenses, liabilities, claims and costs (including without limitation reasonable attorneys' fees) incurred by the Manager or made against the Manager by any third party arising directly or indirectly (whether wholly or in part) out of the state, condition, operation, use, storage, possession, repair, maintenance or transportation of such Containers; (xiii) expenses and costs (including without limitation reasonable attorneys' fees) of pursuing claims against manufacturers or sellers of such Containers on behalf of the owner or lessors of such Containers; and (xiv) non-recoverable sales and value-added taxes on such expenses and costs. Notwithstanding the foregoing, Operating Expenses shall in no event include (w) the Management Fee; (x) any general or administrative expenses of the Manager; (y) any costs included in the definition of Sales Proceeds; or (z) any depreciation or amortization expense.

"Owner Bank Account" shall be the Collection Account as in the Senior Facility Agreement, which is the account the Owner has designated to the Manager as the account to which all payments from the Manager to the Owner under the terms of this Agreement are to be deposited.

"Owner Containers" means (i) at the time of the consummation of the SPA the Containers owned or leased-in by Capital Lease or one of the Subsidiaries (but excluding, for the avoidance of doubt, any Containers managed by Capital Lease on behalf of P&R Equipment & Finance Corp. ("P&R") or any Containers which are governed by the Second Purchase Agreement), and (ii) thereafter any Containers owned or leased-in by the Owner, by Capital Lease or any of the Subsidiaries or by companies controlled by the Owner or Affiliates thereof and managed by the Manager hereunder, as of the relevant date of determination, excluding any Terminated Owner Containers; provided however that the addition of any Containers as Owner Containers after the Effective Date shall be subject to the prior written consent of TEML, which shall not be unreasonably withheld. .

"Person" means an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an estate, or Governmental Authority or other entity.

"Proceeding" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, audit, examination or investigation that is, has been or may in the future be commenced, brought, conducted or heard at law or in equity or before any court or other tribunal or Governmental Authority, or any arbitrator or arbitration panel.

"Replacement Manager" means any other Person appointed by the Owner in accordance with the terms of this Agreement to replace TEML as manager of the Owner Containers hereunder upon (a) the express written resignation of TEML as Manager (pursuant to the provisions of Clause 10.2) or (b) the termination of TEML as Manager (pursuant to and in compliance with the provisions of Clause 11.3).

"Sales Proceeds" means the gross proceeds due to the Manager as agent of the Owner (or the relevant Capital Companies) from the sale or other disposition of an Owner Container, excluding a sale through a Finance Lease or an operating lease with a purchase option, less any taxes, commissions, administrative fees, handling charges or other amounts paid or to be paid to unaffiliated third parties in connection with such sale, as determined in the reasonable discretion of the Manager.

"Term Lease" means a Lease of Containers having an initial term which is equal to or more than two (2) years, other than a Finance Lease.

"Terminated Owner Container" means any Owner Container:

(a) that has suffered a Casualty Loss and for which all Casualty Proceeds and any other amounts payable in connection therewith have been paid before the Termination Notice Date (as defined in Clause 11.3 below),

(b) that has been sold or otherwise disposed pursuant to the terms of this Agreement before the Termination Notice Date,

(c) that is, on the Termination Notice Date, (i) off-hire and in a depot or (ii) subject to a Finance Lease, or

(d) that is, after the Termination Notice Date, (i) off-hired by a Lessee and returned to a depot or (ii) declared lost or unrecoverable by a Lessee or the Manager.

"US$ or US Dollars" means the lawful currency of the United States of America.

2. APPOINTMENT.

2.1 Appointment. Upon and pursuant to the terms and conditions hereinafter provided and subject to the execution and closing of the SPA and the TEML Purchase Agreement, the Owner hereby appoints and engages (and hereby causes the relevant Capital Companies to appoint and engage) the Manager for the Term (as defined in Clause 10.1 below) to operate, lease and manage the Owner Containers on behalf of the Owner (or the relevant Capital Companies) on an exclusive basis. Subject to the provisions of this Agreement (including but not limited to Clause 13 hereof), in furtherance of the foregoing, the Owner hereby grants (and hereby causes the relevant Capital Companies to grant) to the Manager the authority as its lawful agent to: (i) enter into, administer and terminate Leases with respect to the Owner Containers, (ii) sell, transfer or otherwise dispose of the Owner Containers, (iii) collect monies and make disbursements on behalf of the Owner with respect to the Owner Containers, and (iv) perform the duties to be performed by Manager hereunder, including, without limitation those under Clause 3 hereof. The Owner Containers shall remain subject to the provisions of this Agreement and the Manager shall be entitled to retain possession and control of such Containers, subject to the Leases, until such Containers become Terminated Owner Containers. The Manager hereby accepts such appointment and agrees to perform such functions upon the terms and conditions herein.

2.2 Standard of Performance. The duties of the Manager will be limited to those expressly set forth in this Agreement and the Manager will not have any fiduciary or other implied duties or obligations to the Owner.

2.3 Relationship between Owner and Manager. All of the functions, duties and services performed by the Manager under this Agreement shall be performed by the Manager as an independent contractor and not as agent of the Owner (or the relevant Capital Companies) except to the limited extent set forth in this Agreement. The Manager does not have the authority to act as agent of the Owner (or the relevant Capital Companies), and the Manager, in its capacity as such, does not, except to the extent of its role as agent of the Owner (or the relevant Capital Companies) specified in Clauses 2.1, 3.2, 4 and 9.3, have the authority to bind the Owner (or the relevant Capital Companies) or their assets. The Owner (or the relevant Capital Companies) does not have liability for the acts of the Manager not authorized under this Agreement.

2.4 Retention of Rights. The Owner (and the relevant Capital Companies) shall at all times retain any and all rights and interests as the beneficial owner of the Owner Containers (subject to documents pertaining to the Container Debt), notwithstanding the management thereof by the Manager hereunder. The Manager shall not make reference to or otherwise deal with or treat the Owner Containers in any manner except in conformity with this Clause 2; and the Manager shall defend the right, title, and interest of the Owner (or the relevant Capital Companies) and its successors and assigns in, to, and under the Owner Containers against all claims of third parties (including Lessees) asserting any Lien thereon or other interest therein arising through or due to any actions of the Manager.

2.5 Non-Disclosure. The Manager shall not be required to disclose to any Lessee the interest of the Owner (or the relevant Capital Companies) or any lessor in and to any Owner Container or whether the Manager may be acting as principal, agent or otherwise with respect to any specific Owner Container.

3. DUTIES OF MANAGER.

3.1 Management Functions. The Manager shall, in the name of the Manager but on behalf of the Owner (or the relevant Capital Companies), manage and administer the Owner Containers, arrange the leasing or subleasing and enter into Leases of such Containers, and administer such Leases. Without prejudice to the generality of the foregoing the Manager shall:

(a) decide, for each Owner Container, the identity of each Lessee, the period of the Lease, the rental or other sums payable thereunder, and the form and content of each Lease, and seek Lessees, arrange for the leasing or subleasing and enter into Leases in the name of the Manager, as lessor or sublessor and agent of the Owner (or the relevant Capital Companies), subject to the proviso set forth in Clause 2.5;

(b) perform on behalf of the Owner (or the relevant Capital Companies) the obligations of the lessor or sublessor under the Leases;

(c) exercise all rights of the lessor or sublessor under the Leases, including without limitation the invoicing and collection of rental and other payments due from the Lessees;

(d) take any actions the Manager deems necessary to ensure compliance by the Lessees with the terms of their Leases;

(e) log interchanges of the Owner Containers including the return and release of such Containers from depots;

(f) inspect, repair, maintain, service and store the Owner Containers to the highest of the following standards: (i) those required under industry convention or governmental law or regulation; (ii) those required by the terms of any insurance policy provided by the Manager under which such Containers are insured, and (iii) those of prudent companies in the same industry;

(g) sell the Owner Containers in the ordinary course of business, in accordance with the Manager's sell/repair decision-making procedures that are from time to time in effect;

(h) obtain insurance in accordance with the provisions of Clause 9 and in respect of any matters which the Manager considers necessary or prudent, including without limitation, public liability insurance;

(i) follow such credit policies with respect to the leasing of the Owner Containers as it follows from time to time with respect to the Managed Containers generally and, subject to such credit policies, the Manager may, in its sole discretion (i) determine and approve the creditworthiness of any Lessee (but the Manager makes no representation and warranty to the Owner or any other Person as to the solvency or financial stability of any Lessee or the ability of any Lessee to pay rent), (ii) determine that any amount due from any Lessee is not collectible, (iii) institute and prosecute legal Proceedings against a Lessee as permitted by the laws of any relevant jurisdiction, (iv) terminate or cancel any Lease, (v) recover possession of the Owner Containers from any Lessee, (vi) settle, compromise or release any Proceeding or claim against a Lessee in the name of the Manager or, if appropriate, in the name of the Owner (or the relevant Capital Companies), or (vii) reinstate any Lease;

(j) ensure that each of the Owner Containers carries its container identification number and other markings as may be required for its operation in marine and intermodal shipping;

(k) with the cooperation of Owner, institute and prosecute claims against the manufacturers of the Owner Containers as the Manager may consider advisable for breach of warranty, any defect in condition, design, operation or fitness or any other non-conformity with the terms of manufacture and/or the related purchase agreement;

(l) contract for the services included in the definition of the term "Operating Expenses" and promptly pay for such services;

(m) prepare and deliver the reports required pursuant to Clause 7; and

(n) if the Manager has terminated a Lease due to a Lessee default under such Lease, use its best efforts to (i) procure data regarding the location of the applicable Owner Containers, (ii) assist the Owner and the Lenders' Security Agent in locating such Containers and, (iii) if deemed necessary by the Owner or the Lenders' Security Agent, assist the Owner and the Lenders' Security Agent in repossessing any or all such Containers.

3.2 Limitations of Duties. With respect to Owner Containers which are (i) leased-in from P&R (or any of its assignees or Affiliates) pursuant to the P&R Lease Agreement, as defined in the SPA, or (ii) leased-in from Der Transport Fonds GmbH & Co KG, Hamburg ("DTF") (or any of its assignees or Affiliates) pursuant to the DTF Lease Agreement, as defined in the SPA, by Capital Lease or the Subsidiaries, the Manager shall use best efforts to perform its duties under this Agreement so that Capital Lease or the relevant Subsidiary is not in breach of the underlying lease-in agreements with such companies, provided that (A) the Owner (or the relevant Capital Companies) has granted Manager the rights necessary to so perform and (B) such leased-in agreements have not been amended since the Effective Date such that the Manager would not be able to fulfill the obligations thereunder without unreasonable commercial expense. In particular, the Manager shall, with respect to the P&R Lease Agreement and the DTF Lease Agreement and subject to the above qualifications, not act in its own name but shall act as an agent in the name of Capital Lease or the relevant Subsidiary, unless the respective owner of the leased-in Containers has expressly granted its consent that the Manager may act in its own name.

3.3 Standard of Service. In performing its duties and obligations pursuant to this Agreement and providing the services described herein, the Manager shall perform its duties on a fair and equitable basis, operate the Owner Containers in accordance with its reasonable business practices and with no less than the same skill and care with which it manages all of the Managed Containers generally without preference to ownership thereof, and no preference will be afforded to or against the Owner Containers; provided however that during the entire Term, the Manager shall operate the Owner Containers at a level of service comparable to or better than that generally engaged in by the Manager with respect to the Managed Containers as of the Effective Date. Subject to the provisions of Clause 3.2 and this Clause 3.3, the Manager shall have absolute discretion as to the manner of performance of its duties and the exercise of its rights under this Agreement. WITHOUT LIMITING THE FOREGOING AND FOR THE AVOIDANCE OF DOUBT, THE MANAGER DOES NOT MAKE AND HEREBY DISCLAIMS FOR THE ENTIRE TERM HEREOF ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY OR GUARANTEE REGARDING ANY FINANCIAL PERFORMANCE OF THE OWNER CONTAINERS, INCLUDING BUT NOT LIMITED TO ANY ABILITY OF THE OWNER OR ANY THIRD PERSON TO PAY THE OBLIGATIONS UNDER THE CONTAINER DEBT OR OTHER DEBT OR OBLIGATION AT ANY TIME.

3.4 Minimum Fleet Size. If all of the Owner Containers (under this Agreement and under the Second Management Services Agreement) represent fewer than five hundred (500) CEU and to the extent the Owner has the power to sell the Owner Containers, then Manager or an Affiliate of Manager shall have the right and option (but no obligation) to purchase all of the Owner Containers at their net book value as determined in this Clause 3.4. The net book value of each Owner Container that is not subject to a Finance Lease shall equal, as of the date of determination, an amount equal to the Original Equipment Cost of such Container, less accumulated depreciation at the rate of six percent (6%) per year, prorated for any partial year. The net book value of each Owner Container that is subject to a Finance Lease shall be determined in accordance with GAAP. Within this paragraph and with respect to the (500) CEU " Original Equipment Cost" means an amount equal to the sum of the manufacturer's or vendor's invoice of the related Container plus the cost of (i) positioning such Container (by means of ocean freight, trucking or rail) from its purchase location to any location where such Container is first put on Lease, (ii) initial certification, (iii) initial painting, repairs and decaling, if such Container is purchased used, (iv) cost of factory inspection, if any, conducted by Manager and (v) all other costs or expenses associated with taking title to and placing such Container into initial service, but excluding storage costs, foregone rental income (free days granted), damage protection plan costs incurred, and credits for pick-up or drop-off.

3.5 Compliance with Laws and Agreements. The Manager will comply, in all material respects, with all Applicable Laws relating to Owner Containers and with all contractual obligations under the P&R Lease Agreement and the DTF Lease Agreement or any part thereof, to the extent that Owner (or the relevant Capital Companies) has granted Manager the right necessary to so comply and provided that such leases have not been amended since the Effective Date such that the Manager would not be able to fulfill the obligations thereunder without unreasonable commercial expense; provided however that the Manager may, to the extent not otherwise prohibited under this Agreement, contest any act, regulation, order, decree or direction in any reasonable manner which shall not materially and adversely affect the rights of the Owner (or the relevant Capital Companies) or the Lenders or their respective successors and assigns in the Owner Containers.

3.6 Corporate Existence. The Manager will keep in full effect its existence, rights and franchises as a limited liability company organized under the laws of the Islands of Bermuda, and will obtain and preserve its qualification in each jurisdiction in which the absence of such qualification could reasonably result in a material adverse effect on the Manager's ability to perform its duties and obligations hereunder or otherwise result in a material adverse effect on the rights of the Owner (or the relevant Capital Companies) with respect to the Owner Containers.

4. AUTHORITY; CONSENTS.

The Owner confers (and will cause the Capital Companies to confer) on the Manager all such authorities and grants all such consents as may be necessary for the Manager's performance of its duties under this Agreement, agrees to comply with Applicable Laws in connection with the Owner Containers, and will, at the request of the Manager, confirm any such authorities and consents to any third parties, execute such other documents and do such other things as the Manager may reasonably request for the purpose of giving full effect to this Agreement and enabling the Manager to carry out its duties hereunder.

5. MANAGEMENT FEE. In consideration of the Manager providing management services to the Owner (or the relevant Capital Companies) hereunder, the Owner shall pay a monthly fee ("Management Fee") for each full calendar month (and otherwise on a pro rata basis) during the Term equal to the sum of:

(a) The product of (i) the NOI for the Owner Containers that are subject to a Master Lease for each calendar month, multiplied by (ii) ten percent (10%); plus

(b) The product of (i) the sum of the NOI for such month of the Owner Containers that are subject to a Term Lease, multiplied by (ii) eight percent (8%); plus

(c) The product of (i) the Finance Lease Payments for such month multiplied by (ii) two percent (2%); plus

(d) A fee of ten percent (10%) of the Sales Proceeds from the sale of any Owner Container except for any sale (i) to Manager or any Affiliate of Manager, (ii) pursuant to the exercise of a purchase option contained in a Lease, or (iii) that is due to a Casualty Loss.

The Management Fee shall be payable from amounts on deposit in the Manager Collection Account. So long as no Manager Default or Termination Right Event has occurred and is then continuing, the Manager shall be entitled to withhold such Management Fee from amounts required to be deposited into the Owner Bank Account, such withholding to be accomplished as described in Clause 6.2; otherwise the Owner shall pay the Management Fee to the Manager within fifteen (15) Business Days of the end of the calendar month for which the Management Fee accrued.

As contemplated in further detail in Clause 10 below, TEML shall have no obligation to manage the Owner Containers under this Agreement until the Management Date (as defined below). Should the Management Date occur prior to September 1, 2007, then, TEML shall be entitled to 50% of the Management Fee, as calculated in this Agreement, relating to the period between the Closing and the Management Date (the "Interim Management Fee"). If the Management Date occurs after September 1, 2007, then TEML shall not be entitled to any management fee under this Agreement prior to the Management Date. The Interim Management Fee shall be paid by the Owner to TEML on the Management Date, to the extent the relevant payments are actually received. After the Management Date, the Owner shall remit to TEML any Interim Management Fee promptly after receipt of the relevant payment under the Leases, but in any event no later than 5 Business Days after such receipt. For the avoidance of doubt, if the Interim Management

Fee is not paid within this 5 Business Days, Manager's rights under Clause 6.2 shall apply to the Interim Management Fee.

6. PAYMENTS TO AND FROM OWNER.

6.1 Distribution of Net Owner Proceeds.

(a) The term "Owner Proceeds" means, for the period in question (a) the sum of Gross Revenue attributable to the Owner Containers to the extent collected on a cash basis by Manager during such period; plus (b) the sum of (i) Sales Proceeds, (ii) Casualty Proceeds, (iii) Miscellaneous Owner Proceeds, and (iv) Finance Lease Payments, in each case to the extent collected by Manager on a cash basis during the period in question; minus (c) Operating Expenses attributable to the Owner Containers paid on a cash basis by the Manager during the period in question.

(b) At the end of each calendar week, based on its records of cash receipts and disbursements, the Manager will calculate the Owner Proceeds subject to adjustment when the Manager closes its books for the calendar month in which such week ends (" Pre-Adjustment Owner Proceeds"). Subject to the provisions of Clauses 6.2, 6.3, and 6.4, the Manager shall, no later than seven (7) Business Days after the last Business Day of each week, distribute from the Manager Collection Account and deposit into the Owner Bank Account an amount equal to the Pre-Adjustment Owner Proceeds for such week, net of expenses (other than Operating Expenses) to be reimbursed to the Manager. In the last week of the each calendar month the Manager will deduct from the Pre-Adjustment Owner Proceeds to be deposited into the Owner Bank Account an amount equal to the actual Management Fee in the prior month as an estimate of the Management Fee (" Estimated Management Fee") for such calendar month. When the Manager closes its books for a calendar month, it will make a final determination of the Owner Proceeds and the actual Management Fee for such month. If (a) the Pre-Adjustment Owner Proceeds less the Estimated Management Fee for such month is less than (b) the actual Owner Proceeds less the actual Management Fee for such month, the Manager will remit the difference to the Owner by distributing such difference to the Owner Bank Account within ten (10) days after the close of the Manager's accounting records for such calendar month. If (a) the Pre-Adjustment Owner Proceeds less the Estimated Management Fee for such month is more than (b) the actual Owner Proceeds less the actual Management Fee for such month, the Manager will deduct the difference from one or more future payments of Pre-Adjustment Owner Proceeds to be made to the Owner.

6.2 Manager's Right of Offset. The Manager may, at its option, offset and deduct from amounts received or held by the Manager for the credit of the Owner (or the relevant Capital Companies) any amount due from the Owner (or the relevant Capital Companies) to the Manager under this Agreement.

6.3 Indemnification Proceeds. When the Manager receives Indemnification Proceeds, the Manager shall retain for its own account such Indemnification Proceeds to the extent the Manager has not been reimbursed for the costs incurred by the Manager to which such

Indemnification Proceeds apply, and shall, within seven (7) days after receipt, deposit the balance, if any, of such Indemnification Proceeds into the Owner Bank Account.

6.4 Reimbursements of Expenses to Manager. Without limiting the general indemnification obligations of the Owner pursuant to Clause 18.1 hereof, the Owner shall be responsible for the payment of, and shall reimburse the Manager for all expenses, liabilities, claims, damages, judgments, losses and costs (including, without limitation, reasonable attorneys' fees) incurred by or asserted against the Manager as a result of the Owner's failure to comply with or perform its obligations under this Agreement. The Manager may deduct such amounts from any distribution of Pre-Adjustment Owner Proceeds.

6.5 Obligation to Deposit. Except as permitted in this Clause 6, the Manager's obligation under this Clause 6 to deposit any amount to the Owner Bank Account shall be absolute and unconditional and all payments thereof shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim or any circumstance, recoupment, defense or other right which the Manager may have against the Owner or any other Person for any reason whatsoever (whether in connection with the transactions contemplated hereby or any other transactions), including without limitation, (i) any defect in title, condition, design or fitness for use, or any damage to or loss or destruction, of any Owner Container, (ii) any insolvency, bankruptcy, moratorium, reorganization or similar Proceeding by or against the Manager or any other Person, or (iii) any other circumstance, occurrence or event whatsoever, whether or not unforeseen or similar to any of the foregoing.

6.6 Withholding Tax.

(a) If at any time while this Agreement is in effect, the Manager is required by law to make any deduction or withholding on account of any tax, assessment or other governmental charge with respect to any amount payable by the Manager to Owner hereunder, the Manager shall thereupon be entitled to make the deduction or withholding, up to the amount required by law, and any amount so deducted or withheld by the Manager and paid by the Manager to the applicable taxing authority pursuant to and in accordance with the deduction or withholding requirement shall be deemed to have been paid by the Manager to Owner in satisfaction of the requirements of this Agreement.

(b) Without limiting the generality of subclause (a) above, the Owner, at Owner's expense, agrees to execute and deliver (and will cause the relevant Capital Companies to execute and deliver) all such documents and instruments, and to take all such action, as the Manager shall reasonably request to lawfully minimize amounts to be deducted or withheld pursuant to the tax deduction or withholding requirement or to obtain an exemption from the deduction or withholding requirement and to effect any necessary compliance therewith.

7. REPORTS/BOOKS AND RECORDS/INSPECTION/CONFIDENTIAL INFORMATION/AND ADDITIONAL COVENANTS.

7.1 Manager Reports. The Manager shall, no later than thirty (30) days after the end of each calendar month during the Term, deliver the Manager Report for such month to the

Owner. The Manager shall, no later than the 31st of March of each calendar year during the Term, deliver to the Owner unaudited financial reports with respect to the Owner Containers for the year ended on the preceding 31st of December, substantially in the form set forth in Schedule 2, and, if requested by the Owner, arrange for its auditors, at the expense of the Owner, to certify to the Owner that such report is in accordance with (i) the books and records of the Manager relating to the Owner Containers, and (ii) GAAP.

7.2 Manager's Financial Statements. During the Term, the Manager shall deliver or cause to be delivered to the Owner, as soon as practicable and in any event within one hundred twenty (120) days after the end of each fiscal year of the Manager, a copy of the annual audited financial statements of the Manager prepared on a consistent basis in conformity with GAAP and certified without qualification by the Manager's Independent Accountant. All such financial statements are deemed to be the Confidential Information of the Manager.

7.3 Insurance Renewal Confirmation. The Manager shall provide confirmation to the Owner and the Lenders' Agent of the renewal of insurance required by Clause 9.2 and copies of all certificates evidencing such renewal.

7.4 Other Information. Upon the written request of the Owner, the Manager shall provide to Owner in a timely manner and in the form which the Manager generally uses for its own operations, such other information regarding the Owner Containers as is reasonably available to the Manager.

7.5 Notice of Manager Default or Other Events. Without being deemed to have made any admission of law or fact or waived any of its rights or remedies, the Manager also shall deliver to the Owner and the Lenders' Security Agent:

(a) Promptly upon the Manager becoming aware of the existence of any condition or event which constitutes a Manager Default (as defined in Clause 11.1 below) or a Termination Right Event (as defined in Clause 11.2 below) or which, with notice or the passage of time or both, would become a Manager Default or a Termination Right Event, a written notice describing in sufficient detail the nature and period of existence of such Manager Default or Termination Right Event and what action the Manager is taking or proposes to take with respect thereto;

(b) Promptly upon the Manager becoming aware of:

(i) any threatened or pending investigation of the Manager by any Governmental Authority; or

(ii) any threatened or pending court or administrative Proceeding which individually or in the aggregate involves the possibility of materially and adversely affecting a material portion of the Owner Containers or the Managed Containers or the business or financial conditions of the Manager;

a written notice specifying in sufficient detail the nature of such investigation or Proceeding and what action the Manager is taking or proposes to take with respect thereto and an evaluation of the merits thereof, provided such evaluation can be reasonably made

and provided further that the provision of such evaluation will not materially prejudice the Manager in connection with such investigation or Proceeding or constitute a waiver of the attorney-client privilege or attorney work product doctrine or similar rights in any relevant jurisdiction; and further subject to the confidentiality provisions of Clause 7.8.

7.6 Books and Records. The Manager shall maintain, at its office or at the office of its Affiliate, Textainer Equipment Management (U.S.) Limited, located at 650 California Street, 16th floor, San Francisco, California 94108 USA, such books and records (including computer records) with respect to the Owner Containers as it maintains for the Managed Containers and the leasing thereof, including a computer database including the Owner Containers, any Leases relating thereto and the Lessees (if on-hire) or location (if off-hire). The Manager shall notify the Owner of any change in the location of the Manager's books and records.

7.7 Operational Reviews and Inspections.

(a) Upon reasonable request by the Owner or the Lenders' Security Agent, representatives of the Owner and/or of the Lenders' Security Agent may visit the offices of the Manager and its Affiliates for the purpose of inspecting its Leases and inspecting or copying its books, records, reports and other documents relating to the Owner Containers (such inspection, an "Operational Review"); provided however that such representatives may inspect but shall not be entitled to copy any Leases (which are Confidential Information). During each such Operational Review, the Person conducting such inspection shall also be afforded supervised review of the data contained in Manager's computer systems and data contained therein pertaining to the Owner Containers, subject to appropriate security safeguards. Any such Operational Review shall be conducted during normal business hours and shall not unreasonably disrupt the Manager's business. The Owner and the Lenders' Security Agent shall use reasonable efforts to coordinate, to the extent possible, the timing of each of their Operational Reviews and shall each have the right to one (1) such Operational Review per calendar year, to be conducted at the sole expense of the Owner. Neither the Owner nor the Lenders' Security Agent shall be under any obligation to conduct any such Operational Reviews and any such Operational Review shall not relieve the Manager of or constitute any waiver of any of the obligations of the Manager hereunder.

(b) The Owner and the Lenders' Security Agent shall have the right, upon reasonable request, to inspect the Owner Containers at any time, upon reasonable notice and to the extent the Manager has access thereto, subject to the Leases, and provided such inspection does not interfere with utilization of the Owner Containers in the ordinary course of business.

7.8 Confidential Information.

(a) By accepting its respective rights under this Agreement, each of the parties (each a " Recipient") is deemed to have agreed to hold in strict confidence and not disclose to any third Person at any time any and all of the information and matters (collectively, " Confidential Information") which is or will be disclosed to Recipient by or on behalf of the Manager or the Owner pursuant to this Agreement (including but not

limited to this Clause 7). Each Recipient may disclose the Confidential Information only to its Affiliates, employees, representatives, accountants, legal counsel, financial advisors, lenders, agents, and in the case of the Owner, the Lenders and the Lenders' Security Agent (collectively with the Recipient, the "Recipient Parties") who need to know such information and who are bound by restrictions regarding nondisclosure and use of such information comparable to and no less restrictive than those set forth herein. Each Recipient Party shall take the same degree of care that it uses to protect its own confidential and proprietary information of similar nature and importance (but in no event less than reasonable care) to protect the confidentiality and avoid the unauthorized use, disclosure, publication or dissemination of the Confidential Information. None of the Recipient Parties further shall use any of the Confidential Information for the benefit of itself or any third Person; provided however that notwithstanding the foregoing any Recipient Party on its behalf may disclose the Confidential Information to any Recipient Parties and may itself use the Confidential Information as is necessary to perform its obligations or preserve or enforce its rights under this Agreement or any related agreement.

(b) The foregoing obligations of this Clause 7.8, including the restrictions on disclosure and use, shall not apply with respect to any Confidential Information to the extent such Information: (i) is or becomes readily known to the general public through no act or omission of any Recipient Party; (ii) is required by involuntary legal process under order of a court or other Governmental Authority of competent jurisdiction; provided however that prior to any such compelled disclosure, the Recipient Party shall give the Manager reasonable advance notice of any such disclosure and shall cooperate with the Manager in protecting against any such disclosure and obtaining a protective order narrowing the scope of such disclosure and use of the Confidential Information; (iii) is legally required to be disclosed pursuant to applicable securities or banking or financial laws to relevant regulatory authorities, provided however that the content of any statement or submission or announcement that shall become public shall be subject to reasonable notice of such intended disclosure to the disclosing party to the extent reasonably practicable; or (iv) is approved for disclosure in advance by the Manager in its discretion.

(c) Except as otherwise expressly provided herein, all of the Confidential Information shall be and remain the exclusive property of the Manager or the Owner (or the relevant Capital Companies), as the case may be; no express or implied interest or license in the Confidential Information is being granted; and all rights and interests therein are reserved.

(d) Except as may be otherwise expressly agreed to in writing, and in addition to the other limitations in this Agreement, no representations or warranties of any kind, whether express or implied or written or oral, are given by the disclosing party with respect to any Confidential Information or the use or accuracy thereof, all of which are disclaimed; and the Confidential Information is provided on an "AS IS" basis.

(e) Recipient agrees that, due to the unique nature of the Confidential Information, the unauthorized disclosure or use of such Confidential Information may

cause irreparable harm and significant injury to the disclosing party, the extent of which may be difficult to ascertain and for which there may be no adequate remedy at law. Recipient therefore agrees that the disclosing party, in addition to any other available remedies, shall have the right to seek an immediate injunction and other equitable relief enjoining any breach or threatened breach of this Agreement without the necessity of posting any bond or other security.

(f) Notwithstanding anything to the contrary contained herein, each Recipient (and each employee, representative, or other agent of such Person or entity) may disclose to any and all Persons, without limitation, the tax treatment and tax structure of the transaction (as defined in United States Treasury Regulation Section 1.6011-4) and all related materials of any kind, including opinions or other tax analyses, that are provided to such Person or entity. However, such Person or entity may not disclose any other information relating to this transaction unless such information is related to such tax treatment and tax structure. The parties to this Agreement acknowledge that, effective immediately upon commencement of discussions between them with respect to the services to be performed and the other transactions between the parties to be consummated pursuant to this Agreement (the "Transactions"), each of them (and each of their employees, representatives, or other agents) has been and is permitted to disclose to any and all Persons, without limitation of any kind, the federal tax treatment and federal tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are or have been provided to them relating to such federal tax treatment and federal tax structure. This provision is intended to qualify the Transactions as not offered under conditions of confidentiality as set forth in Section 1.6011-4(b)(3) of the US Treasury Regulations and shall be interpreted to authorize disclosure only to the extent necessary to so qualify. The parties to this Agreement acknowledge that this written authorization does not constitute a waiver by any party of any privilege held by such party pursuant to the attorney-client privilege or the confidentiality privilege of the US Internal Revenue Code Section 7525(a), to the extent applicable; and does not constitute an admission that any of the parties or any of the Transactions are subject to US tax laws or reporting obligations.

(g) The obligations of this Clause 7.8 with respect to any item of Confidential Information shall survive any termination or expiration of this Agreement.

8. WARRANTIES; DISCLAIMERS; LIMITATIONS.

Without limiting any other limitations or disclaimers set forth in this Agreement:

8.1 REPRESENTATION DISCLAIMER. THE MANAGER SHALL HAVE NO LIABILITY FOR AND MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL OR BASED ON A COURSE OF DEALING OR USAGE OF TRADE, WITH RESPECT TO (A) THE CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR THE ABSENCE OF DEFECTS, WHETHER OR NOT DISCOVERABLE, ANY OBLIGATIONS BASED ON STRICT LIABILITY IN TORT, OR (B) THE FINANCIAL PERFORMANCE OF THE OWNER CONTAINERS OR THE

LESSEES OR ANY OTHER PERSON; AND ALL SUCH REPRESENTATIONS AND WARRANTIES ARE HEREBY DISCLAIMED.

8.2 LIMITATION ON DAMAGES. IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON UNDER ANY LEGAL OR EQUITABLE THEORY FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, HOWEVER CAUSED, INCLUDING BUT NOT LIMITED TO ANY DAMAGES FOR LOSS OF PROFITS, REVENUE OR BUSINESS UNDER ANY THEORY OF LIABILITY (WHETHER IN CONTRACT, TORT, STATUTE OR OTHERWISE), EVEN IF SUCH PARTY HAS BEEN ADVISED OF OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY CONTRARY PROVISION OF THIS AGREEMENT OR ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY OR LIMITATION OF LIABILITY OF ANY KIND, PROVIDED THE PARTIES AGREE THAT THE LOSS OF MANAGEMENT FEE UNDER THIS AGREEMENT IS NOT CONSIDERED CONSEQUENTIAL DAMAGES OR LIMITED UNDER THIS CLAUSE.

9. INSURANCE.

9.1 Lessee/Depot Coverage. The Manager shall require that all Lessees and Container depots (via third-party insurance, or self insurance when acceptable to the Manager) insure the Owner Containers against all normally insurable risks (including, but not limited to, liability and loss and damage) while the Owner Containers are under the control of such Person.

9.2 Contingent Insurance Coverage. The Manager shall to the extent available on commercially reasonable terms, obtain and maintain in force contingency insurance, upon such terms, in such amounts, against such risks and with such deductibles as is maintained by the Manager for the Managed Containers as a whole against all or any portion of the risks described in Clause 9.1, which may provide coverage when: (i) recoveries are not effected under any policies in force pursuant to Clause 9.1, and/or (ii) any Owner Container is not returned to Manager by a Lessee (including coverage of the costs of recovering such Container), or (iii) a Lessee or Container depot fails to obtain insurance as provided under Clause 9.1. Such insurance may be effected by a policy that covers the Managed Containers as a whole, and shall include, with respect to the Owner Containers, an additional insured endorsement in favor of the Owner and the Lenders' Security Agent and a loss payee endorsement in favor of the Owner (or the relevant Capital Companies) and the Lenders' Security Agent.

9.3 Appointment of Manager as Agent. Subject to the condition precedent of the execution and closing of the SPA and the TEML Purchase Agreement, the Owner hereby irrevocably appoints (and hereby causes the relevant Capital Companies to appoint) the Manager during the Term as the agent of the Owner (or the relevant Capital Companies) for the purpose of receiving all monies payable under such policy or policies of insurance as described in Clauses 9.1 and 9.2, whether effected by the Manager, depots or Lessees, and for the purpose of settling claims with the applicable insurance companies on such terms as Manager shall, in its sole discretion, determine.

9.4 No Liability. The Manager shall have no liability for any loss, damage, recovery cost or other cost or expense whatsoever with respect to a lost or destroyed or damaged Owner Container, whether or not covered by insurance.

10. TERM; RESIGNATION BY MANAGER.

10.1 Term. Subject to the execution and closing of the SPA, the TEML Purchase Agreement, the Second Purchase Agreement and the Second Management Agreement, the term of this Agreement ("Term") shall come into force as of the date when TEML provides notice to the Owner, as soon as possible after the Effective Date but in no event more than 2 months thereafter, that it will begin to manage Containers under this Agreement (such date, the "Management Date") and, subject to the provisions of Clause 11, shall continue in force with respect to an Owner Container until the date such Owner Container becomes a Terminated Owner Container. Notwithstanding anything to the contrary herein and for the avoidance of doubt, (i) TEML has no obligations to manage the Owner Containers under this Agreement until the Management Date, except to assist the Owner and respectively the relevant Capital Companies in accordance with Clause 2.3 of the TEML Purchase Agreement and (ii) TEML shall only be entitled to the Management Fee, even after expiry of the 2 month period set forth in this paragraph, once it has actually begun to manage the Owner Containers.

10.2 Resignation. The Manager may not resign from its obligations and duties as the Manager hereunder, except (i) with the prior written consent of the Owner or (ii) upon a determination by the Manager that the performance by the Manager of its duties under this Agreement is no longer permissible under Applicable Law, which determination shall be evidenced by an opinion of counsel, in form and substance reasonably satisfactory to the Owner. No such resignation shall, to the extent consistent with Applicable Law, become effective until the Replacement Manager has taken over the management of the subject Owner Containers.

11. MANAGER DEFAULT; TERMINATION RIGHT EVENTS

11.1 Manager Default. Any of the following events or conditions shall constitute a default of the Manager hereunder (" Manager Default"):

(a) The Manager shall fail to make any deposit to the Owner Bank Account, or deliver a report required under Clause 7.1 or Clause 7.2 hereof when due unless such failure is cured within ten (10) days after the occurrence of such failure;

(b) The Manager shall fail to perform or observe, or cause to be performed or observed, in any material respect any other covenant or agreement contained herein and such failure shall continue unremedied for a period of thirty (30) days after the earlier to occur of (i) the date an officer of the Manager has Knowledge thereof or (ii) the date the Manager receives notice thereof, unless the nature of Manager's noncompliance is such that more than thirty (30) days is reasonably required for its cure and Manager has, in good faith, commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(c) Any representation or warranty made by the Manager in this Agreement, or in any certificate, report or financial statement delivered by it pursuant hereto proves

to have been untrue in any material and adverse respect when made and continues unremedied for a period of thirty (30) days after the earlier to occur of (i) the date an officer of the Manager has Knowledge thereof or (ii) the date the Manager receives notice thereof, unless the nature of Manager's noncompliance is such that more than thirty (30) days is reasonably required for its cure and Manager has, in good faith, commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(d) Except as permitted by Clauses 13 and 21.5, the Manager shall assign all or substantially all of its interest under this Agreement.

11.2 Termination Right Event. Any of the following events shall constitute a " Termination Right Event":

(a) Without the prior joint written consent of the Owner, which shall not be unreasonably withheld or delayed, and the Lenders' Security Agent (i) any Person, other than Textainer Group Holdings Limited or its successor, owns, directly or indirectly, more than fifty percent (50%) of the aggregate voting power of all classes of voting stock of the Manager, (ii) the Manager amalgamates or consolidates with, or merges with or into, another Person, or (iii) the Manager sells, assigns, conveys, transfers, leases or otherwise disposes of (in each case, whether in one transaction or a series of transactions) all, or substantially all, of its assets to any Person, or (iv) any Person amalgamates or consolidates with, or merges with or into, the Manager; unless, after giving effect to any such transaction, (A) (1) the Manager is the surviving entity, or (2) the Manager is consolidated with or succeeded by another Person, and the shareholders of the Manager immediately prior to such transaction hold, directly or indirectly, more than fifty percent (50%) of the voting power of such consolidated or successor entity immediately after such transaction, or (3) a majority of the management team of the Manager remains in place after such transaction, and (B) no Manager Default or Termination Right Event (or event or condition which with the giving of notice or the passage of time would become a Manager Default or Termination Right Event) would occur after giving effect to such transaction;

(b) The Manager shall cease to be engaged in the Container management business (subject to the provisions of Force Majeure set forth in Clause 16);

(c) The Manager shall be adjudicated or found bankrupt or insolvent by any competent court in an involuntary bankruptcy or insolvency proceeding or an order shall be made by a competent court or a resolution shall be passed for the winding-up or dissolution of the Manager or a petition shall be presented to, or an order shall be made by, a competent court for the appointment of an administrator of the Manager, and such adjudication, finding, order or petition shall not have been stayed, vacated or dismissed within sixty (60) days after the making of such adjudication, finding, or order, or the presentation of such petition; or

(d) The Manager shall suspend payment of its debts generally or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall commence a

bankruptcy or insolvency proceeding or shall take any company action in furtherance of any such action.

11.3 Rights and Remedies on Manager Default or Termination Right Event. If a Manager Default or a Termination Right Event shall have occurred and be continuing, subject to any right to cure hereunder, the Owner and the Lenders' Agent, acting jointly and not severally, have the right and power to declare an event of Manager Default or a Termination Right Event and terminate all the rights and obligations of the Manager under this Agreement (the date the Owner has been notified of such termination shall be the "Termination Notice Date") and appoint a Replacement Manager to manage the Owner Containers. In the case of a Manager Default only, the foregoing rights shall be in addition to any other rights or remedies the Owner may have under Applicable Law.

11.4 Owner Default. The Manager may, at its option and in addition to its other remedies at law or in equity, terminate this Agreement by delivering a written notice to such effect to the Owner in the event that the Owner fails to observe or perform any material obligation under this Agreement, where such failure shall continue for a period of thirty (30) days after delivery of written notice of demand therefor from the Manager to the Owner; provided however that if the nature of the Owner's noncompliance is such that more than thirty (30) days are reasonably required for its cure, then the Owner shall not be deemed to be in default thereof if the Owner, in good faith, has commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

11.5 Rights Upon Termination.

(a) Notwithstanding the foregoing, this Agreement shall continue in full force and effect with respect to each Owner Container and the Manager shall continue to manage each such Owner Container pursuant to the terms and conditions of this Agreement, until the date such Owner Container becomes a Terminated Owner Container.

(b) Termination of this Agreement shall be without prejudice to the rights and obligations of the parties that have accrued prior to or as the result of such termination; provided however that in the event of termination because of a Manager Default or a Termination Right Event, any amount then due to the Manager hereunder shall be reduced by the reasonable and necessary out-of-pocket costs incurred by the Owner (excluding management fees and any other costs incurred within the ordinary scope of management and operation of the Owner Containers) in connection with the removal and replacement of the Manager as manager of the Owner Containers pursuant to and in compliance with the terms and conditions of this Agreement. In the event of termination of this Agreement for any reason hereunder, as of the date of such termination the Manager shall no longer be authorized to sell any of the Owner Containers and shall not be entitled to any fee with respect to Sales Proceeds pursuant to Clause 5(d) accruing from sales pursuant to any binding contract first entered into on or after the date of such termination.

(c) The Owner and the relevant Capital Companies shall have no right to

recover possession or control of any Owner Container prior to the date such Owner Container becomes a Terminated Owner Container. Promptly after a Container becomes a Terminated Owner Container, if such Terminated Owner Container is not sold, lost or unrecoverable, the Manager shall (i) with respect to a Terminated Owner Container which is not subject to a Finance Lease, deliver to the Owner a report of the location of such Terminated Owner Container, and (ii) with respect to a Terminated Owner Container which is subject to a Finance Lease, assign such Finance Lease to the Owner or such other party as the Owner shall designate in writing to the Manager. In no event shall the Manager be obligated to act in any manner inconsistent with the rights of Lessees with respect to the Owner Containers.

11.6 Transfer to Replacement Manager. In the event of the appointment of a Replacement Manager pursuant to and in compliance with the terms and conditions of this Agreement, the Manager shall cooperate at its expense with the Owner or its assignee in transferring to such Replacement Manager the management of the Owner Containers as they become Terminated Owner Containers, including but not limited to making available all books and records (including data contained in the Manager's computer systems) pertaining to the Owner Containers, providing access to, and cooperating in the transfer of, information pertaining to the Owner Containers from the Manager's computer system to the computer system of the Replacement Manager, and taking any other action as may be reasonably requested by the Replacement Manager, the Owner or their assignees for the orderly assumption of management of the Owner Containers by such Replacement Manager.

11.7 Waiver or Forbearance of Default. The Owner or the Manager, as the case may be, (a) may in its sole discretion but shall not be obligated to waive or forbear from the declaration of any default by the other party or the exercise of any one or more of the remedies available as a consequence thereof; and (b) further may in its sole discretion but shall not be obligated to unilaterally extend any time for the performance or cure by the other party hereunder. Upon any such waiver or any permitted cure of a default, such default shall cease to exist and shall be deemed to have been remedied for every purpose of this Agreement; and each of the parties shall be restored to their respective positions prior to the existence of such default. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon except to the extent expressly so waived.

12. NON-EXCLUSIVITY OF MANAGER SERVICES.

During the Term, the Manager may provide services (whether similar or dissimilar) directly or indirectly to any other Person or on behalf of any other Person, or own, manage and transact in Containers or other property for its own account.

13. SUB-CONTRACTORS AND AGENTS.

The Owner hereby consents to and agrees that, in performing its duties hereunder, the Manager may further contract with its Affiliates to provide any or all services to be provided by the Manager, provided that: (i) the Manager shall remain primarily liable for all services that its

Affiliates have contracted to perform and (ii) any such contract or other arrangements between the Manager and its Affiliate shall terminate with respect to the Owner Containers upon the termination of the Manager hereunder. The Owner further consents to and agrees that the Manager shall be entitled to appoint subcontractors or agents who are not its Affiliates to carry out any portion of its duties hereunder; provided however that the Manager shall remain primarily liable for all such services.

14. NO LIENS ON OWNER CONTAINERS.

The Manager shall not create or permit to exist any lien or restriction of any kind in favor of any Person with respect to the Owner Containers other than Leases and other than Liens created by the Owner.

15. NO PARTNERSHIP.

Nothing in the Agreement or any performance hereunder shall be deemed to constitute a partnership or joint venture between the parties hereto.

16. FORCE MAJEURE.

Neither party shall (i) be deemed to be in breach of its obligations hereunder following the occurrence of an event of Force Majeure, or (ii) be liable to the other for any loss or damage that may be suffered as a direct or indirect result of the performance of any of their respective obligations being prevented, hindered or delayed by reason of and during the period of any event of Force Majeure. " Force Majeure" shall mean any act of God, war, riot, civil commotion, act of terrorism, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of plant or machinery, explosion, fire, flood, earthquake, impossibility in obtaining workmen, materials or transport, government action, epidemic, impossibility in obtaining access to any Owner Containers, or other circumstances whatsoever outside the reasonable control of such party affecting the performance of such party's duties hereunder. For the avoidance of doubt, nothing in this Clause 16 shall be deemed to affect the obligations of any insurer under any policy of insurance or any Lessee arising under the provisions in the applicable Lease relating to a Casualty Loss of Owner Containers.

17. CURRENCY/BUSINESS DAY.

17.1 United States Dollars. All sums payable to the Manager under this Agreement shall be paid in US Dollars; all references to dollars in this Agreement shall mean US Dollars.

17.2 Payment on Business Day. Notwithstanding anything to the contrary contained herein, if any date on which a payment becomes due hereunder is not a Business Day, then such payment may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date.

18. INDEMNIFICATION.

18.1 Owner Obligations. Subject to Clause 8.2 hereof, the Owner agrees to and hereby does fully indemnify, hold and defend each and all of the Manager and its Affiliates, and their

respective shareholders, officers, directors, agents, employees, representatives, successors and permitted assignees (collectively, " Manager Indemnified Parties") harmless from and against any and all claims, actions, suits, damages, judgments, expenses, losses or liabilities, including, without limitation, reasonable attorneys' fees and other out-of-pocket expenses incurred in defending against the same (collectively, " Claims or Losses") which may be incurred or suffered by or asserted against any Manager Indemnified Party and which arise from or relate to the Owner Containers or any services rendered or to be rendered by the Manager to or on behalf of the Owner pursuant to the terms of this Agreement; provided however that the foregoing indemnity shall not apply to any Claims or Losses to the extent caused by, or arising from, (i) the gross negligence or willful misconduct of any Manager Indemnified Party, or (ii) a breach by Manager of its contractual obligations hereunder, or (iii) any material misrepresentation made by Manager herein.

18.2 Manager Obligations. Subject to Clause 8.2 hereof, Manager agrees to, and hereby does, indemnify and hold harmless the Owner or the relevant Capital Companies, its permitted assignees and their respective officers, directors, employees and agents (each of the foregoing, an " Owner Indemnified Party") against any and all liabilities, losses, damages, penalties, costs and expenses (including reasonable costs of defense and reasonable legal fees and expenses) which may be incurred or suffered by any Owner Indemnified Party as a result of Claims or Losses to the extent caused by, or arising from, the gross negligence or the willful misconduct of Manager or a breach by Manager of its contractual obligations hereunder or any material misrepresentation made by Manager herein. Each of the Owner and the Manager hereby agree that (i) nothing contained in this Agreement (including but not limited to this Clause 18.2) shall be interpreted as an explicit or implied guarantee by the Manager of the obligations due under the Container Debt or of the performance of the Owner Containers, and any and all such guarantees are expressly disclaimed in all respects, and (ii) losses may occur for various reasons including, but not limited to, the financial inability or refusal of the Lessees to make rental payments under the Leases, and the inability of the Manager to re-lease the Owner Containers in sufficient amounts or at sufficient rates to pay obligations under the Container Debt and that Manager shall have no liability to Owner for such losses.

18.3 Survival. The respective obligations of the parties under this Clause 18 shall survive the termination of this Agreement.

19. REPRESENTATIONS AND WARRANTIES.

19.1 Representations and Warranties of Manager. As of the Effective Date, the Manager represents and warrants to the Owner and the Lender's Security Agent that:

(a) The Manager is a company duly registered in Bermuda and validly existing and in compliance under the laws of Bermuda;

(b) The Manager has the requisite power and authority to enter into and perform its obligations under this Agreement, and all requisite corporate authorizations have been given for it to enter into this Agreement and to perform all the matters envisaged hereby. Upon due execution and delivery hereof this Agreement will constitute the legal, valid and binding obligation of the Manager, enforceable against the

Manager in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity;

(c) The Manager is not in breach of its memorandum of association or bye-laws or any other agreement to which it is a party or by which it is bound in the course of conduct of its business and corporate affairs or any applicable laws and regulations of its jurisdiction of incorporation or organization in such manner as would in any such case have a materially adverse effect on its ability to perform its obligations under this Agreement;

(d) The consummation of this Agreement will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the memorandum of association or bye-laws of the Manager, or any material term of any agreement or other instrument to which the Manager is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such agreement or other instrument, or violate any order, rule, or regulation applicable to the Manager of any court or of any federal or state regulatory body, administrative agency, or other Governmental Authority having jurisdiction over the Manager or any of its properties;

(e) Except as disclosed in Schedule 3, attached and made a part hereof, to the Knowledge of the Manager, there are (i) no Proceedings or investigations pending or threatened before any court, regulatory body, administrative agency, or other tribunal or Governmental Authority (A) asserting the invalidity of this Agreement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Manager of its obligations under, or the validity or enforceability of, this Agreement, and (ii) no injunctions, writs, restraining orders or other orders in effect against the Manager that would adversely affect its ability to perform under this Agreement; and

(f) The Manager (i) has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted (except where the failure to have such licenses and permits could not individually or in the aggregate have a material adverse effect on the business or condition (financial or otherwise) of the Manager or its ability to enter into and conduct such business as currently conducted) and (ii) has the power, authority, and legal right to manage the Owner Containers and to perform its obligations under this Agreement and the transactions contemplated hereby, including performance of the duties and obligations of the Manager hereunder.

19.2 Representations and Warranties of Owner. As of the Effective Date, the Owner represents and warrants to the Manager that:

(a) The Owner is a company with limited liability duly organized, validly existing and in compliance under the laws of the Netherlands Antilles;

(b) The Owner has the requisite power and authority to enter into, deliver and perform its obligations under this Agreement, and all requisite corporate or entity authorizations have been given for it to enter into this Agreement and to perform all the matters envisaged hereby. Upon due execution and delivery hereof this Agreement will constitute the legal, valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws and equitable principles related to or limiting creditors' rights generally and by general principles of equity;

(c) The Owner has not breached its organizational documents or any other agreement to which it is a party or by which it is bound in the course of conduct of its business and corporate affairs or any applicable laws and regulations of its jurisdiction of incorporation or organization in such manner as would in any such case have a materially adverse effect on its ability to perform its obligations under this Agreement;

(d) The consummation of the transactions contemplated by and the fulfillment of the terms of this Agreement will not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time or both) a default under, the organizational documents of the Owner, or any material term of any agreement, mortgage, deed of trust, or other instrument to which the Owner is a party or by which it is bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such agreement, mortgage, deed of trust, or other instrument, or violate any law or any order, rule, or regulation applicable to the Owner of any court or of any federal or state regulatory body, administrative agency, or other Governmental Authority having jurisdiction over the Owner or any of its properties; and

(e) To the Knowledge of the Owner, there are (i) no Proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency, or other tribunal or Governmental Authority (A) asserting the invalidity of this Agreement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (C) seeking any determination or ruling that might materially and adversely affect the performance by the Owner of its obligations under, or the validity or enforceability of, this Agreement, and (ii) no injunctions, writs, restraining orders or other orders in effect against the Owner that would adversely affect its ability to perform under this Agreement.

20. AGENTS.

In order to secure the indebtedness evidenced by the Container Debt, the Owner has agreed to collaterally assign its rights under this Agreement to Lenders' Security Agent, and to create a first mortgage and security interest on the Owner Containers in favor of the Lenders' Security Agent. The Manager acknowledges the existence of, and consents to, such assignment and agrees that all payments of any kind payable hereunder to the Owner shall be paid, until further notice by the Lender's Security Agent, directly to the Owner Bank Account. The parties agree that, other than the added obligations in this Clause 20 and other than the security interest contemplated under (i) the General Security Assignment, dated as of July 23, 2007, by and between Capital Lease Limited, Capital Lease Assets Limited, Green Eagle Investments N.V. as Assignors, and ING Bank N.V. as Security Agent, and (ii) Fixed and Floating Charge over the Containers and the Capital Management Accounts, dated on or about July 23, 2007, between Capital Lease, Capital Lease Assets Limited, the Owner and ING Bank N.V., as Security Agent, both as subject to the Non-Disturbance Agreement, dated as of July 23, 2007, by and among ING Bank N.V., a limited liability company organized under the laws of The Netherlands, as agent and security agent for the senior lenders, DVB Bank America N.V., as agent for the junior lenders, ING Bank N.V., as security agent for the junior lenders, and Textainer Equipment Management Limited, as exempted company organized under the laws of Bermuda with limited liability, the Manager's consent shall not affect its rights and remedies as Manager under this Agreement. The Owner hereby directs and the Manager acknowledges that, from and after the date on which the Manager receives written notice from Lenders' Security Agent that an event of default under the Container Debt has occurred and is continuing, (i) all rights of the Owner under this Agreement, including the right of the Owner to execute any election or option or to give any notice, consent, waiver or approval, to receive copies of all notices and other instruments or communications, to accept surrender or redelivery of any Owner Container or any part thereof, as well as all the rights, powers and remedies on the part of the Owner under this Agreement, to take such action upon the occurrence of a Manager Default or Termination Right Event hereunder, including the commencement, conduct and consummation of legal, administrative or other proceedings as shall be permitted by this Agreement or by law, and to do any and all other things whatsoever which the Owner is or may be entitled to under or in respect of this Agreement and any right to restitution from the Manager or any other Person in respect of any determination of invalidity of this Agreement, shall be exercised only by Lenders' Security Agent, as assignee of the Owner's rights, (ii) all notices and communications to the Owner shall be copied to the Lenders' Security Agent.

21. GENERAL.

21.1 Notices. All notices, demands, requests and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received (i) when delivered personally; or (ii) one (1) Business Day following the day when delivered by facsimile or electronic mail with written confirmation of receipt; or (iii) one (1) Business day following the day when deposited with a reputable, established international overnight courier service for delivery to the intended addressee with next business day delivery guaranteed, prepaid and addressed as set forth below:

To Manager: Textainer Equipment Management Limited

	Century House 16 Par-la-Ville Road Hamilton HM HX, Bermuda Attention: Chief Financial Officer Fax No.: +1 (441) 295-4164 Email:
with a copy to:	Textainer Equipment Management (U.S.) Limited 650 California Street, 16th floor San Francisco, CA 94108 USA Attention: Chief Financial Officer Fax No.: +1 (415) 434-0599 Email:
To Owner:	Green Eagle Investments N.V. Schottegatweg Oost 18, Curaçao, Netherlands Antilles Attention: Willem de Bruyn Fax No.:+599 (9) 738 4602 Email:
with a copy to:	Green Eagle Investments N.V. Zeelandia Office Park Kaya WFG Mensing 14 P.O.Box 3107 Curacao; Netherlands Antilles Attention: Wilfred Bakker Fax +5999 4652366
To Lenders' Security Agent:	ING Bank NV Attn. Ben Bruens / Denice Sedney Amstelveenseweg 500, 1081 KL Amsterdam, The Netherlands Fax No.: + 31 20 5658226

Any party may change its notice address by notifying the other parties of such change of address in conformity with the provisions of this Clause 21.1.

21.2 Attorneys' Fees. If any Proceeding is brought for enforcement of this Agreement or because of an alleged dispute, breach, default, in connection with any provision of this Agreement, the prevailing party shall be entitled to recover, in addition to other relief to which it may be entitled, reasonable attorneys' fees and other costs incurred in connection therewith.

21.3 Further Acts. The Owner and the Manager shall each perform such further acts and execute such further documents as may be reasonably necessary to implement the intent of,

and consummate the transactions contemplated by, this Agreement; provided however that no material additional consideration or liability shall be required of any such party in connection with such acts.

21.4 Severability; Invalidity & Covenants.

(a) Any provision of this Agreement which held by the determination of a court or arbitrator of competent jurisdiction is unenforceable or invalid or unlawful in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability or invalidity or unlawful aspect without invalidating the remaining provisions hereof, and any such unenforceability or invalidity or unlawful aspect in any jurisdiction shall not invalidate or render such provisions unenforceable or invalid or unlawful in any other jurisdiction; and the parties shall attempt to reformulate any such invalid, unlawful or unenforceable provision to the extent reasonably possible to reflect the benefits and burdens contemplated by the parties as of the Effective Date.

(b) Notwithstanding any contrary provision of this Agreement (including subclause (a) above), (i) to the fullest extent permitted by Applicable Law the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable or invalid or unlawful in any respect; and (ii) Owner further agrees and covenants that it shall not at any time (or cause or directly instigate any other Person to) (A) assert any action or claim or counterclaim or defense seeking to have this Agreement or any material part hereof held or declared to be invalid, unlawful or unenforceable (unless entitled hereto under Clause 11 of this Agreement); (B) assign or transfer or purport to assign or transfer any of the Owner Containers or any rights therein in a manner that severs or materially impairs the rights of the Manager with respect thereto under this Agreement, unless such assignment or transfer is undertaken with the prior written consent of the Manager in its sole discretion or unless Owner ensures that the acquiror accepts the assignment of this Agreement and the assumption of the rights and obligations of the Owner hereunder as relating to the transferred Owner Containers and the corresponding Leases, or the acquiror enters into a management agreement on the same terms as this Agreement as relating to the transferred Owner Containers and corresponding Leases; subject to the foregoing conditions the Owner shall be free to transfer the Owner Containers and all other contractual relationships of Owner or the Capital Entities to any of its Affiliates; (C) assign or transfer or purport to assign or transfer any of the Owner Containers or any rights therein to any entity that a U.S. entity is prohibited by applicable laws or regulations or any Governmental Authority from engaging in business with, including entities or countries sanctioned by the Office of Foreign Assets Control (" OFAC") of the US Department of the Treasury; (D) place any lien or security interest of any kind in any right, title and interest in the Leases or any future leases under which the Owner Containers are leased out under, except to the extent such Leases or leases arise out of or in any way relate to (but only to the extent they relate to) the Owner Containers, provided, that, this Section 21.4(b)(ii)(D) does not prevent Owner from entering into (i) the General Security Assignment, dated as of July 23, 2007, by and between Capital Lease Limited, Capital Lease Assets Limited, Green Eagle Investments N.V. as Assignors, and ING Bank N.V. Netherlands as Security Agent (ii) the Fixed and Floating Charge over the Containers and the Capital Management

Accounts dated on or about July 23 2007 between Capital Lease, Capital Lease Assets Limited, the Owner and ING Bank NV as Security Agent and (iii) the assignment referred to in Clause 20; (E) amend or terminate any Leases without the consent of the Manager, which consent shall not be unreasonably withheld; or (F) lease any container that is not managed by the Manager pursuant to the this Agreement under the Leases.

Owner further acknowledges and agrees that until the Management Date (the period between Effective Date and the Management Date, the " Interim Period"), the Owner shall and shall cause Capital Lease and its Affiliates to manage the Owner Containers in the manner comparable to Capital Lease's normal course of business, consistent with past practices. In addition, during the Interim Period, the Owner shall allow representatives of TEML to be present at Capital Lease or its relevant Affiliate to participate in the various decisions related to the management of the Owner Containers.

In addition, Owner shall not, and shall cause its Affiliates and the Capital Lease and its Affiliates not to, allow any lien to exist with respect to any of the Management Rights Collateral in support of any obligations unless each of the grantee of such lien and Owner (and its Affiliates) irrevocably agrees that, while no Manager Default or a Termination Right Event is continuing, (i) such Person shall not take any action that might result in, or fail to take any action that might prevent, a loss or limitation of TEML's right to manage Owner Containers (including TEML's right to receive payment for such services as provided herein), (ii) it shall cause any future transferee of any of the Management Rights Collateral to assume such Person's obligations under this Agreement and (iii) in the case of any of Owner, any Affiliate thereof or Capital Lease or its Affiliates, in the event of any bankruptcy of such Person, it shall, and shall cause any future transferee of any of the Management Rights Collateral to, assume all of Owner's or such Affiliate's (as the case may be) obligations under the this Agreement, provided, that the Non-Disturbance Agreement dated as of July 23, 2007 among inter alia ING Bank NV, a limited liability company organized under the laws of the Netherlands, as security agent for the senior lenders and the junior lenders, and Owner, shall satisfy the requirements under this paragraph for purposes of the Container Debt.

TEML has relied upon the assignment of the P&R Agreements (as defined in the SPA) in entering into this Agreement and paying the Rights Purchase Price (as defined in the TEML Purchase Agreement). If the P&R Agreements are not allowed to be assigned within a certain period of time contemplated under Section 10.8 of the SPA, subject to certain exceptions, Seller (as defined in the TEML Purchase Agreement) shall pay to Owner $6,000,000 (the " Textainer Rebate"). Owner shall and shall cause its Affiliates and the Capital Companies to: (i) use reasonable best efforts to obtain the Textainer Rebate; (ii) grant to TEML the right to make the request to P&R contemplated in Section 10.8(a) of the SPA within one (1) Business Day of the Closing; and (iii) pay to TEML the Textainer Rebate as soon as possible after receipt of the Textainer Rebate, but in any event not more than 5 Business Days thereafter, provided that TEML shall have the right to off-set the Textainer Rebate pursuant to Section 6.2 of this Agreement if this amount is not paid within such 5 Business Days without regard to any indemnification clauses under the TEML Purchase Agreement or this Agreement. Owner acknowledges and agrees that any violation of subclause (ii) or (iii) of this paragraph shall result in liquidated damages of TEML equal to the Textainer Rebate. The Second Management Service Agreement as well as the First and Second Purchase Agreements between the Parties all contain

this payment obligation and the Parties hereby clarify that collectively there shall be only one payment owed under any such clauses.

TEML has relied upon certain rights under the SPA in entering into the TEML Purchase Agreement and paying the Rights Purchase Price. Owner shall and shall cause its Affiliates and the Capital Companies to pursue with reasonable best efforts Owner's rights under Section 10.6 and 10.8 of the SPA for TEML's benefit at its election, to the extent TEML has rights thereunder as if TEML had been deemed to be a third-party beneficiary of those sections. In addition, Owner acknowledges that TEML is relying on certain rights under the SPA and agrees not to and shall not and shall cause its Affiliates and the Capital Companies not to consent to any amendments to Sections 5, 7, 8, 9, 10.3, 10.6, 14.3, 14.4 and 14.6 of the SPA without the prior written consent of TEML, such consent not to be unreasonably withheld.

21.5 Assignment of this Agreement; Binding Effect. This Agreement shall be binding upon and inure to the benefit of, and be enforceable by, each of the Owner and the Manager, and their respective successors in interest or permitted assigns; provided however that this Agreement and the rights and duties of a party hereunder may not be assigned or transferred by such party to any other Person, other than an Affiliate of such party, without obtaining the prior written consent of the other party in its sole discretion. For the avoidance of doubt the Owner shall be free to assign and transfer this Agreement to any of its Affiliates. Any purported assignment or transfer by a party, except as permitted herein, shall be null and void. Notwithstanding the above, the Manager hereby acknowledges and agrees that the Owner shall collaterally assign all of its rights, title and interest under this Agreement to the Lenders' Security Agent. The Manager hereby consents to such assignment and agrees that subject to the terms and conditions of such assignment Lenders' Security Agent shall be entitled to enforce this Agreement directly against the Manager as if a party hereto.

21.6 Waiver. Waiver of any term or condition of this Agreement (including any extension of time required for performance) shall be effective only if in writing signed by the party granting such waiver, and any such waiver shall not be construed as a waiver of any subsequent breach or waiver of the same term or condition or a waiver of any other term or condition of this Agreement. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver hereof.

21.7 Interpretation and Construction.

(a) Any reference herein to a section or clause shall be deemed to include a reference to any subsection and sub-clause thereof. The titles and subtitles used in this Agreement, the table of contents and the recitals at the beginning of this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. Any reference made in this Agreement to a statute or statutory provision shall mean such statute or statutory provision as it has been amended through the date as of which the particular portion of the Agreement is to take effect, or to any successor statute or statutory provision relating to the same subject as such statutory provision referenced in this Agreement, and to any then applicable rules or regulations promulgated thereunder.

(b) The words “include” and “includes” and “including” and variations thereof used herein shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words “without limitation” in each case, unless otherwise expressly indicated to the contrary. The words “herein,” “hereof,” “hereunder” and words of similar import shall refer to this Agreement as a whole (including its Schedules and Exhibits), unless the context clearly indicates to the contrary.

(c) Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

(d) This Agreement has been carefully negotiated between the parties hereto with the full involvement and assistance of their respective legal counsel. The construction of this Agreement shall not take into consideration the party who drafted or whose representative drafted any portion of this Agreement. No canon of construction or presumption or other laws or rules relating to the interpretation of contracts against the drafter of any particular clause shall be applicable and each party expressly waives the same.

21.9 Entire Agreement. This Agreement, the TEML Purchase Agreement, the Second Purchase Agreement, the Second Management Agreement and the SPA (to the extent referred to herein), including the Exhibits and Schedules hereto and thereto, set forth the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein, and supersede all prior or contemporaneous agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written or express or implied, by any party or any officer, employee or representative of any party hereto.

21.10 Amendment. The terms of this Agreement may be amended or modified only by a written instrument signed by the Manager and the Owner.

21.11 Counterparts. This Agreement may be signed in two or more counterparts each of which shall constitute an original instrument, but all of which together shall constitute but one and the same instrument.

21.12 Signatures. Any signature required with respect to this Agreement may be provided via facsimile or by electronic means and shall in either case be equally effective as the delivery of an originally executed counterpart.

21.13 Governing Law. This Agreement is to be construed in accordance with and governed by the internal laws of the State of California, United States of America (as permitted by Section 1646.5 of the California Civil Code as amended or superseded), without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties; provided however that any right to arbitration hereunder shall be interpreted and governed solely by the Federal Arbitration Act, 9 U.S.C. §1 et seq. (as amended or superseded). This Agreement and the transactions hereunder shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is hereby expressly excluded.

21.14 Dispute Resolution.

(a) Arbitration. Notwithstanding any contrary provision hereof, all disputes and controversies and claims arising out of or relating to or in connection with this Agreement shall be resolved exclusively by binding arbitration conducted by a single neutral arbitrator generally qualified in the subject matter of the dispute. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association and shall be held in San Francisco, California. A party may seek confirmation and enforcement by any court of competent jurisdiction of any final award; or any injunctive or other interim relief provided by the arbitrator without waiting for a final award by the arbitrator. Either party also may bring an action in a court of competent jurisdiction to compel arbitration under this Agreement or for emergency injunctive relief pending the outcome of such arbitration. The cost of any such arbitration shall be borne equally by the parties involved unless the arbitrator(s) deem such division of costs to be inequitable, in which event the arbitrator(s) may allocate the costs of arbitration among the parties thereto as they deem just and equitable under the circumstances. The parties hereto specifically agree that the provisions of Section 1283.05 of the Code of Civil Procedure of the State of California (as amended or superseded) are incorporated into, made a part of, and made applicable to any arbitration pursuant to this Clause where the aggregate amount in controversy exceeds Ten Thousand U.S. Dollars (US$10,000), exclusive of costs, expenses and fees.

(b) Jurisdiction and Venue. Subject to and limited by the foregoing arbitration provisions of Clause 12.14(a), any such disputes and controversies and claims arising out of or relating to or in connection with this Agreement and subject to litigation shall be resolved by the state and federal courts exclusively located in the City and County of San Francisco, California, U.S.A. All proceedings shall be conducted in English. Each party hereto waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and, solely for the purposes of enforcing this Agreement, irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding. Provided that if the state and federal courts located in the City and County of San Francisco, California, U.S.A. do not accept jurisdiction thereof, then the party filing suit may do so in such other appropriate jurisdiction as selected by the filing party in its sole discretion.

(c) Service of Process. Process in any such action or proceeding may be served on any party anywhere in the world. The parties agree that delivery of any process in any means generally provided for notice pursuant to the notice provisions of Clause 21.1 hereof shall constitute valid and lawful service of process against the addressee, without the necessity for service by any other means provided by statute, court rule or other Applicable Law. Nothing in this Clause however shall affect the right of any party to serve process in any other manner permitted by law. The parties hereby irrevocably authorize and appoint the Persons specified below (or such other Persons as it may by notice to the other party hereto substitute) to accept service of all legal process arising out of or connected with this Agreement and service on such Person (or such substitute) shall be deemed to be service on the party concerned:

Manager:

Textainer Equipment Management Limited
c/o Textainer Equipment Management (US) Limited
650 California Street, 16th Floor
San Francisco CA 94108 USA
Attention: Chief Financial Officer
Fax No: +1-415-434-0599
Email:

Owner:

Green Eagle Investments N.V.
Schottegatweg Oost 18,
Curaçao, Netherlands Antilles
Attention: Director
Fax No.: +599 (9) 738 4602
Email:

Lender's Security Agent

ING Bank NV
Attn. Ben Bruens / Denice Sedney
Amstelveenseweg500,
1081 KL Amsterdam,
The Netherlands
Fax No.: + 31 20 5658226

21.15 WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO AND LIMITED BY THE ARBITRATION PROVISIONS OF CLAUSE 21.14 HEREOF, EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTIES HERETO, ANY RIGHTS IT MAY HAVE TO A JURY TRIAL IN RESPECT OF ANY CIVIL ACTION OR PROCEEDING (WHETHER ARISING IN CONTRACT OR TORT OR OTHERWISE), INCLUDING ANY COUNTERCLAIM, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of _____.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED

By: _____
Name D. R. Cottingham
Title Director

Date Signed: _____

GREEN EAGLE INVESTMENTS N.V.

By: _____
Name Lars Jessen
Title Proxy

Date Signed: _____

Schedules

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Exhibit 21.1

Name	Jurisdiction
Textainer Limited	Bermuda
Textainer Equipment Management Limited	Bermuda
Textainer Equipment Management (S) Pte Ltd	Singapore
Textainer Equipment Management (U.S.) Limited	Delaware
Textainer Equipment Management (U.K.) Limited	United Kingdom
Textainer Marine Containers Limited	Bermuda

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Textainer Group Holdings Limited:

We consent to the use of our report included herein and to the reference to our firm under the heading "Experts" in the prospectus.

Our report refers to a change in accounting policy. As discussed in Note 1(l) to the consolidated financial statements, effective January 1, 2007 the Company adopted FASB Staff Position AUG AIR-1 (FSP), Accounting for Planned Major Maintenance. The FSP was retrospectively applied adjusting all financial statements presented.

/s/ KPMG LLP
San Francisco, California
September 25, 2007