UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number 001-33725

Textainer Group Holdings Limited

(Exact name of Registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

Bermuda

(Jurisdiction of incorporation or organization)

Century House
16 Par-La-Ville Road
Hamilton HM 08
Bermuda

(Address of principal executive offices)

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
Common Shares, $0.01 par value	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

48,951,114 Common Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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In this Annual Report on Form 20-F, unless indicated otherwise, references to: (1) "Textainer," "TGH," "the Company," "we," "us" and "our" refer, as the context requires, to Textainer Group Holdings Limited, which is the registrant and the issuer of the class of common shares that has been registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended, or Textainer Group Holdings Limited 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; and (8) "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 Item 4, "Information on the Company" for an explanation of the relationship between Trencor and us.

Dollar amounts in this Annual Report on Form 20-F are expressed in thousands, unless otherwise indicated.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS; CAUTIONARY LANGUAGE

This Annual Report on Form 20-F, including the sections entitled Item 3, "*Key Information — Risk Factors*," and Item 5, "*Operating and Financial Review and Prospects*," contains forward-looking statements within the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. 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. Forward-looking statements include, among others, statements regarding: (i) our belief that a decline in container production similar to declines in 2008 and 2009 will not occur in 2012; (ii) our intention to continue purchasing new containers to replace older containers and increase the size of our fleet; (iii) our intention to actively seek accretive acquisition opportunities in the near future; (iv) our expectation that purchase and leaseback transactions will enable us to buy attractively priced containers and place them on lease; (v) our belief that we can continue to grow our fleet and therefore our revenue without a proportionate increase in our headcount; (vi) the possibility that many shipping lines will find it more cost-effective to extend leases on in-fleet containers than either buying or leasing new ones; (vii) our belief that the diversity in our funding and our access to public equity markets provide us with an advantage in cost and availability of capital; (viii) our belief that many of our customers will renew leases for containers that are less than sale age; (ix) our belief 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; (x) our expectation that utilization may continue its slight decline during the first quarter of 2012, but that the overall level will remain attractive and may level off or start to improve during the second quarter of 2012; (xi) our belief that with 78% of our owned and managed fleet committed to long-term and direct financing and sales-type leases, we have a sizeable contracted revenue stream which will continue to provide our shareholders with attractive returns; (xii) our beliefs regarding the impact from our adoption of new accounting standards; (xiii) our belief 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 for the next twelve months; and (xiv) our expectation that we will generate sufficient operating cash flow to meet our ongoing contractual obligations in the forseeable future.

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 Item 3, "*Key Information—Risk Factors*" and elsewhere in this Annual Report on Form 20-F.

We believe that it is important to communicate our future expectations to potential investors, shareholders and other readers. 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 in Item 3, "*Key Information — Risk Factors*," as well as any cautionary language in this Annual Report on Form 20-F, 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 decide to buy, hold or sell our common shares, you should be aware that the occurrence of the events described in Item 3, "*Key Information — Risk Factors*" and elsewhere in this Annual Report on Form 20-F could negatively impact our business, cash flows, results of operations, financial condition and share price. Potential investors, shareholders and other readers 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 Item 3, "*Key Information — Risk Factors*" or elsewhere in this Annual Report on Form 20-F, which could 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 Annual Report on Form 20-F as a result of new information, future events or developments, except as required by federal securities laws. You should read this Annual Report on Form 20-F and the documents that we reference and have filed as exhibits 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.

Industry data and other statistical information used in this Annual Report on Form 20-F 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.

In this Annual Report on Form 20-F, 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 Item 18, " *Financial Statements*" in this Annual Report on Form 20-F.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The selected financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2011, 2010 and 2009 and under the heading "Balance Sheet Data" as of December 31, 2011 and 2010 have been derived from our audited consolidated financial statements included in Item 18, "*Financial Statements*" in this Annual Report on Form 20-F. The selected financial data presented below under the heading "Statement of Income Data" for the years ended December 31, 2008 and 2007 and under the heading "Balance Sheet Data" as of December 31, 2009, 2008 and 2007 are audited and have been derived from our audited consolidated financial statements not included in this Annual Report on Form 20-F. The data presented below under the heading "Other Financial and Operating Data" are not audited. Certain reclassifications of prior year amounts have been made in order to conform with the 2011 financial statement presentation. 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 Item 5, " *Operating and Financial Review and Prospects*" and with Item 18, "*Financial Statements*" in this Annual Report on Form 20-F.

	Fiscal Years Ended December 31,				
	2011	2010	2009	2008	2007
	(Dollars in thousands, except per share data)				
Statement of Income Data:					
Revenues:					
Lease rental income	$ 327,627	$235,827	$189,779	$198,600	$ 192,342
Management fees	29,324	29,137	25,228	28,603	24,125
Trading container sales proceeds	34,214	11,291	11,843	36,294	31,994
Gains on sale of containers, net	31,631	27,624	12,111	17,821	17,929
Total revenues	422,796	303,879	238,961	281,318	266,390
Operating expenses:					
Direct container expense	18,307	25,542	39,062	25,709	32,895
Cost of trading containers sold	29,456	9,046	9,721	28,581	26,712
Depreciation expense	83,177	58,972	48,473	48,900	48,757
Amortization expense	6,110	6,544	7,080	6,979	3,677
General and administrative expense	23,495	21,670	20,304	20,991	18,063
Short-term incentive compensation expense	4,921	4,805	2,924	4,257	4,094
Long-term incentive compensation expense	5,950	5,318	3,575	3,148	932
Bad debt expense, net	3,007	145	3,304	3,663	1,133
Gain on sale of containers to noncontrolling interest	(19,773)	—	—	—	—
Total operating expenses	154,650	132,042	134,443	142,228	136,263
Income from operations	268,146	171,837	104,518	139,090	130,127

	Fiscal Years Ended December 31, 2011	2010	2009	2008	2007
	(Dollars in thousands, except per share data)				
Other income (expense):					
Interest expense	(44,891)	(18,151)	(11,750)	(26,227)	(37,094)
Gain on early extinguishment of debt	—	—	19,398	—	—
Interest income	32	27	61	1,482	3,422
Realized (losses) gains on interest rate swaps and caps, net	(10,824)	(9,844)	(14,608)	(5,986)	3,204
Unrealized (losses) gains on interest rate swaps and caps, net	(3,849)	(4,021)	11,147	(15,105)	(8,274)
Other, net	(115)	(1,591)	35	(203)	56
Net other (expense) income	(59,647)	(33,580)	4,283	(46,039)	(38,686)
Income before income tax and noncontrolling interest	208,499	138,257	108,801	93,051	91,441
Income tax (expense) benefit	(4,481)	(4,493)	(3,471)	871	(6,847)
Net income	204,018	133,764	105,330	93,922	84,594
Less: Net income attributable to the noncontrolling interest	(14,412)	(13,733)	(14,554)	(8,681)	(16,926)
Net income attributable to Textainer Group Holdings Limited common shareholders	$ 189,606	$ 120,031	$ 90,776	$ 85,241	$ 67,668
Net income per share:					
Basic	$ 3.88	$ 2.50	$ 1.90	$ 1.79	$ 1.66
Diluted	$ 3.80	$ 2.43	$ 1.88	$ 1.78	$ 1.66
Weighted average shares outstanding:					
Basic	48,859	48,108	47,761	47,605	40,800
Diluted	49,839	49,307	48,185	47,827	40,841
Other Financial and Operating Data (unaudited):					
Cash dividends declared per common share	$ 1.28	$ 0.99	$ 0.92	$ 0.89	$ 1.14
EBITDA(1)	$ 332,212	$ 218,995	$ 168,681	$ 177,746	$ 154,022
Purchase of containers and fixed assets	$ 823,694	$ 402,286	$ 137,387	$ 305,251	$ 201,523
Utilization rate	98.30%	95.40%	87.20%	94.80%	93.90%
Total fleet in TEU (as of the end of the period)	2,469,039	2,314,219	2,239,037	2,043,778	2,039,759
Balance Sheet Data (as of the end of the period):					
Cash and cash equivalents	$ 74,816	$ 57,081	$ 56,819	$ 71,490	$ 69,447
Containers, net	1,903,855	1,437,259	1,061,866	999,411	856,874
Net investment in direct finance and sales-type leases	110,196	91,341	80,551	91,719	57,191
Total assets	2,310,204	1,747,207	1,360,023	1,303,767	1,128,346
Long-term debt (including current portion)	1,509,191	889,197	686,896	724,643	581,414
Total liabilities	1,625,278	1,076,640	786,758	795,760	674,513
Total Textainer Group Holdings Limited shareholders’ equity	683,828	583,882	500,313	449,609	404,116
Noncontrolling interest	1,098	86,685	72,952	58,398	49,717

(1) EBITDA (defined as net income attributable to Textainer Group Holdings Limited common shareholders before interest income and interest expense, realized and unrealized losses (gains) on interest rate swaps and caps, net, income tax expense (benefit), net income attributable to the noncontrolling interest, depreciation and amortization expense, gain on sale of containers to noncontrolling interest and the related impact on net income attributable to the noncontrolling interest) is not a financial measure calculated in accordance with United States 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, our ability to service our long-term debt and other fixed obligations and our ability to fund our expected 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 as follows:

- EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA 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; and
- EBITDA is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows.

The following is a reconciliation of net income attributable to Textainer Group Holdings Limited common shareholders to EBITDA and a reconciliation of net cash provided by operating activities to EBITDA:

	Fiscal Years Ended December 31,				
	2011	2010	2009	2008	2007
	(Dollars in thousands) (Unaudited)				
Reconciliation of EBITDA:					
Net income attributable to Textainer Group Holdings Limited common shareholders	$189,606	$ 120,031	$ 90,776	$ 85,241	$ 67,668
Adjustments:					
Interest income	(32)	(27)	(61)	(1,482)	(3,422)
Interest expense	44,891	18,151	11,750	26,227	37,094
Realized losses (gains) on interest rate swaps and caps, net	10,824	9,844	14,608	5,986	(3,204)
Unrealized losses (gains) on interest rate swaps and caps, net	3,849	4,021	(11,147)	15,105	8,274
Income tax expense (benefit)	4,481	4,493	3,471	(871)	6,847
Net income attributable to the noncontrolling interest	14,412	13,733	14,554	8,681	16,926
Depreciation expense	83,177	58,972	48,473	48,900	48,757
Amortization expense	6,110	6,544	7,080	6,979	3,677
Gain on sale of containers to noncontrolling interest	(19,773)	—	—	—	—
Impact of reconciling items on net income attributable to the noncontrolling interest	(5,333)	(16,767)	(10,823)	(17,020)	(28,595)
EBITDA	$ 332,212	$218,995	$168,681	$177,746	$ 154,022

	Fiscal Years Ended December 31,				
	2011	2010	2009	2008	2007
			(Dollars in thousands) (Unaudited)		
Reconciliation of EBITDA:					
Net cash provided by operating activities	$213,345	$ 163,883	$ 113,762	$ 136,409	$ 141,832
Adjustments:					
Bad debt expense, net	(3,007)	(145)	(3,304)	(3,663)	(1,133)
Amortization of debt issuance costs	(8,101)	(4,399)	(2,176)	(2,693)	(1,395)
Amortization of acquired below (above)-market leases	411	(26)	(1,456)	(963)	—
Amortization of deferred revenue	9,181	7,082	4,462	—	—
Amortization of unearned income on direct financing and sales-type leases	9,055	7,853	8,625	5,855	2,602
Gains on sale of containers, net	31,631	27,624	12,111	17,821	17,645
Gain on early extinguishment of debt	—	—	19,398	—	—
Share-based compensation expense	(6,177)	(5,457)	(3,493)	(3,022)	(911)
Interest income	(32)	(27)	(61)	(1,482)	(3,422)
Interest expense	44,891	18,151	11,750	26,227	37,094
Realized losses (gains) on interest rate swaps and caps, net	10,824	9,844	14,608	5,986	(3,204)
Income tax expense (benefit)	4,481	4,493	3,471	(871)	6,847
Increase (decrease) in:					
Accounts receivable, net	25,924	8,828	8,804	8,303	4,473
Trading containers, net	12,566	(867)	(325)	(2,214)	(164)
Prepaid expenses and other current assets	7,046	2,140	(1,538)	(2,444)	411
Due from affiliates, net	—	(126)	87	30	(6)
Other assets	(4,736)	1,561	805	2,249	381
Decrease (increase) in:					
Accounts payable	3,680	2,782	(4,156)	(310)	6
Accrued expenses	(6,503)	(2,868)	210	903	1,357
Deferred revenue	(6,713)	2,311	3,581	—	—
Due to owners, net	1,733	(3,404)	(3,264)	7,142	(11,449)
Long-term income tax payable	(1,908)	(2,165)	(2,582)	(341)	(7,821)
Deferred taxes, net	(46)	(1,306)	185	1,844	(526)
Impact of reconciling items on net income attributable to the noncontrolling interest	(5,333)	(16,767)	(10,823)	(17,020)	(28,595)
EBITDA	$332,212	$218,995	$168,681	$177,746	$ 154,022

(2) We measure the utilization rate on the basis of CEU on lease, using the actual number of days on hire, expressed as a percentage of CEU available for lease, using the actual days available for lease. CEU available for lease excludes CEU that have been manufactured for us but have not been delivered yet to a lessee and CEU designated as held-for-sale units.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. 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 Annual Report on Form 20-F, including our financial statements and the related notes thereto, before you decide to buy, hold or sell 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 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 sourcing 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. Demand for leased containers is also driven by our customers' "lease vs. buy" decisions. Economic downturns in the U.S., Europe, Asia and 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 material 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 containerized goods outside their area of production;
- the availability and terms of container financing;
- fluctuations in interest rates and currency exchange rates;
- 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, withdrawal or insolvency 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, such as the 2011 earthquake and tsunami in Japan; 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. In addition, 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.

Any deceleration or reversal of the current domestic and global economic recoveries may materially and negatively impact our business, results of operations, cash flows, financial condition and future prospects.

The past several years have been characterized by weak domestic and global economic conditions, inefficiencies and uncertainty in the credit markets, a low level of liquidity in many financial markets and extreme volatility in many equity markets and increasing sovereign credit risks. Although these conditions appear to be somewhat abating and domestic and global growth seems to be underway, it is not yet clear whether a sustainable recovery is currently taking place domestically or internationally. Any deceleration or reversal of the relatively slow and modest domestic and global economic recoveries could heighten a number of material risks to our business, results of operations, cash flows and financial condition, as well as our future prospects, including the following:

- Containerized cargo volume growth — A contraction or slowdown in containerized cargo volume growth or negative containerized cargo volume growth would likely create lower utilization, higher direct costs, weaker shipping lines going out of business, pressure for us to offer lease concessions and lead to a reduction in the size of our customers' container fleets.
- Credit availability and access to equity markets — Issues involving liquidity and capital adequacy affecting lenders could affect our ability to fully access our credit facilities or obtain additional debt and could affect the ability of our lenders to meet their funding requirements when we need to borrow. Further, a high level of volatility in the equity markets could make it difficult for us to access the equity markets for additional capital at attractive prices, if at all. If we are unable to obtain credit or access the capital markets, our business could be negatively impacted.
- Credit availability to our customers — We believe that many of our customers are reliant on liquidity from global credit markets and, in some cases, require external financing to fund their operations. As a consequence, if our customers lack liquidity, it would likely negatively impact their ability to pay amounts due to us.

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

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

- the supply of, and demand for, containers available;
- the price of new containers (which is positively correlated with the price of steel);
- 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 quantity of containers available for lease by our competitors; and
- lease rates offered by our competitors.

Most of these factors are beyond our control. In addition, lease rates can be negatively impacted by, among other things, the entrance of new leasing companies, overproduction of new containers by factories and the 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 decreased utilization rates. The impact to us of any future decrease in lease rates may be more severe than past rate decreases due to the substantial growth in our owned fleet in the past few years and the relatively high prices paid for new containers in the past year that were initially leased at historically high rates. If future market lease rates decrease, revenues generated by our fleet will likely be adversely affected, which could harm our business, results of operations, cash flows 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.

We believe that the risk of lessee defaults in 2012 may be higher than in 2011. Freight rates on the major trades lanes were severely pressured in 2011 by excess vessel capacity due to new ship production and the re-activation of previously laid up vessels. Additionally, high fuel costs continue to impact the financial performance of shipping lines. Due to these factors, many shipping lines reported large losses in 2011. While containerized trade grew in 2011, it was not sufficient to fully utilize the increased vessel capacity. Existing excess vessel capacity and continued new vessel deliveries are expected to pressure freight rates for some time. As a result we face an increased risk that our financial performance and cash flow could be severely affected by defaults by our customers.

When lessees default, we may fail to recover all of our containers, and the containers that 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 directly reduce our income and for our managed containers, lessee defaults 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. Any such future defaults could harm our business, results of operations and financial condition.

Sustained reduction in the prices of new containers could harm our business, results of operations and financial condition.

If there is a sustained downturn in new container prices, the lease rates of older, off-lease containers would also be expected to decrease. 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, results of operations and financial condition, even if this sustained reduction in price would allow us to purchase containers at a lower cost.

If we are unable to lease our new containers shortly after we purchase them, our business, results of operations, cash flows and financial condition may be harmed.

Lease rates for new containers are positively correlated to the fluctuations in the price of new containers, which is positively correlated with the price of steel, which is a major component used in the manufacture of new containers. In the past five years, we have purchased new standard 20’ dry freight containers at prices ranging from $1,730 per container to $2,995 per container. Our average new container cost per CEU increased 2.1% during 2011. 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 higher cost of the previously purchased containers. This decline could harm our business, results of operations and financial condition.

We face risks associated with re-leasing containers after their initial long term lease.

Containers have a useful economic life that is generally between 12 and 15 years. When we purchase newly produced containers, we typically lease them out under long-term leases with terms of 3 to 5 years at a lease rate that is correlated to the price paid for the container. As containers leased under term leases are not leased out for their full economic life, we face risks associated with re-leasing containers after their initial long term lease at a rate that continues to provide a reasonable economic return based on the initial purchase price of the container. If prevailing container lease rates decline significantly between the time a container is initially leased out and when its initial long term lease expires, or if overall demand for containers declines, we may be unable to earn a sufficient lease rate from the re-leasing of containers when their initial term leases expire. This could materially adversely impact our results and financial performance.

Sustained reduction in the production of new containers could harm our business, results of operations and financial condition.

The lack of new production of standard dry freight containers from the fourth quarter of 2008 through the end of 2009, combined with continued retirement of older containers in the ordinary course, led to a decline in the world container fleet of approximately 4% in 2009, creating a shortage of containers as worldwide cargo volumes increased by 12.0% in 2010 and 8.6% in 2011. During the period of decline in the world container fleet, container manufacturers lost up to 60% of their skilled work force due to long shutdowns, and had limited production capacity in 2010 as they had to hire and train a new skilled work force. Although manufacturers resumed production in 2011, if there is a sustained reduction in the production of new containers, it could impact our ability to expand our fleet, which could harm our business, results of operations and financial condition.

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 all of our containers from manufacturers based in the People’s Republic of China (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 for our supply of containers, 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. Due to consolidation in the container manufacturing industry, two major manufacturers have approximately 70% of that industry's market share. Their increased bargaining position in 2011 led to a temporary spike 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.

A contraction or slowdown in containerized cargo growth or negative containerized cargo growth would lead to a surplus of containers and a lack of storage space, which could negatively impact us.

We depend on third party depot operators to repair and store our equipment in port areas throughout the world. Growth in the world's container fleet has significantly outpaced growth in depot capacity and even in the current period of historically high utilization, we are experiencing limited depot capacity in certain major port cities, including Singapore, Hong Kong and Pusan. Additionally, the land occupied by depots is increasingly being considered prime real estate, as it is costal land in or near major cities, and this land may be developed into other uses or there may be increasing restrictions on depot operations by local communities. This could increase depots costs and in some cases force depots to relocate to sites further from the port areas. If these changes affect a large number of our depots, or if we experience a period of lower container utilization, it could significantly increase the cost of maintaining and storing our off-hire containers. Additionally, if depot space is unavailable, we may be unable to accept returned containers from lessees, which may cause us to breach our lease agreements.

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 after 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.

We derive a substantial portion of our leasing revenue 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, results of operations and financial condition.

We have derived, and believe that we will continue to derive, a significant portion of our leasing revenue and cash flow from a limited number of container lessees. Lease billings from our 25 largest container lessees by revenue represented $413.3 million or 74.6% of the total fleet billings during 2011, with lease billings from our single largest container lessee accounting for $68.4 million, or 12.4% of container lease billings during such fiscal year. Given the high concentration of our customer base, a default by any of our largest customers would result in a major reduction in our leasing revenue, large repossession expenses, potentially large lost equipment charges and a material adverse impact on our performance and financial condition.

The introduction of very large container ships (10,000 TEU+) on the major trade lanes may lead to further industry consolidation, an even greater reliance by us on our largest customers, and negatively impact the performance of smaller and mid-size shipping lines. Several of the largest shipping lines have invested heavily in these very large ships and reportedly have achieved meaningful unit cost advantages and increased market shares on the major trade lanes. In response, some smaller shipping lines have started to exit the major trade lanes, while others are seeking to form closer operating partnerships.

We face extensive competition in the container leasing industry and our lessees may decide to buy, rather than lease their containers.

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. 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 may be attracted by the high rate of containerized trade growth and the recent financial performance of the publicly traded leasing companies. New entrants may be willing to offer pricing or other terms that we are unwilling or unable to match. Additionally, the management agreements under which we manage containers for other parties do not restrict these container owners from having other container fleets managed by competing leasing companies or from directly competing with us.

We, like other suppliers of leased containers, are dependent upon decisions by shipping lines to lease rather than buy their container equipment. Shipping lines own a significant amount of the world’s intermodal containers and effectively compete with us. Should shipping lines decide to buy a larger percentage of the containers they operate, our utilization rate would decrease, resulting in decreased leasing revenues, increased storage costs and increased positioning costs. A decrease in the portion of leased containers would also reduce our investment opportunities and significantly constrain our growth.

Our results of operations are subject to changes resulting from the political and economic policies of the PRC and economic activity in the PRC.

A substantial portion of our containers are leased out from locations in the PRC. The main manufacturers of containers are also located in the PRC. The political and economic policies of the PRC and the level of economic activity in the PRC may have significant impact on our company and our financial performance.

Changes in the political leadership of the PRC may have a significant effect on laws and policies that impact economic growth and trade and the corresponding need for containers to ship goods from 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.

A large number of our shipping line customers are domiciled either in the PRC (including Hong Kong) or in Taiwan. In 2011, approximately 30.5% of our revenue was attributable to shipping line customers that were either domiciled in the PRC (including Hong Kong) or in Taiwan. All of the manufacturing facilities of the container manufacturers from which we purchased our containers in 2011 are also located in the PRC. A reduced rate of economic growth, changes to economic policy or 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 systems in the PRC and other jurisdictions have 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 are 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 that we may have under our contracts or otherwise in the PRC, our ability to compete and our results of operations could be harmed.

In addition, as our containers are used in trade involving goods being shipped to locations throughout the world, it is not possible to predict, with any degree of certainty, the jurisdictions in which enforcement proceedings may be commenced. Litigation and enforcement proceedings have inherent uncertainties in any jurisdiction and are expensive. These uncertainties are enhanced in countries that have less developed legal systems where the interpretation of laws and regulations is not consistent, may be influenced by factors other than legal merits and may be cumbersome, time-consuming and even more expensive. For example, repossession from defaulting lessees may be difficult and more expensive in jurisdictions whose laws do not confer the same security interests and rights to creditors and lessors as those in the United States and where the legal system is not as well developed. As a result, the remedies available and the relative success and expedience of collection and enforcement proceedings with respect to the containers in various jurisdictions cannot be predicted.

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. Almost all of our revenues are denominated in U.S. dollars, and approximately 64% of our direct container expenses were denominated in U.S. dollars for the year ended December 31, 2011. Accordingly, a significant amount of our expenses are incurred in currencies other than the U.S. dollar. 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. During 2011, 2010 and 2009, 36%, 34% and 38%, respectively, of the Company’s direct container expenses were paid in 18 different foreign currencies during 2011 and 2010 and 17 different foreign currencies for the year ended December 31, 2009. A decrease in the value of the U.S. dollar against non-U.S. 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, results of operations 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 and increasing our owned fleet entails increasing our debt, which could result in financial instability.

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, financing risks, 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 focus on increasing the number of owned containers in our fleet and we therefore expect our ownership risk to increase correspondingly.

As we increase the number of containers in our owned fleet, we will likely have more capital at risk and may need to maintain higher debt balances. Additional borrowings may not be available under our revolving credit facilities or our secured debt facility, 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 or may not have access on attractive terms. These effects, among others, may reduce our profitability and adversely affect our plans to maintain the container ownership portion of our business.

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, results of operations and financial condition.

A substantial portion of our containers are used in trade involving goods being shipped from the PRC and other Asian countries to the United States, Europe or other regions. The willingness and ability of international consumers to purchase foreign 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 foreign goods is related to price; if the price differential between foreign goods and domestically-produced goods were to decrease due to increased tariffs on foreign goods, strengthening in the applicable foreign currencies relative to domestic currencies, rising wages or other factors, demand for foreign 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. The current regime of relatively free trade may not continue.

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

We are 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 condition 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, purchases and disposals of containers 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 or cyber-attacks. 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, shipping line alliances, and concentration in the container shipping industry could decrease the demand for leased containers.

We primarily lease containers to container shipping lines. The container shipping lines have historically relied on a large number of leased containers to satisfy their needs. The shipping industry has been consolidating for a number of years, and further consolidation is expected. Shipping lines also form alliances to share vessel space. Consolidation of major container shipping lines and these alliances 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 or purchase their own containers, which would decrease their demand for leased containers and could harm our business, results of operations and financial condition.

Gains and losses associated with the disposition or trading 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 we believe it maximizes the projected financial return for us to do so, considering the location, sale price, cost of repair, possible repositioning expenses earnings prospects and remaining useful life. 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.

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 Item 5, "*Operating and Financial Review and Prospects*" for a discussion of our gains or losses on the disposition of used container equipment.

In addition to disposing of our fleet's used containers at the end of their useful economic life, we opportunistically purchase used containers for resale from our shipping line customers and other sellers. If the supply of equipment becomes limited because these sellers develop other means for disposing of their equipment or develop their own sales network, our equipment trading revenues and our profitability could be negatively impacted. If selling prices rapidly deteriorate and we are holding a large inventory that was purchased when prices for equipment were higher, then our gross margins from trading could decline or become negative.

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.

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

We have historically operated with, and anticipate continuing to operate with, a significant amount of debt. As of December 31, 2011, we had outstanding indebtedness of $1,509.2 million under our debt facilities. There is no assurance that we will be able to refinance our outstanding indebtedness on terms that we can afford or at all. If we are unable to refinance our outstanding indebtedness, or if we are unable to increase the amount of our borrowing capacity, it could limit our ability to grow our business.

The amount of our indebtedness, and the terms of the related indebtedness (including interest rates and covenants), 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, dividends, 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 current or future debt obligations;
- any failure to comply with our debt 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 and 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, fund future capital expenditures, 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 future 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.

The terms of our debt facilities 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 facilities, secured debt facility and 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. 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 swaps and caps on reasonable commercial terms or if a counterparty under our interest rate swap and cap agreements defaults, 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 credit facilities and our secured debt facility and intend to use borrowings under our revolving credit facilities and our secured debt facility for such funding in the future. All of our outstanding debt, other than the $380.0 million in aggregate principal amount under TMCL's Series 2011-1 Fixed Rate Asset Backed Notes are subject to variable interest rates. We have entered into various interest rate swap and cap 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. There can be no assurance that interest rate caps and swaps will be available in the future, or if available, will be on terms satisfactory to us. Moreover, our interest rate swap agreements are subject to counterparty credit exposure, which is defined as the ability of a counterparty to perform its financial obligations under a derivative contract. While we monitor our counterparties' credit ratings on an on-going basis, we cannot be certain that they will stay in compliance with the related derivative agreements and not default in the future. If we are unable to obtain interest rate caps and swaps or if a counterparty under our interest rate swap and cap agreements defaults, our exposure associated with our variable rate debt could increase.

Use of counterfeit and improper refrigerant in refrigeration machines for refrigerated containers could cause irreparable damage to the refrigeration machines, death or personal injury, and materially impair the value of our refrigerated container fleet.

There are reports of counterfeit and improper refrigerant gas being used to service refrigeration machines in depots in Asia. The use of this counterfeit gas has led to the explosion of several refrigeration machines within the industry. Three of these incidents have resulted in personal injury or death, and in all cases, the counterfeit gas has led to irreparable damage to the refrigeration machines.

Safe testing procedures are currently being developed by refrigeration manufacturers and industry participants in order to determine whether the counterfeit gas has been used to service a refrigeration machine. However, there can be no assurance that a reliable and cost effective test procedure will be successfully developed and implemented. Currently, refrigerated containers that were used, or whose refrigeration machinery was serviced in jurisdictions where counterfeit or improper refrigerant gas was found, are being isolated and idled until testing procedures can confirm that the proper refrigerant gas is in the refrigeration machines. Until such tests and procedures are developed and implemented, our ability to lease certain refrigerated containers could be limited. If such tests or procedures are not developed quickly and proven safe and effective or if the use of such counterfeit and improper refrigerant is more widespread than currently believed, the value of our refrigerated container fleet and our ability to lease refrigerated containers could be materially impaired and could therefore have a material adverse effect on our financial condition, results of operations and cash flows.

If our insurance is inadequate or if we are unable to obtain insurance, we may experience losses.

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. Our depots are also required to maintain insurance and indemnify us against losses. 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, after satisfying our deductibles, would cover loss of revenue as a result of default under most of our leases, as well as the recovery cost or replacement value of most of our containers. Lessees' and depots' insurance policies and indemnity rights may not protect us against losses. Our own insurance may prove to be inadequate to prevent against losses or in the future coverage may be unavailable or uneconomic, and losses could arise from a lack of insurance coverage.

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 depends 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 have raised.

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 election to treat certain of our subsidiaries as disregarded entities for U.S. federal income tax purposes, we do not believe we were a PFIC for any period after the IPO date and 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.

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

Textainer Group Holdings Limited is 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 or containers 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.

A portion of our income is treated as effectively connected with our conduct of a trade or business within the U.S., and is accordingly subject to U.S. federal income tax. It is possible that the U.S. Internal Revenue Service will conclude that a greater portion of our income is effectively connected income that should be 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.

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 in the future and, in that event, the amount of U.S. federal income tax that would be imposed could be material.

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

We have 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. This contract also contains an "assured access" clause that requires us to provide as many containers as the military requests, without a cap. If we do not perform under this "assured access" clause we may incur financial penalties. To date, we have met the requirements of the "assured access" clause and no penalties have occurred. 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 making any future awards. Accordingly, we cannot be certain 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 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 to be made against us.

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 and successfully integrate 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 14 years of service with us and an average of 17 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.

In October 2011, our then President and Chief Executive Officer, John Maccarone, retired and Philip Brewer was promoted to this position. At that time, Robert Pedersen was promoted to be the President and Chief Executive Officer of Textainer Equipment Management Limited, the wholly-owned subsidiary which provides container management, acquisition and disposition services for us. In September 2011, we hired Daniel Cohen as our Vice President and General Counsel, a new position. In January 2012, we hired Hilliard C. Terry, III, as our Executive Vice President and Chief Financial Officer, and Ernest Furtado, who previously held this position, became our Senior Vice President and Chief Accounting and Compliance Officer. Our success depends on the successful integration and performance of our newly hired officers and on the successful performance of our long-standing officers in their new positions.

Our success also depends on our ability to retain our experienced sales force and technical personnel as well as recruit 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 “at will” employment agreements with all of our executive officers.

The lack of an international title registry for containers increases the risk of ownership disputes.

Although the Bureau International des Containers registers and allocates a four letter prefix to every container in accordance with ISO standard 6346 (Freight container coding, identification and marking) to identify the owner/operator and each container has a unique prefix and serial number, there is no internationally recognized system of recordation or filing to evidence our title to containers nor is there an internationally recognized system for filing security interests in containers. Although this has not occurred to date, the lack of a title recordation system with respect to containers could result in disputes with lessees, end-users, or third parties who may improperly claim ownership of containers.

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

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 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.

Environmental liability and regulations 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 or compliance with 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.

Environmental regulations also impact container production and operation, including regulations on the use of chemical refrigerants due to their ozone depleting and global warming effects. Our refrigerated containers currently use R134A refrigerant. While R134A does not contain CFC's , the European Union has instituted regulations to phase out the use of R134A in automobile air conditioning systems beginning in 2011 due to concern that the release of R134A into the atmosphere may contribute to global warming. While the European Union regulations do not currently restrict the use of R134A in refrigerated containers or trailers, it is possible that the phase out of R134A in automobile air conditioning systems will be extended to containers in the future and our operations could be impacted.

Container production also raises environmental concerns. The floors of dry containers are plywood typically made from tropical hardwoods. Due to concerns regarding de-forestation and climate change, many countries have implemented severe restrictions on the cutting and export of this wood. Accordingly, container manufacturers have switched a significant portion of production to alternatives such as birch, bamboo, and other farm grown wood and users are also evaluating alternative designs that would limit the amount of plywood required and are also considering possible synthetic materials. New woods or other alternatives have not proven their durability over the typical 13-15 year life of a dry container, and if they cannot perform as well as the hardwoods have historically, the future repair and operating costs for these containers may be impacted. Also, the insulation foam in the walls of refrigerated containers requires the use of a blowing agent that contains CFC's. Manufacturers are phasing out the use of this blowing agent in manufacturing, however, if future regulations prohibit the use or servicing of containers with insulation manufactured with this blowing agent we could be forced to incur large retrofitting expenses and these containers might bring lower rental rates and disposal prices.

We are subject to certain U.S. laws that may impact our international operations and any investigation or determination that we violated these laws may affect our business and operations adversely.

As a Bermuda corporation that has a wholly-owned U.S. subsidiary with operations in the U.S., we are subject to certain U.S. laws that may impact our international operations. We are subject to the regulations imposed by the Foreign Corrupt Practices Act (FCPA), which generally prohibits U.S. companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or keeping business. We are also subject to U.S. Executive Orders and U.S. Treasury sanctions regulations restricting or prohibiting business dealings in or with certain nations and with certain specially designated nationals (individuals and legal entities). Any determination or investigation into violations of these laws and regulations could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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. 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.

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 or in each quarter of a 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 wholly-owned subsidiary, Textainer Limited's ("TL") 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) and (ii) a maximum ratio of consolidated funded debt to consolidated tangible net worth (which amount would decrease by the amount of any dividend paid). The reduction or elimination of dividends may negatively affect the market price of our common shares. 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.

We face risks in only owning a minority interest in TW Container Leasing, Ltd, our joint venture.

On August 5, 2011, a joint venture, TW Container Leasing, Ltd ("TW"), was formed between TL and Wells Fargo Container Corp, a wholly-owned subsidiary of Wells Fargo and Company. The purpose of TW is to lease containers to lessees under direct financing leases. TW is governed by members, credit and management agreements. Under the members agreement, TL owns 25% and WFC owns 75% of the common shares and related voting rights of TW. TL also has two seats and WFC has six seats on TW's board of directors, with each seat having equal voting rights, provided, however, that the approval of at least one TL-appointed director is required for any action of the board of directors. TW is our only non wholly-owned subsidiary. As we do not own the majority of TW, we face risks associated with investing in an entity that we do not control and it is possible that the interests of the controlling stockholder could be different from our interests. Conflicts between us and the controlling stockholder of TW could result in litigation, an inability to operate TW, lost business opportunities for TW and us, and other problems that might have a material adverse impact on us as a whole.

The calculation of our income tax expense requires significant judgment and the use of estimates.

We periodically assess tax positions based on current tax developments, including enacted statutory, judicial and regulatory guidance. In analyzing our overall tax position, consideration is given to the amount and timing of recognizing income tax liabilities and benefits. In applying the tax and accounting guidance to the facts and circumstances, income tax balances are adjusted appropriately through the income tax provision. We account for income tax positions on uncertainties by recognizing the effect of income tax positions only if those positions are more likely than not of being sustained and maintain reserves for income tax positions we believe are not more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. However, due to the significant judgment required in estimating those reserves, actual amounts paid, if any, could differ significantly from these estimates.

Future changes in accounting rules could significantly impact how both we and our customers account for our leases.

Our consolidated financial statements are prepared in accordance with GAAP. The Financial Accounting Standards Board ("FASB") and International Accounting Standards Board ("IASB") have issued a jointly-developed proposal on lease accounting that could significantly change the accounting and reporting for lease arrangements. The main objective of the proposed standard is to create a new accounting model for both lessees and lessors, replacing the existing concepts of operating and capital leases with models based on "right-of-use" concepts. The new models would result in the elimination of most off-balance sheet lease financing for lessees. Lessors would apply one of two models depending upon whether the lessor retains exposure to significant risks or benefits of the underlying assets. Some lessees find leasing attractive because under current GAAP they are not required to include the value (and associated liabilities) of equipment leased under operating leases on their balance sheets, thus improving certain financial metrics. If there are future changes in GAAP with regard to how we and our customers must account for leases, it could change the way we and our customers conduct our businesses, including eliminating for lessees the financial statement benefit of entering into operating leases, which might have an adverse effect on our business.

Risks Related to Our Common Shares

The market price and trading volume of our common shares, which may be affected by market conditions beyond our control, have been volatile and could continue to remain volatile.

The market price of our common shares has been, and may continue to be highly volatile and subject to wide fluctuations. In addition, the trading volume in our common shares has fluctuated and may continue to fluctuate, causing significant price variations to occur. Since our initial public offering, our common shares have fluctuated from an intra-day low of $4.23 per share to an intra-day high of $37.87 per share. If the market price of the shares declines significantly, the value of an investment in our common shares would decline. The market price of our common shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our common shares or result in fluctuations in the price or trading volume of our common shares include:

- variations in our quarterly operating results;
- failure to meet analysts' 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 common shares or our industry;
- 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;
- 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; and
- deleveraging associated with the global financial crisis.

Recently and 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 our common shares, which could cause a decline in the value of your investment in our common shares. In addition, the trading price of our common shares could decline for reasons unrelated to our business or financial results, including in reaction to events that affect other companies in our industry even if those events do not directly affect us. You should also be aware that price volatility may be greater if the public float and trading volume of our common shares are low.

One of our shareholders, Halco Holdings Inc., is a company owned by a trust in which Trencor and certain of its affiliates are discretionary beneficiaries and could act in a manner with which other shareholders may disagree or that is not necessarily in the interests of other shareholders.

Halco Holdings Inc. ("Halco") currently beneficially owns approximately 60.1% of our issued and outstanding common shares. Accordingly, Halco has 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. Five of our eleven directors are also directors of Trencor. In addition, Halco has the ability to control the management and affairs of our company. Halco may have interests that are different from other shareholders. 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 acquirer 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.

Five 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 III Report on Corporate Governance. The King III 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 holder of our common shares 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 issue securities 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. Five 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 common shares.

Trencor currently has an indirect beneficiary interest in 60.1% 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 common 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, 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 New York Stock Exchange ("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 director independence (although we must still comply with independence standards pursuant to Rule 10A-3 promulgated under the U.S. 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. Additionally, we have a company code of conduct, corporate governance guidelines, conduct performance evaluations of our board and committees, and have obtained shareholder approval for our equity compensation plan. However, we use 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, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all of the NYSE corporate governance requirements.

Required public company corporate governance and financial reporting practices and policies have increased our costs, and we may be unable to provide the required financial information in a timely and reliable manner.

Our management may not be able to continue to meet the regulatory compliance and reporting requirements that are applicable to us as a public company. 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. If we do not maintain compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or if we or our independent registered public accounting firm identify deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, we could suffer a loss of investor confidence in the reliability of our financial statements, which could cause the market price of our stock to decline.

In addition, if we fail to 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. These regulations have increased our legal and financial compliance costs, we expect the regulations to 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.

Future sales of a large number of our securities into the public market, or the expectation of such sales, could cause the market price of our common shares to decline significantly.

Sales of substantial amounts of common securities into the public market, or the perception that such sales will occur, may cause the market price of our common shares to decline significantly. We filed a universal shelf registration statement on Form F-3 with the SEC that became effective on January 18, 2011. Under the shelf registration statement, we may from time to time sell common shares, preference shares, debt securities, warrants, rights and units in one or more offerings up to a total dollar amount of $550.0 million. The price of our shares could be negatively impacted if we undertake an offering to sell securities pursuant to our universal shelf registration statement. In addition, at our 2010 Annual General Meeting of Shareholders held on May 19, 2010, our shareholders approved an amendment to our 2007 Share Incentive Plan to increase the maximum number of our common shares issuable pursuant to such plan by 1,468,500 shares from 3,808,371 shares to 5,276,871 shares. The common shares to be issued pursuant to awards under our 2007 Share Incentive Plan have been registered on registration statements on Form S-8 filed with the SEC and, when issued, will be freely tradable under the Securities Act.

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 issued and outstanding voting shares for certain merger or amalgamation transactions that have 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 common shares and your ability to realize any potential change of control premium.

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.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our business began operations in 1979. We reorganized our business in 1993 and incorporated Textainer Group Holdings Limited under the laws of Bermuda as a holding company of a group of corporations involved in the purchase, ownership, management, leasing and disposal of a fleet of intermodal containers. Textainer Group Holdings Limited is incorporated with an indefinite duration under registration number EC18896. Textainer Group Holdings Limited’s common shares are listed on the New York Stock Exchange (“NYSE”). Textainer Group Holdings Limited’s headquarters office is located at Century House, 16 Par-La-Ville Road, Hamilton HM 08 Bermuda and our telephone number is (441) 296-2500. Our agent in the United States is Ernest J. Furtado, Textainer Group Holdings Limited, c/o Textainer Equipment Management (U.S.) Limited, 650 California Street, 16th Floor, San Francisco, CA 94108.

Textainer Group Holdings Limited has two directly-owned subsidiaries:

- Textainer Equipment Management Limited (“TEML”), our wholly-owned subsidiary incorporated in Bermuda, which provides container management, acquisition and disposal services to affiliated and unaffiliated container investors and
- Textainer Limited (“TL”), our wholly-owned subsidiary incorporated in Bermuda, which owns containers directly and via two subsidiaries, Textainer Marine Containers Limited (“TMCL”), which is wholly owned by TL, and TW Container Leasing Ltd. (“TW”), in which TL and Wells Fargo Container Corp. (“WFC”) currently hold common shares and related voting rights of 25% and 75%, respectively.

Our internet website address is www.textainer.com. The information contained on, or that can be accessed through, our website is not incorporated into and is not intended to be a part of this Annual Report on Form 20-F.

Significant Events

During the first half of 2009, we re-purchased $39.9 million of our bonds for $20.2 million, resulting in a gain on early extinguishment of debt of $19.4 million, net of the write-off of $0.3 million of deferred debt financing costs (a $15.3 million gain net of related net income attributable to noncontrolling interest and income tax expense).

On April 15, 2009, we purchased the exclusive rights to manage the approximately 145,000 TEU container fleet of Amphibious Container Leasing Limited (“Amficon”) for $10.6 million. 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. On October 1, 2009, we purchased approximately 53,000 TEU of the containers that we had been managing for Amficon for $63.7 million.

On June 12, 2009, we purchased the exclusive rights to manage the approximately 154,000 TEU container fleet of Capital Intermodal Limited, Capital Intermodal GmbH, Capital Intermodal Inc., Capital Intermodal Assets Limited and Xines Limited (collectively “Capital Intermodal”) for $3.0 million. 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.

On July 16, 2009, we completed a purchase-leaseback transaction for approximately 28,900 containers with a shipping line for $11.9 million. The total purchase price and leaseback rental rates were below market rates. The purchase price was allocated based on the fair value of the assets and liabilities acquired.

On August 1, 2009, we purchased approximately 28,700 containers that we had been managing for a large institutional investor, including related accounts receivable, due from owners, net, accounts payable and accrued expenses for a purchase price of $34.2 million.

On September 1, 2009, we entered into a trading deal with a shipping line for more than 11,000 containers. This was the tenth trading transaction with the same customer since 1996, demonstrating our ability to earn repeat business through long-term, mutually beneficial relationships with our customers. Over 4,000 and 6,100 of these containers were sold during 2010 and 2009, respectively, making a contribution to our earnings.

On June 29, 2010, we extended our secured debt facility by prepaying the Series 2000-1 Notes that comprised the secured debt facility and issuing new Series 2010-1 Notes, simultaneously increasing the aggregate commitment under this facility from $475.0 million to $750.0 million and, on March 15, 2011, we exercised an option to increase the aggregate commitment under this facility from $750.0 million to $850.0 million. The secured debt facility provides for payments of interest only during an initial two-year revolving period, with a provision for the secured debt facility to then convert to a 10-year, but not to exceed 15-year amortizing note payable. Interest on the outstanding amount due under the secured debt facility is payable monthly in arrears and equals LIBOR plus 2.75% during an initial two-year revolving period. There is also a commitment fee of 0.75% on the unused portion of the secured debt facility until December 31, 2010, which was payable monthly in arrears. After December 31, 2010, during the remainder of the two-year revolving period, the commitment fee on the unused portion of the secured debt facility will be 0.75% if total borrowings under the secured debt facility equal 50% or more of the total commitment or 1.00% if total borrowings are less than 50% of the total commitment.

On November 1, 2010, we purchased approximately 23,400 containers that we had been managing for a large institutional investor, including related accounts receivable, due from owners, net, net investment in direct financing leases, accounts payable and accrued expenses for a purchase price of $36.4 million.

Effective January 18, 2011, we filed a universal shelf registration statement on Form F-3 with the SEC, under which we may sell common shares, preference shares, debt securities, warrants, rights and units in one or more offerings up to a total dollar amount of $550.0 million.

On March 31, 2011, July 25, 2011 and August 25, 2011 we completed purchase-leaseback transactions for approximately 10,600, 7,800 and 6,800 containers, respectively, with a shipping line for total purchase prices of $10.3 million, $8.8 million and $9.9 million, respectively. The purchase prices and leaseback rental rates were below market rates. The purchase price was allocated based on the fair value of the assets and liabilities acquired.

On May 16, 2011, we purchased approximately 113,500 containers that we had been managing for an institutional investor, including related accounts receivable, due from owners, net, net investment in direct financing leases, accounts payable and accrued expenses for a purchase price of $183.3 million.

In June 22, 2011, we issued $400.0 million aggregate principal amount of Series 2011-1 Fixed Rate Asset Backed Notes (the “2011-1 Bonds”) to qualified institutional investors pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) and to non-U.S. persons in accordance with Regulation S promulgated under the Securities Act. The 2011-1 Bonds represent fully amortizing notes payable on a straight-line basis over a scheduled payment term of 10 years, but not to exceed a maximum payment term of 15 years. Under the terms of the 2011-1 Bonds, both principal and interest incurred are payable monthly. We are not permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2011-1 Bonds prior to the payment date occurring in June 2013. The interest rate for the outstanding principal balance of the 2011-1 Bonds is fixed at 4.70% per annum. The final target payment date and legal final payment date are June 15, 2021 and June 15, 2026, respectively.

On June 30, 2011, TMCL completed a capital restructuring, whereby TL became the sole owner of TMCL. Immediately before the capital restructuring, TL held an 82.49% economic ownership in TMCL and TCG Fund I, L.P. (“TCG”) held the remaining 17.51% economic ownership. TL purchased 1,500 (or 12.5%) Class A common shares of TMCL from TCG for cash consideration of $71.1 million. We accounted for this transaction as a reduction in the related noncontrolling interest and additional paid-in capital. To complete the capital restructuring, TMCL contributed 12.5% of its containers, net and investment in direct financing and sales-type leases to TCG and TCG paid $67.3 million of principal on TMCL’s secured debt facility (equal to 12.5% of the balance of TMCL’s secured debt facility and bonds payable) in consideration for the remaining 1,500 (or 12.5%) Class A shares of TMCL held by TCG, which were immediately retired. We recognized a noncash gain on sale of containers to noncontrolling interest of $19.8 million for the year ended December 31, 2011 in the amount by which the fair value of its containers, net and net investment in direct financing and sales-type leases exceeded their book values. Simultaneously with the contribution of containers, net and net investment in direct financing and sales-type leases, TCG repaid $67.3 million of TMCL’s secured debt facility. TL also paid an additional $8.0 million of cash consideration to TCG as a final determination of the purchase price as determined under the contract for 12.5% of the book value of TMCL’s net assets excluding the book value of containers, net, net investment in direct financing and sales-type leases, secured debt facility and bonds payable as of June 30, 2011. As a result of this restructuring, TL acquired the noncontrolling interest. TL’s 100% ownership and voting interest in TMCL’s Class B common shares was not affected by the capital restructuring. 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 TMCL and was not affected by the capital restructuring. For U.S. federal income tax purposes, as a result of the capital restructuring described above, TMCL became a disregarded entity with respect to the Company. We have consolidated TMCL since the inception of the entity in 2001.

On August 5, 2011, a joint venture, TW (a Bermuda company), was formed between TL and WFC. The purpose of TW is to lease containers to lessees under direct financing leases. TW is governed by members, credit and management agreements. Under the members agreement, TL owns 25% and WFC owns 75% of the common shares and related voting rights of TW. TL also has two seats and WFC has six seats on TW’s board of directors, with each seat having equal voting rights, provided, however, that the approval of at least one TL-appointed director is required for any action of the board of directors. Under a credit agreement, dated as of August 5, 2011, with certain lenders and Wells Fargo Securities, LLC (“WFS”), as administrative agent for the lenders, TW maintains a revolving credit facility with an aggregate commitment of up to $425.0 million for the origination of direct financing leases to finance up to 85% of the book value of TW’s net investment in direct financing leases. Both WFC and WFS are directly and indirectly wholly owned subsidiaries of Wells Fargo and Company. The remaining cost of originating direct financing leases will be provided in the form of capital contributions from TL and WFC, split 25% and 75%, respectively. Under the management agreement, TEML manages all of TW’s containers, making day-to-day decisions regarding the marketing, servicing and design of TW’s direct financing leases. Based on the combined design and provisions of TW's members, credit and management agreements, we determined that TW is a Variable Interest Entity and that we are the primary beneficiary of TW by virtue of our role as manager of the vehicle and our equity ownership in the entity. Accordingly, we include TW's financial statements in our consolidated financial statements and account for the equity owned by WFC in TW as a noncontrolling interest in our consolidated balance sheet and statement of income.

Principal Capital Expenditures

Our capital expenditures for containers in our owned fleet and fixed assets during 2011, 2010 and 2009 were $823.7 million, $402.3 million and $137.4 million, respectively. We received proceeds from the sale of containers and fixed assets during 2011, 2010 and 2009 of $75.3 million, $58.2 million and $51.9 million, respectively.

As all of our containers are used internationally, where no one container is domiciled in one particular place for a prolonged period of time, all of our long-lived assets are considered to be international with no single country of use. Our capital requirements are primarily financed through cash flows from operations, our secured debt facility and our revolving credit facilities.

B. Business Overview

Our Company

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size, with a total fleet of more than 1.6 million containers, representing over 2.4 million TEU. We lease containers to approximately 400 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 141,000 TEU of new containers per year for the past five years, and have been one of the largest buyers of new containers among container lessors over the same period. We are one of the largest sellers of used containers among container lessors, having sold an average of more than 80,000 containers per year for the last five years to more than 1,100 customers. We provide our services worldwide via a network of regional and area offices and independent depots. Trencor, a company publicly traded on the JSE Limited (the "JSE") in Johannesburg, South Africa, and its affiliates currently have beneficial interest in a majority of our issued and outstanding common shares.

We operate our business in three core segments.

- *Container Ownership*. As of December 31, 2011, we owned containers accounting for approximately 59% of our fleet.
- *Container Management*. As of December 31, 2011, we managed containers on behalf of 17 affiliated and unaffiliated container investors, providing acquisition, management and disposal services. We also supply leased containers to the U.S. military pursuant to a contract with the Surface Deployment and Distribution Command ("SDDC") 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. Total managed containers account for 41% 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 we believe 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.

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 and equipment resale. The most important driver of our profitability is the extent to which revenues on our owned fleet and management fee

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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.

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;
- an 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 2011, we generated revenues, income from operations and income before income tax and noncontrolling interest of $422.8 million, $268.1 million and $208.5 million, respectively. During 2011, the average utilization of our owned fleet was 98.3%. As mentioned above, we operate in three reportable segments: Container Ownership, Container Management and Container Resale. The following tables summarize revenues, by category of activity, and income before income tax and noncontrolling interest generated from each of our operating segments reconciled to our total revenues and income before income tax and noncontrolling interest shown in our consolidated statements of income included in Item 11, *"Financial Statements"* in this Annual Report on Form 20-F for the fiscal years ended December 31, 2011, 2010 and 2009:

2011	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 326,519	$ 1,108	$ —	$ —	$ —	$ 327,627
Management fees	—	69,354	10,320	—	(50,350)	29,324
Trading container sales proceeds	—	—	34,214	—	—	34,214
Gains on sale of containers, net	31,598	33	—	—	—	31,631
Total revenues	$ 358,117	$ 70,495	$ 44,534	$ —	$ (50,350)	$ 422,796
Segment income before income tax and noncontrolling interest	$ 177,694	$ 36,772	$ 10,759	$ (3,314)	$ (13,412)	$ 208,499
2010						
Lease rental income	$ 234,577	$ 1,250	$ —	$ —	$ —	$235,827
Management fees	—	48,028	10,086	—	(28,977)	29,137
Trading container sales proceeds	—	—	11,291	—	—	11,291
Gains on sale of containers, net	27,617	7	—	—	—	27,624
Total revenues	$ 262,194	$ 49,285	$ 21,377	$ —	$ (28,977)	$ 303,879
Segment income before income tax and noncontrolling interest	$ 119,772	$ 15,901	$ 7,995	$(2,815)	$ (2,596)	$138,257
2009						
Lease rental income	$ 188,431	$ 1,348	$ —	$ —	$ —	$ 189,779
Management fees	—	37,384	9,601	—	(21,757)	25,228
Trading container sales proceeds	—	—	11,843	—	—	11,843
Gains on sale of containers, net	12,114	(3)	—	—	—	12,111
Total revenues	$ 200,545	$ 38,729	$ 21,444	$ —	$ (21,757)	$ 238,961
Segment income before income tax and noncontrolling interest	$ 95,178	$ 9,981	$ 7,993	$(2,686)	$ (1,665)	$ 108,801

General and administrative expenses are allocated to the reportable business segments based on direct overhead costs incurred by those segments. Amounts reported in the “Other” column represent activity unrelated to the active reportable operating segments. Amounts reported in the “Eliminations” column represent inter-segment management fees between the container management and container ownership segments.

Our container lessees use containers for their global trade utilizing many worldwide trade routes. The Company earns its revenue from these international carriers when the containers are on lease. Substantially all of our leasing related revenues are denominated in U.S. dollars.

The largest portion of our fleet is comprised of 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. We also lease refrigerated containers, which have integral refrigeration units on one end that generally plug into an outside power source and are used to transport perishable goods. 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 74.5% of our total on hire fleet as of December 31, 2011. 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 17.7% of our total on hire fleet as of December 31, 2011. Finance leases, which provide customers an alternative means for purchasing containers, represented 4.5% of our total on hire fleet as of December 31, 2011. Spot leases, which provide the customers with containers for a relatively short lease period and fixed pick-up and drop-off locations, represented 3.3% of our total on hire fleet as of December 31, 2011.

Our expertise and flexibility in managing containers after their initial lease is an important factor in our success. The administrative process of 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 three to 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, if necessary, that 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 approximately 400 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 Container Resale segment 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 lessor and led to 25 consecutive years of profits.

Industry Overview

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 ("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 the latest available data, dry freight standard containers comprised approximately 86.0% of the worldwide container fleet, as measured in TEU, at December 31, 2010.
- *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 the latest available data, dry freight specialized containers comprised approximately 3.2% of the worldwide container fleet, as measured in TEU, at December 31, 2010.
- *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 the latest available data, other containers comprised approximately 10.8% of the worldwide container fleet, as measured in TEU, at December 31, 2010.

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.

According to *Drewery Maritime Research— Andrew Foxcroft Container Data UK*, container lessors owned approximately 45% of the total worldwide container fleet of 30.6 million TEU at mid-2011. The percentage of leased containers utilized by shipping lines ranged from 39% to 54% from 1980 through 2011 and may increase in the next few years, given limited access to credit and competing needs for capital expenditures by our customers. 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 grew rapidly and was consistently positive for the twenty-six years through 2007, there was a global financial crisis and recession during the second half of 2008, which continued through 2009. With virtually no new standard dry freight containers manufactured from the fourth quarter of 2008 through the end of 2009, we estimate that the world container fleet declined by approximately 4% in 2009 as a result of the continued retirement of older containers in the ordinary course. During this period, container manufacturers lost up to 60% of their skilled workers due to long shutdowns, had limited production capacity in 2010 and resumed full production capacity in 2011. However, we have observed that many shipping lines are still seeking to strengthen their respective balance sheets, and therefore may not have the required capital budget to purchase new containers in 2012. Based on industry analyst reports, we expect new container production in 2012 to be lower than 2011 but positive factors for 2012 are strong replacement demand, vessel capacity growth of approximately 8.9% and cargo volume growth of approximately 6-8%.

Counterparty risk has been reduced as several major container shipping lines have been able to recapitalize. Despite the continued challenging environment, to date, we have neither seen any bankruptcies among our major customers nor seen any major container shipping line failures.

The shipping business has also 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. As of December 31, 2011, approximately 78% of our total on hire fleet was on long-term leases, compared to approximately 45% ten years ago. As a result, changes in utilization have become less volatile for most leasing companies.

According to *Drewry Maritime Research— Andrew Foxcroft Container Data UK*, intermodal leasing companies, as ranked by total TEU at mid-2011, are as follows:

Company	TEU(1)
Textainer Group	2,440
Triton Container Intl.	1,925
Florens Group(2)	1,710
TAL International	1,605
GESeaCo	990
CAI-International Inc.	885
SeaCube Container Leasing Ltd.	875
Cronos Group	707
Gold Container	515
Dong Fang	480
Beacon Intermodal	357
UES International (HK)	275
Other	871
Grand Total	**13,635**

(1) TEU numbers in thousands.

(2) Includes containers leased to Cosco Container Lines.

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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 14 years of service with us and an average of 17 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 24 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. 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 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 141,000 TEU per year for the past five 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 24 years, we have concluded seventeen transactions involving other lessors' container fleets or management rights over those fleets, representing approximately 1,622,000 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, in our most recent transaction we integrated the container fleet formerly managed by Capital Intermodal, comprising 154,000 TEU, in two months. 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, as they become available, 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. We also believe that the current downturn in the world's major economies and the constraints in the credit markets may also result in potential acquisition opportunities. As a result of renewing, amending and expanding our credit facilities, we had more than $101 million in liquidity with our credit facilities as of February 29, 2012 and available cash and maintain low leverage relative to past levels. Despite the difficulty in projecting future results in the current economic environment, we intend to actively seek accretive acquisition opportunities in the near future.
- *Purchase and Leaseback Transactions.* We believe that the challenges facing our industry, which are noted above, may also allow us to grow through the purchase and leaseback of customer-owned

containers. These purchase and leaseback transactions can be attractive to our customers because they free up cash for their other capital needs, such as vessel financing, the customer locks in a sale price for their containers and we handle the ultimate disposal of the containers. We expect these purchase and leaseback transactions will enable us to buy attractively priced containers from customers and place them on leases for the remainder of their marine service lives.

- *Continue to Focus on Operating Efficiency*. We have a low cost structure, having brought down our fleet management cost from $0.057 per CEU per day to $0.038 per CEU per day and grown the number of CEU in our fleet per employee from 5,999 to 18,942, 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.
- *Extend the Lease of In-fleet Containers.* Since many shipping lines are currently finding it difficult to access debt financing, but still must utilize scarce capital to finance vessels, it is possible that they will conclude in 2012, as they did in 2011, that it is more cost-effective to extend leases of in-fleet containers than either to buy containers at higher prices or to lease new containers.
- *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 we believe 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.
- *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 regional and area offices and independent depots. We maintain four regional offices as follows:

- 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 headquarters office is in Hamilton, Bermuda. Our administrative office is located in San Francisco, California.

Our Container Fleet

As of December 31, 2011, we operated 2,469,039 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, when new containers become available. We purchased an average of more than 141,000 TEU per year over the past five 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 and we are expanding into the refrigerated container market. 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 December 31, 2011 (unaudited):

	Standard Dry Freight	Dry Freight Specialized	Total	Percent of Total Fleet
Managed	998,667	22,872	1,021,539	41.4%
Owned	1,380,786	66,714	1,447,500	58.6%
Total fleet	2,379,453	89,586	2,469,039	100.0%

The amounts in the table above did not change significantly from December 31, 2011 to the date of this Annual Report on Form 20-F.

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 owned 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 (term leases, master leases and spot leases) and also under finance leases.

Term leases

Term leases (also referred to as long-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 but carry lower per diem rates than other lease types. As of December 31, 2011, 74.5% of our owned on hire fleet, as measured in TEU, was on term leases.

As of December 31, 2011, our term leases had an average remaining duration of 3.6 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 16 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 owned fleet at December 31, 2011, due under long-term leases (in thousands):

2012	$172,872
2013	135,382
2014	124,743
2015	102,198
2016 and thereafter	95,058
	$ 630,253

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 December 31, 2011, 17.7% of our owned 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 with 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 December 31, 2011, 3.3% 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 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 or have a term covering the remainder of the container's useful life in marine service. 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 and sales-type leases" on our balance sheet. As of December 31, 2011, approximately 4.5% of our owned on hire fleet, as measured in TEU, was on finance leases with an average remaining term of 2.2 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, a Damage Protection Plan ("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. In 2011, DPP revenue was 1.6% of total lease rental income. 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, after satisfying our deductibles, would cover loss of revenue as a result of default under most of our leases, as well as the recovery cost or replacement value of most 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 approximately 400 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 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 December 31, 2011, we managed our container fleet through 440 independent container depot facilities in 220 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 December 31, 2011, 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 December 31, 2011, we owned approximately 59% of the containers in our fleet, and managed the rest, equaling 1,021,539 TEU, on behalf of 17 affiliated and unaffiliated 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 1% to 2% of the purchase price; daily management fees of 8% to 13% of net operating income; and disposal fees of 5% to 12% of cash proceeds when containers are sold. We earned combined acquisition, management and disposal fees on our managed fleet of $29.3 million, $29.1 million and $25.2 million for the years 2011, 2010 and 2009, 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.

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. Since the inception of the SDDC contract, we have delivered or transitioned approximately 144,000 containers and chassis to the U.S. military, of which approximately 93,000 containers have been returned. In addition, approximately 48,000 containers have been reported as unaccounted for and the U.S. Military paid a stipulated value for each such container. 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 were considered and awarded based on an annual performance review and confirmation. We have been informed that we have been awarded our fifth SDDC contract extension, at this stage extending the term until June 23, 2013. We also received an "Exceptional" rating with a score of 93.0% for our performance under the SDDC contract for 2011 (the last period reviewed), pursuant to the annual performance review required there under. Due to these high evaluations, the total contract period under the SDDC contract has been extended for the full ten years. Contract renewal discussions will commence in the second half of 2012. We intend to bid for the renewal of the contract.

Resale of Containers

Our Container Resale segment sells containers from our fleet, at the end of their useful lives in marine service, typically about 12 years, or when we believe 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 18 container sales and operations specialists in seven offices globally that manage the sale process for these used containers as of December 31, 2011. Our Container Resale segment is one of the largest sellers of used containers among container lessors, selling an average of more than 80,000 containers per year for the last five years to more than 1,100 customers. Our Container Resale segment has become a significant profit center for us. From 2007 through 2011, this division has generated $49.8 million in income before income tax and noncontrolling interest, including $10.8 million during 2011. 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.

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. 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 credit watch 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, have historically been 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 2007 through 2011, we recovered, on average, 84.0% 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 for our owned and managed fleet have averaged 1.1% of our lease rental income over such period.

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 considerable industry experience 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 December 31, 2011, our global sales and customer service group consisted of approximately 70 people, with 16 in North America, 36 in Asia and Australia, 13 in Europe and 5 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 lease billings, have leased containers from us for an average of over 24 years and have an average Dynamar credit rating, a common credit report used in the maritime sector, of 3.3. The Dynamar credit rating ranges from 1 to 10, with 1 indicating low credit risk. We had one customer that individually accounted for 12.3%, 10.8% and 12.5% of our owned lease billings in 2011, 2010 and 2009, respectively. 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 approximately 400 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 34.8% of our total owned and managed fleet's 2011 lease billings. Our top five customers by lease billings in 2011 were CMA-CGM, Cosco Container Lines, Hapag-Lloyd AG, Mediteranean Shipping and Mitsui O.S.K. Lines. During 2011, 2010 and 2009, lease billings from our 25 largest container lessees by lease billings represented 74.6%, 76.7% and 74.8% of our total owned and managed fleet's container leasing billings, respectively, with lease billings from our single largest container lessee accounting for $68.4 million, $52.7 million and $51.4 million or 12.4%, 11.1% and 12.1% of our total owned and managed fleet's container lease billings during the respective periods. A default by any of these major customers could have a material adverse impact on our business, results from operations and financial condition. 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. Our systems record the status of and provide the accounting and billing for each of our containers individually by container number. 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 business 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 *Drewry Maritime Research—Andrew Foxcroft Container Data UK*, the top ten container leasing companies, as measured on a TEU basis, control approximately 88.6%, and the top five container leasing companies control approximately 63.6%, 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 by TEU and we manage approximately 18% of the equipment held by all container leasing companies by TEU. 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.

Legal Proceedings

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.

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.

In addition to environmental regulations affecting container movement, shipping, movement and spillage, environmental regulations also impact container production and operation, including regulations on the use of chemical refrigerants due to their ozone depleting and global warming effects. Our refrigerated containers currently use R134A refrigerant. While R134A does not contain CFC's , the European Union has instituted regulations to phase out the use of R134A in automobile air conditioning systems beginning in 2011 due to concern that the release of R134A into the atmosphere may contribute to global warming. While the European Union regulations do not currently restrict the use of R134A in refrigerated containers or trailers, it is possible that the phase out of R134A in automobile air conditioning systems will be extended to containers in the future and our operations could be impacted.

Container production also raises environmental concerns. The floors of dry containers are plywood typically made from tropical hardwoods. Due to concerns regarding de-forestation and climate change, many countries have implemented severe restrictions on the cutting and export of this wood. Accordingly, container manufacturers have switched a significant portion of production to alternatives such as birch, bamboo, and other farm grown wood and users are also evaluating alternative designs that would limit the amount of plywood required and are also considering possible synthetic materials. New woods or other alternatives have not proven their durability over the typical 13-15 year life of a dry container, and if they cannot perform as well as the hardwoods have historically, the future repair and operating costs for these containers may be impacted. Also, the insulation foam in the walls of refrigerated containers requires the use of a blowing agent that contains CFC's. Manufacturers are phasing out the use of this blowing agent in manufacturing, however, if future regulations prohibit the use or servicing of containers with insulation manufactured with this blowing agent we could be forced to incur large retrofitting expenses and these containers might bring lower rental rates and disposal prices.

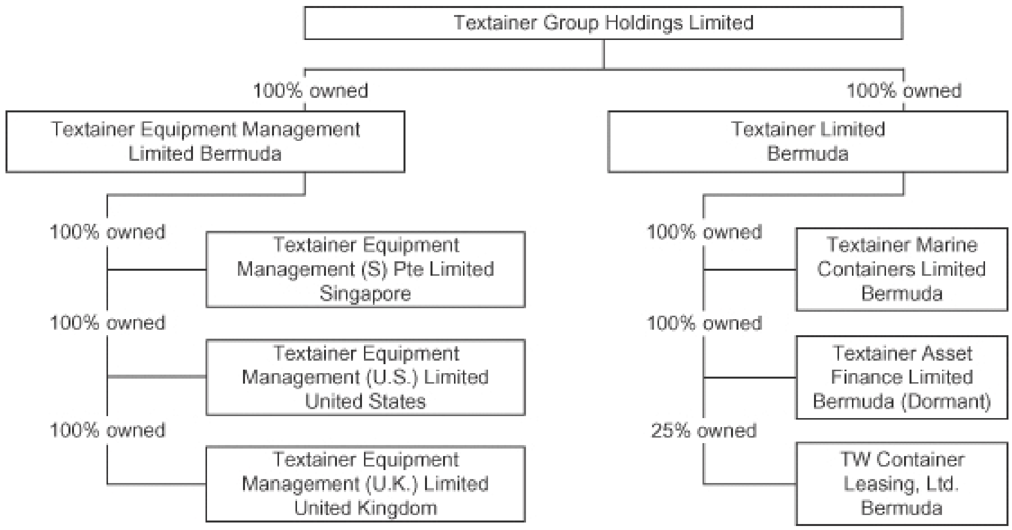
Regulation

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.

We may also be affected by legal or regulatory responses to potential global climate change. Please see Item 3, " *Key Information — Risk Factors – We may also be affected by potential global climate change or by legal, regulatory or market responses to such potential change.*"

C. Organizational Structure

Our current corporate structure is as follows:



We currently own 100% of all of our direct and indirect subsidiaries, except for TW Container Leasing, Ltd. ("TW"). TW is a joint venture involving TL and Wells Fargo Container Corp, a wholly owned subsidiary of Wells Fargo and Company. As of December 31, 2011, TL owned 25% and WFC owned 75% of the common shares and related voting rights of TW.

Our principal shareholder, Halco Holdings Inc. ("Halco"), is owned by a discretionary trust with an independent trustee. Trencor Limited and certain of its affiliates are the sole discretionary beneficiaries of this trust. Halco, which owned approximately 60.8% of our outstanding share capital as of December 31, 2011, is a wholly-owned subsidiary of the Halco Trust. Trencor is a South African public container company, that has been listed on the JSE in Johannesburg, South Africa since 1955. Trencor's origins date from 1929, and it currently has businesses owning, leasing and managing marine cargo containers and finance related activities.

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, Cecil Jowell, James E. McQueen and David M. Nurek, members of our board of directors and the board of directors of Trencor and Edwin Oblowitz, a member of 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.

D. Property, Plant and Equipment

As of December 31, 2011, our employees were located in 13 regional and area offices in 12 different countries. We maintain an office in Bermuda, where Textainer Group Holdings Limited is incorporated. We have 13 offices outside Bermuda, including our administrative office in San Francisco, California and another office in

Hackensack, New Jersey; New Malden, United Kingdom; Hamburg, Germany; Durban, South Africa; Yokohama, Japan; Seoul, South Korea; Taipei, Taiwan; Singapore; Sydney, Australia; Port Kelang, Malaysia; Hong Kong, and Shanghai, China. We lease our office space in Bermuda, the U.S., United Kingdom and Singapore. The lease for our San Francisco office expires in December 2016, the lease for our Hackensack, New Jersey office expires in April 2015, the lease for our New Malden, United Kingdom office expires in December 2019 and our lease for our Singapore office expires in December 2012. In addition, we have non-exclusive agents who represent us in India, Indonesia, Pakistan, Republic of the Philippines, Sri Lanka, Thailand, and Vietnam. 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.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following Operating and Financial Review and Prospects should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 20-F. 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; Cautionary Language." Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 20-F, particularly in Item 3, "Key Information— Risk Factors."

Dollar amounts in this section of this Annual Report on Form 20-F are expressed in thousands of U.S. dollars unless otherwise indicated.

Executive Summary

Operating since 1979, we are the world's largest lessor of intermodal containers based on fleet size, with a total fleet of more than 1.6 million containers, representing over 2.4 million TEU. We had record results in 2011 by every meaningful performance measure, including total revenues, profitability, utilization and fleet size, which demonstrates management's continued successful execution of its growth strategy and further strengthened our industry leading position. Specifically, in 2011, (i) we grew our owned and managed fleet with the acquisition of 215,000 TEU of new standard dry-freight containers, 18,000 TEU of new refrigerated containers and 215,000 TEU of used containers, representing a total of $904 million in capital expenditures, the highest in Textainer's history, (ii) increased the owned portion of our total fleet to 58.6% as of December 31, 2011 from 50.9% as of December 31, 2010, (iii) completed three purchase-leaseback transactions for approximately 25,200 containers with a shipping line for a total purchase of $29,027, (iv) we benefited from a worldwide shortage of containers, which resulted in a historically high average utilization rate of 98.3% for 2011, (v) our principal asset-owning subsidiary, Textainer Marine Containers Limited ("TMCL"), issued $400 million in asset backed notes with an interest rate fixed at 4.70% per annum and final target and legal payment terms of 10 years and 15 years, respectively, (vi) completed a capital restructuring of TMCL whereby our wholly-owned subsidiary, Textainer Limited ("TL"), now owns 100% of TMCL, eliminating the related noncontrolling interest, and (vii) formed a joint venture, TW Container Leasing, Ltd. ("TW"), with Wells Fargo Container Corp. ("WFC") to lease containers to lessees under direct financing leases whereby TL holds a 25% of the common shares and related voting rights of TW. Refer to "2011 Outlook" below for further discussion.

Our business comprises three reportable segments for financial reporting purposes: Container Ownership, Container Management and Container Resale. Our total revenues primarily consist of leasing revenues derived from the leasing 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.

Key Factors Affecting Our Performance

We believe there are a number of key factors that have affected, and are likely to continue to affect, our operating performance. These key 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 and the impact of changing prices on the residual value of our owned containers;
- remarketing risk;
- further consolidation of container manufacturers and/or decreased access to new containers; and
- global and macroeconomic factors that affect trade generally, such as recessions, terrorist attacks, pandemics 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 Item 3, " *Key Information— Risk Factors.*"

2012 Outlook

In 2011, capital expenditures for new standard dry-freight and refrigerated containers were the highest in the Company's history and in early 2012 in-fleet container utilization continues to remain at or near historic highs. Demand for new standard dry-freight containers began to slow during the second quarter of 2011 but demand for depot equipment remained strong. Utilization declined by approximately 1%, over the last half of 2011. With 2011 as a backdrop, we expect that utilization may continue its slight decline during the first quarter of 2012, but that the overall level will remain attractive. We are optimistic that utilization may level off or start to improve during the second quarter of 2012 and with 78% of our owned and managed fleet committed to long-term and direct financing and sales-type leases, we have a sizeable contracted revenue stream which we expect will continue to provide our shareholders with attractive returns. We are off to a good start in 2012, with 62,200 TEU of dry-freight containers and 10,000 TEU of refrigerated containers already ordered as of March 1, 2012. Furthermore, resale prices have recently declined in some locations but, relative to the last ten years, current resale price levels remain very high.

Revenue

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

Lease Rental Income. We generate lease rental income by leasing our owned containers to container shipping lines and other customers. Lease rental income comprises daily per diem rental charges 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 that 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. We calculate 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. 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 the cost of container manufacturing inputs such as steel, paint, wood and other components), 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.

Gains 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 we believe it is financially attractive for us to do so, considering the location, sale price, cost of repair and possible repositioning expenses.

Gain on sale of containers, net, also includes gains and losses recognized at the inception of sales-type leases, representing the excess of the estimated fair value of containers placed on sales-type leases over their book value.

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. We use the direct expense method of accounting for maintenance and repairs.

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. We do not recognize revenue and related expense over the lease term for customers who are billed at the end of the lease term under the DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectability of these amounts from lessees who are billed at the end of the lease term because the amounts due under the DPP are typically re-negotiated at the end of the lease term or the lease term is extended.

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 quarters of 2011 and 2008, 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 is more than 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 rights to manage the container fleets of Capital Intermodal Limited, Capital Intermodal GmbH, Capital Intermodal Inc., Capital Intermodal Assets Limited and Xines Limited (collectively “Capital Intermodal”); Amphibious Container Leasing Limited (“Amficon”); Capital Lease Limited, Hong Kong (“Capital”) and Gateway Management Services Limited (“Gateway”). The purchase prices are being amortized over the expected useful lives of the contracts 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.

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

Long-term Incentive Compensation Expense . Long-term incentive compensation expense represents costs recorded for share-based and cash compensation that vests over several years in which some company employees participate.

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.

A. Operating Results

Comparison of the Years Ended December 31, 2011, 2010 and 2009

The following table summarizes our total revenues for the years ended December 31, 2011, 2010 and 2009 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2011	2010	2009	2011 and 2010	2010 and 2009
	(Dollars in thousands)				
Lease rental income	$ 327,627	$235,827	$189,779	38.9%	24.3%
Management fees	29,324	29,137	25,228	0.6%	15.5%
Trading container sales proceeds	34,214	11,291	11,843	203.0%	(4.7%)
Gains on sale of containers, net	31,631	27,624	12,111	14.5%	128.1%
Total revenues	$422,796	$ 303,879	$ 238,961	39.1%	27.2%

Lease rental income increased $91,800 (38.9%) from 2010 to 2011. This increase was primarily due to a 29.5% increase in fleet size, a 7.1% increase in per diem rental rates and a 3.4 percentage point increase in utilization for our owned fleet. Lease rental income increased $46,048 (24.3%) from 2009 to 2010. This increase was due to a 16.6% increase in fleet size, a 9.6 percentage point increase in utilization and a 2.2% increase in per diem rental rates, partially offset by a $3,387 decrease in finance lease income and a $2,018 decrease in geography income (drop-off charges and pick-up charges and credits).

Management fees increased $187 (0.6%) from 2010 to 2011 primarily due to a $2,364 increase from improved fleet performance and a $769 increase from higher acquisition fees due to higher container purchases, partially offset by a $2,213 decrease resulting from a 10.8% decrease in the size of the managed fleet primarily due to our May 2011 acquisition of a portion of the Gateway fleet that we previously managed and a $738 decrease in sales commissions. Management fees increased $3,909 (15.5%) from 2009 to 2010 primarily due to a $2,087 increase from improved fleet performance, $1,898 in additional fees earned from managing Amficon and Capital Intermodal for a full year in 2010 compared to a partial year in 2009 and a $1,006 increase as a result of higher acquisition fees due to higher container purchases, partially offset by a $1,019 decrease due to a 6.7% decrease in the size of the fleets managed for container investors other than Amficon and Capital Intermodal.

Trading container sales proceeds increased $22,923 (203.0%) from 2010 to 2011. This increase consisted of a $14,236 increase due to an increase in average sales proceeds per container and a $8,687 increase due to a 76.9% increase in unit sales resulting from an increase in the number of trading containers that we were able to source and sell. Trading container sales proceeds decreased $552 (-4.7%) from 2009 to 2010. This decrease consisted of a $2,167 decrease due to a 19.8% decrease in unit sales resulting from a decrease in the number of trading containers that we were able to source and sell and $450 of this decrease was due to a 263 unit decrease in the number of subleased containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our Surface Deployment and Distribution Command ("SDDC") contract with them, partially offset by a $2,065 increase due to an increase in average proceeds per container.

Gains on sale of containers, net, increased $4,007 (14.5%) from 2010 to 2011, primarily due to a $10,016 increase resulting from an increase in average sales proceeds of $539 per unit, partially offset by a $741 decrease due to a 3.6% decrease in the number of containers sold and a $5,268 decrease in net gains on sales-type leases resulting from 1,562 containers placed on sales-type leases in 2011 compared to 13,692 containers placed on sales-type leases in 2010. Gains on sale of containers, net, increased $15,513 (128.1%) from 2009 to 2010, primarily due to a $10,957 increase resulting from an increase in average sales proceeds of $321 per unit and a $5,927 increase in net gains on sales-type leases resulting from 13,692 containers placed on sales-type leases in 2010 compared to 3,438 containers placed on sales-type leases in 2009, partially offset by a $1,371 decrease due to a 12.4% decrease in the number of containers sold.

The following table summarizes our total operating expenses, net for the years ended December 31, 2011, 2010 and 2009 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2011	2010	2009	2011 and 2010	2010 and 2009
	(Dollars in thousands)				
Direct container expense	$ 18,307	$ 25,542	$ 39,062	(28.3%)	(34.6%)
Cost of trading containers sold	29,456	9,046	9,721	225.6%	(6.9%)
Depreciation expense	83,177	58,972	48,473	41.0%	21.7%
Amortization expense	6,110	6,544	7,080	(6.6%)	(7.6%)
General and administrative expense	23,495	21,670	20,304	8.4%	6.7%
Short-term incentive compensation expense	4,921	4,805	2,924	2.4%	64.3%
Long-term incentive compensation expense	5,950	5,318	3,575	11.9%	48.8%
Bad debt expense, net	3,007	145	3,304	1973.8%	(95.6%)
Gain on sale of containers to noncontrolling interest	(19,773)	—	—	N/A	N/A
Total operating expenses, net	$154,650	$132,042	$134,443	17.1%	(1.8%)

Direct container expense decreased $7,235 (-28.3%) from 2010 to 2011 primarily due to an increase in utilization and included a $3,906 decrease in storage expense, a $2,003 decrease in DPP repair expense and a $1,101 decrease in handling expense. Direct container expense decreased $13,520 (-34.6%) from 2009 to 2010 primarily due to an increase in utilization and included a $11,390 decrease in storage expense, a $1,398 decrease in DPP repair expense and a $1,288 decrease in repositioning expense.

Cost of trading containers sold increased $20,410 (225.6%) from 2010 to 2011 due to a $13,450 increase resulting from a 84.0% increase in the average cost per unit of containers sold and a $6,960 increase resulting from a 76.9% increase in the number of containers sold. Cost of trading containers sold decreased $675 (-6.9%) from 2009 to 2010 due to a $1,767 decrease resulting from a 19.8% decrease in the number of containers sold and a $381 decrease resulting from a 263 unit decrease in the number of subleased containers unaccounted for that the U.S. military leased from us and paid a stipulated value for each container per the terms of our SDDC contract with them, partially offset by a $1,473 increase resulting from a 20.6% increase in the average cost per unit of containers sold.

Depreciation expense increased $24,205 (41.0%) from 2010 to 2011 due to a $33,727 increase resulting from an increase in fleet size and a higher average price of containers purchased, partially offset by a $9,522 decrease due to an increase in estimated future residual values used in the calculation of depreciation expense. Depreciation expense increased $10,499 (21.7%) from 2009 to 2010 primarily due to an increase in fleet size.

Amortization expense was $6,110, $6,544 and $7,080 in 2011, 2010 and 2009, respectively. This expense represents the amortization of the amounts paid to acquire the rights to manage the Amficon, Capital Intermodal, Capital and Gateway fleets.

General and administrative expense increased $1,825 (8.4%) from 2010 to 2011 primarily due to a $821 increase in compensation costs, a $682 increase in professional fees and a $273 increase in travel costs. General and administrative expense increased $1,366 (6.7%) from 2009 to 2010 primarily due to a $672 increase in compensation costs and a $552 increase in professional fees.

Short-term incentive compensation expense in 2011 was relatively unchanged compared to 2010 due to no significant change in the expected incentive compensation award for fiscal 2011 compared to fiscal year 2010. Short-term incentive compensation expense increased $1,881 (64.3%) from 2009 to 2010 due to a higher expected incentive compensation award for fiscal 2010 compared to fiscal year 2009.

Long-term incentive compensation expense increased $632 (11.9%) from 2010 to 2011 primarily due to share options and restricted share units that were granted under the 2007 Share Incentive Plan in November 2010 and 2011, partially offset by a decrease in forfeiture rate adjustments to prior periods. Long-term incentive compensation expense increased $1,743 (48.8%) from 2009 to 2010 due to share options and restricted share units that were granted under the 2007 Share Incentive Plan in November 2009 and an increase in forfeiture rate adjustments to prior periods.

Bad debt expense, net, increased $2,862 (1,973.8%) from 2010 to 2011 primarily due to the bankruptcies of two customers in 2011 and a reduction in bad debt expense in 2010 due to collections on accounts during 2010 that had previously been included in the allowance for doubtful accounts. Bad debt expense, net, decreased $3,159 (-95.6%) from 2009 to 2010 primarily due to collections on accounts during 2010 that had previously been included in the allowance for doubtful accounts and management's assessment that the financial condition of the Company's lessees and their ability to make required payments had improved since 2009.

On June 30, 2011, TMCL, transferred containers, net and net investment in direct financing and sales-type leases in exchange for the purchase of 12.5% of its Class A common shares as a part of a capital restructuring, resulting in a noncash gain on sale of containers to noncontrolling interest of $19,773.

The following table summarizes other income (expenses) for the years ended December 31, 2011, 2010 and 2009 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2011	2010	2009	2011 and 2010	2010 and 2009
		(Dollars in thousands)			
Interest expense	$ (44,891)	$(18,151)	$(11,750)	147.3%	54.5%
Gain on early extinguishment of debt	—	—	19,398	N/A	N/A
Interest income	32	27	61	18.5%	(55.7%)
Realized losses on interest rate swaps and caps, net	(10,824)	(9,844)	(14,608)	10.0%	(32.6%)
Unrealized (losses) gains on interest rate swaps and caps, net	(3,849)	(4,021)	11,147	(4.3%)	(136.1%)
Other, net	(115)	(1,591)	35	(92.8%)	(4,645.7%)
Net other (expense) income	$(59,647)	$ (33,580)	$ 4,283	77.6%	(884.0%)

Interest expense increased $26,740 (147.3%) from 2010 to 2011. $14,040 of this increase was due to an increase in average debt balances of $550,162 and $12,700 of this increase was due to an increase in average interest rates of 1.01 percentage points. Interest expense increased $6,401 (54.5%) from 2009 to 2010. $5,800 of this increase was due to an increase in average variable interest rates on debt of 0.82 percentage points and $601 of this increase was due to an increase in average debt balances of $34,585.

During the first half of 2009, we repurchased $65,000 in original face amount, or $39,917 in outstanding principal amount, of our 2005-1 Bonds for $20,234 and recorded a gain on early extinguishment of debt of $19,398, net of the write-off of deferred debt financing costs of $285.

Realized losses on interest rate swaps and caps, net increased $980 (10.0%) from 2010 to 2011. $4,002 of this increase was due to an increase in average interest rate swap notional amounts of $148,680, partially offset by a $3,022 decrease due to a decrease in the average net settlement differential between variable interest rates received compared to fixed interest rates paid on interest rate swaps of 0.59 percentage points. Realized losses on interest rate swaps and caps, net decreased $4,764 (-32.6%) from 2009 to 2010. $3,716 of this decrease was due to a decrease in average net settlement differential between variable interest rates received compared to fixed interest rates paid on interest rate swaps of 1.02 percentage points and $1,048 of this decrease was due to a decrease in average interest rate swap notional amounts of $28,271.

Unrealized losses on interest rate swaps and caps, net decreased $172 (-4.3%) from 2010 to 2011 due to a smaller increase in the net fair value liability of interest rate swap agreements held in 2011 compared to the increase in the net fair value liability of interest rate swap agreements held in 2010 resulting from decreases in long-term interest rates during both periods. Unrealized (losses) gains on interest rate swaps and caps, net changed from a net gain of $11,147 in 2009 to a net loss of $4,021 in 2010 due to a decrease in the net fair value liability of interest rate swap agreements held in 2009 compared to an increase in the net fair value liability of interest rate swap agreements held in 2010 resulting from a decrease in long-term interest rates during 2010 compared to an increase in long-term interest rates during 2009.

Other, net (expense) decreased $1,476 (92.8%) from 2010 to 2011 primarily due to a decrease in structuring fees paid by TMCL for container purchases of $1,572. Other, net changed from a net gain of $35 in 2009 to a net expense of $1,591 in 2010 primarily due to a $1,154 increase in structuring fees paid by TMCL for container purchases and a $384 gain in 2009 for the Company’s share of proceeds from the sale of Trencor’s South African container manufacturing plant.

The following table summarizes income tax expense and net income attributable to the noncontrolling interest for the years ended December 31, 2011, 2010 and 2009 and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2011	2010	2009	2011 and 2010	2010 and 2009
		(Dollars in thousands)			
Income tax expense	$ 4,481	$ 4,493	$ 3,471	(0.3%)	29.4%
Net income attributable to the noncontrolling interest	$14,412	$13,733	$14,554	4.9%	(5.6%)

Income tax expense remained relatively unchanged on an aggregate dollar basis in 2011 compared to 2010. Included in income tax expense is a decrease of $3,967 due to a lower effective tax rate, partially offset by an increase of $3,955 due to higher level of income before income tax and noncontrolling interest and smaller release of unrecognized tax benefits and related interest accruals. Income tax expense increased $1,022 (29.4%) from 2009 to 2010. $3,799 of this increase was due to a higher effective tax rate and $2,212 of this increase was due to a higher level of income before income tax and noncontrolling interest, partially offset by a reduction in unrecognized tax benefits and related interest accruals. The 2007 and 2008 tax returns for TGH’s subsidiary Textainer Equipment Management (U.S.) Limited (“TEMUS”) were examined by the U.S. Internal Revenue Service (the “IRS”). In May 2010, the Company received notification from the IRS that they had completed their examination and made only minor changes to the amounts of tax reported. As a result, income tax expense for the fiscal year ended 2010 reflects a decrease of $2,259 related to the Company’s reduction of unrecognized tax benefits. In addition, income tax expense for the fiscal year ended 2010 also reflects a decrease of $2,275 due to the lapsing of the statute of limitations and a decrease of $455 due to the reduction in interest accruals on liabilities for unrecognized tax benefits.

Net income attributable to the noncontrolling interest increased $679 (4.9%) from 2010 to 2011 primarily due to a higher level of net income generated by TMCL, limited by the consolidation of the noncontrolling interest during the second half of 2011. Net income attributable to the noncontrolling interest decreased $821 (-5.6%) from 2009 to 2010 due to a lower level of net income generated by TMCL. See Item 4, "*Information on the Company— History and Development of the Company.*"

Segment Information

The following table summarizes our income before income tax and noncontrolling interest attributable to each of our business segments for the years ended December 31, 2011 and 2010 and 2009 (before inter-segment eliminations) and percentage changes between those periods:

	Year Ended December 31,			% Change Between	
	2011	2010	2009	2011 and 2010	2010 and 2009
	(Dollars in thousands)				
Container ownership	$177,694	$119,772	$95,178	48.4%	25.8%
Container management	$ 36,772	$ 15,901	$ 9,981	131.3%	59.3%
Container resale	$ 10,759	$ 7,995	$ 7,993	34.6%	0.0%

Income before income tax and noncontrolling interest attributable to the Container Ownership segment increased $57,922 (48.4%) from 2010 to 2011 primarily due to an increase in fleet size and higher utilization. This increase primarily consisted of a $91,942 increase in lease rental income, a $19,773 noncash gain on sale of containers to noncontrolling interest, a $3,981 increase in gain on sale of containers, net and a $1,572 decrease in structuring fees paid by TMCL for container purchases, partially offset by a $26,740 increase in interest expense, a $25,245 increase in depreciation expense, a $2,862 increase in bad debt expense, net, a $2,641 increase in direct container expense, a $1,048 increase in overhead expense and a $980 increase in realized losses on interest rate swaps and caps, net.

Income before income tax and noncontrolling interest attributable to the Container Ownership segment increased $24,594 (25.8%) from 2009 to 2010 primarily due to an increase in fleet size and higher utilization. This increase primarily consisted of a $46,146 increase in lease rental income, a $15,503 increase in gain on sale of containers, net, a $8,384 decrease in direct container expense, a $4,764 decrease in realized losses on interest rate swaps and caps, net and a $3,178 decrease in bad debt expense, net, partially offset by a $19,398 gain from early extinguishment of debt recorded in 2009, a change in unrealized (losses) gains on interest rate swaps and caps, net from net gains of $11,147 in 2009 to net losses of $4,021 in 2010, a $10,802 increase in depreciation expense, a $6,401 increase in interest expense and a $1,154 increase in structuring fees paid by TMCL for container purchases.

Income before income tax and noncontrolling interest attributable to the Container Management segment increased $20,871 (131.3%) from 2010 to 2011 primarily due to a $21,326 increase in management fees, which included a $12,709 increase in acquisition fees, partially offset by a $1,031 increase in overhead expense.

Income before income tax and noncontrolling interest attributable to the Container Management segment increased $5,920 (59.3%) from 2009 to 2010 primarily due to a $10,644 increase in management fees, partially offset by a $1,703 increase in short-term incentive compensation expense, a $1,581 increase in long-term incentive compensation expense and a $1,121 increase in overhead expense

Income before income tax and noncontrolling interest attributable to the Container Resale segment increased $2,764 (34.6%) from 2010 to 2011 primarily due to a $2,508 increase in gains on container trading, net primarily resulting from a higher volume of trading containers sales.

Income before income tax and noncontrolling interest attributable to the Container Resale segment was relatively flat for the fiscal year ended December 31, 2010 compared to the fiscal year ended 2009 due to an increase in sales commissions primarily resulting from an increase in average managed container sales prices, partially offset by an increase in overhead expenses.

Currency

As in previous years, almost all of our revenues are denominated in U.S. dollars and approximately 64% of our direct container expenses in 2011 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. In 2011, our non-U.S. dollar operating expenses were spread among 18 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 collectability 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 collectability 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 that will reduce finance lease income.

Our leases typically 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 Damage Protection Plan ("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 collectability 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 typically 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 July 1, 2011, we estimated that standard dry freight containers, which represent most of the containers in our fleet, have a useful life of 12 years and had residual values of $950 for a 20', $1,100 for a 40' and $1,200 for a 40' high cube. Beginning July 1, 2011, we changed our residual value estimates to $1,050 for a 20', $1,300 for a 40' and $1,650 for a 40' high cube. Our change in residual value estimates was based on recent sales history and current market conditions for the sale of used containers, which we believe is currently the best indicator of the residual value we will realize. The effect of these changes has been and will continue to be a reduction in both depreciation expense and gains on sales of containers, net, 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. On a quarterly basis we evaluate our containers held for use in our leasing operation to determine whether there has been any event such as a decline in results of operations or residual values that would cause the book value of our containers held for use to be impaired. This evaluation is performed at the lowest level of identifiable cash flows which we have determined to be groups of containers based on equipment type and year of manufacture. Any such impairment would be expensed in our results of operations. Impairment exists when the estimated future undiscounted cash flows to be generated by an asset group are less than the net book value of that asset group. Were there to be a triggering event that may indicate impairment, undiscounted future cash flows would be compared to the book values of the corresponding asset group. Estimated undiscounted cash flows would be based on historical lease operating revenue and expenses and historical residual values, adjusted to reflect current market conditions. The Company has never recorded an impairment for any container while classified as held for use, see below for discussion of *Containers Held for Sale.* If impairment were to exist, the containers would be written down to their fair value. This fair value would then become the containers' new cost basis and would be 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). Containers held for sale are evaluated for impairment on a quarterly basis based on sale prices for similar types of equipment in the locations in which the containers are stored. Any write-down of containers held for sale is reflected in our statement of operations as an expense. If a large number of containers are designated as held 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

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. 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 credit watch 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, have historically been 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 2007 through 2011, we recovered, on average, 84.0% 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.

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 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 account for income tax positions by recognizing the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. Should an audit by a taxing authority result in settlement for an amount greater than the amount we have reserved, we will incur additional tax expense and reduced net income.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04 *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS* ("ASU 2011-04"), which amends current guidance to achieve common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards. The amendments generally represent clarification of FASB Accounting Standards Codification Topic 820, but also include instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. The amendments are effective for interim and annual reporting periods beginning after December 15, 2011. The Company does not believe that the adoption of ASU 2011-04 will have a material effect on its consolidated financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* ("ASU 2011-05"), which provides new guidance on the presentation of comprehensive income in financial statements. Entities are required to present total comprehensive income either in a single, continuous statement of comprehensive income or in two separate, but consecutive, statements. Under the single-statement approach, entities must include the components of net income, a total for net income, the components of other comprehensive income and a total for comprehensive income. Under the two-statement approach, entities must report an income statement and, immediately following, a statement of other comprehensive income. Under either method, entities must display adjustments to items reclassified from other comprehensive income to net income in both net income and other comprehensive income. ASU 2011-05 will be effective for interim and annual reporting periods beginning after December 15, 2011, with early adoption permitted. The Company does not believe that the adoption of ASU 2011-05 will have a material effect on its consolidated financial position, results of operations or cash flows.

B. Liquidity and Capital Resources

As of December 31, 2011, we had cash and cash equivalents of $74,816. Our principal sources of liquidity have been (1) cash flows from operations, (2) the sale of containers, (3) proceeds from the issuance of Series 2011-1 Fixed Rate Asset Backed Notes ("2011-1 Bonds"), (4) borrowings under a conduit facility (which allows for recurring borrowings and repayments) granted to TMCL (the "Secured Debt Facility") and (5) borrowings under the revolving credit facility extended to TL (the "TL Credit Facility"). As of December 31, 2011, we had the following outstanding borrowings and borrowing capacities under the TL Credit Facility, the revolving credit facility extended to our joint venture, TW ("TW Credit Facility"), the Secured Debt Facility, and TMCL's variable rate amortizing bonds (the "2005-1 Bonds") and its 2011-1 Bonds (in thousands):

Facility	Current Borrowing	Additional Borrowing Commitment	Total Commitment	Current Borrowing	Additional Available Borrowing, as Limited by our Borrowing Base	Total Current and Available Borrowing
TL Credit Facility	$ 125,000	$ 80,000	$ 205,000	$ 125,000	$ 24,688	$ 149,688
TW Credit Facility	8,047	416,953	425,000	8,047	—	8,047
Secured Debt Facility (1) (2)	820,697	29,303	850,000	820,697	3,933	824,630
2005-1 Bonds (2)	175,958	—	175,958	175,958	—	175,958
2011-1 Bonds	380,000	—	380,000	380,000	—	380,000
Total	$1,509,702	$526,256	$2,035,958	$1,509,702	$ 28,621	$1,538,323

(1) On March 15, 2011, we exercised an option to increase the maximum available commitment under the Secured Debt Facility from $750,000 to $850,000.

(2) Current borrowings for the Secured Debt Facility and the 2005-1 Bonds exclude step acquisition adjustments of $279 and $232, respectively, related to the purchase by TL of 3,000 additional shares of TMCL on November 1, 2007. The adjustments were recorded to reduce the balance of both the 2005-1 Bonds and the Secured Debt Facility to an amount that equaled the fair market value of the debt on the date of the acquisition.

We have typically funded a significant portion of the purchase price of new containers through borrowings under our TL Credit Facility and our Secured Debt Facility and intend to continue to utilize these facilities, as well as, the TW Credit Facility in the future. In 2001, 2005 and again in 2011, 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 similar refinancings at such times as the Secured Debt Facility or any similar revolving debt facilities we establish nears their maximum size. This timing will depend on our level of future purchases of containers and the size of our debt facilities in the future.

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 13 "Commitments and Contingencies" to our consolidated financial statements in Item 18, *"Financial Statements"* in this Annual Report on Form 20-F, which may place demands on our short-term liquidity.

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 board of directors takes a fresh view every quarter, taking into consideration our cash needs for opportunities that may be available to us, and sets our dividend accordingly. TL's Credit Facility also prohibits us from paying dividends in excess of 70% of our annual net income attributable to Textainer Group Holdings Limited common shareholders excluding unrealized losses (gains) on interest rate swaps and caps, net.

Our 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, 2011, cumulative earnings of approximately $45,549 would be subject to income taxes of approximately $13,677 if such earnings of foreign corporations were transferred out of such jurisdictions in the form of dividends.

The disruption in the credit market in 2008 and 2009 had a significant adverse impact on a number of financial institutions. To date, our liquidity has not been impacted by the current credit environment. Assuming that our lenders remain solvent, 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. We will continue to monitor our liquidity and the credit markets. However, we cannot predict with any certainty the impact to the Company of any further disruptions in the credit environment.

Description of Indebtedness

TL Credit Facility. TL has a credit agreement with Bank of America, N.A. and other lenders to provide it with a revolving credit facility in the amount of $205,000 (the "Credit Agreement"). The Credit Agreement also provides for a $50,000 letter of credit facility included within the $205,000 commitment (together, the "TL Credit Facility"). The TL Credit Facility provides for payments of interest only during its term, beginning on its inception date through April 22, 2013, the Maturity Date. There is a commitment fee of 0.20% to 0.30% on the unused portion of the TL Credit Facility, which varies based on the leverage of TGH and is payable quarterly in arrears. In addition, there is an agent's fee on the commitment amount, which is payable annually in advance.

Under the terms of the TL Credit Facility, the total outstanding principal amount available to be drawn thereunder is calculated pursuant to a formula based on a percentage of the net book value of our containers and our outstanding debt with respect thereto. Any outstanding letter of credit not cash collateralized will reduce the amount available in the form of cash borrowings under the TL Credit Facility. The TL Credit Facility provided an additional amount available, as limited by the Company's borrowing base, in the amount of $24,688 as of December 31, 2011.

The TL Credit Facility contains restrictive covenants, including limitations on certain liens, indebtedness and investments. In addition the TL Credit Facility contains certain restrictive financial covenants on TL and TGH. The credit facility covenants require TGH to maintain (1) a minimum consolidated tangible net worth of $268,068, plus 30% of consolidated net income after December 31, 2007, plus 100% of the increase in net worth resulting from the sale of any equity interests in TGH or any subsidiary thereof; (2) a consolidated leverage ratio of 3.50 to 1.00 or less; and (3) a minimum consolidated debt service ratio of 1.10 to 1.00. The credit facility covenants also require TL to maintain (1) a consolidated leverage ratio of 3.50 to 1.00 or less and (2) a minimum consolidated interest coverage ratio of 1.35 to 1.00. We were in compliance with all such covenants at December 31, 2011.

Interest on the borrowings under the TL Credit Facility at December 31, 2011 was based on either the U.S. prime rate or LIBOR plus a spread between 0.5% and 1.5%. As of December 31, 2011, $125,000 was outstanding under the TL Credit Facility.

Although no repayment of the principal amount of outstanding borrowings is required until April 22, 2013, we may make optional prepayments prior to this date. Mandatory prepayments are required prior to the Maturity 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 TL Credit Facility is secured by certain container-related assets of TL. TGH acts as a guarantor of the TL Credit Facility. The guaranty is secured by ordinary shares of TL, cash, assets readily convertible into cash and amounts due to us from our subsidiaries.

We have made certain representations and warranties in the TL 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 TL 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 negative pledge with respect to TMCL shares.

Events of default under the TL Credit Agreement include, among others:

- a default in required payment by TL or TGH on any indebtedness or guarantee in excess of $15,000 (other than the TL Credit Facility and interest rate swap agreements);
- a material adverse change of the company;
- unsatisfied judgments against us that could result in a material adverse change or that equal at least $15,000 to the extent not subject to a policy of insurance;
- failure of any of the security documents or a default under the guaranty;
- early termination of interest rate swap agreements by TGH or any of its subsidiaries or counterparties with a termination value owed by TGH or any of its subsidiaries in excess of $5,000; and
- the occurrence of certain Employee Retirement Income Security Act (“ERISA”) events.

TW Credit Facility. Our 25% owned joint venture, TW, has a credit agreement (“TW Credit Agreement”) with Wells Fargo Bank, N.A.(“WFB”), a wholly-owned subsidiary of Wells Fargo & Company, with a total commitment amount of up to $425,000 (the “TW Credit Facility”). TW’s primary ongoing container financing requirements are funded by commitments under the TW Credit Facility. The interest rate on the TW Credit Facility, payable monthly in arrears, is LIBOR plus 2.75% during the revolving period beginning on its inception date through August 5, 2014. There is a commitment fee of 0.5% on the unused portion of the TW Credit Facility, which is payable monthly in arrears. In addition, there is an agent’s fee of 0.025% on the aggregate commitment amount of the TW Credit Facility, which is payable monthly in arrears. TW is required to make principal payment on any payment date for the outstanding loan principal amount that exceeds the borrowing base on such payment date. The aggregate loan principal balance is due on the maturity date, August 5, 2024.

The TW Credit Facility is secured by TW’s containers and under the terms of the TW Credit Facility, the total outstanding principal may not exceed the lesser of the commitment amount and the borrowing base, a formula based on TW’s net book value of containers and restricted cash and direct financing and sales-type leases. The additional amount available for borrowing under the TW Credit Facility, as limited by TW’s borrowing base, was $0 as of December 31, 2011.

The TW Credit Facility is secured by a pledge of TW’s assets. TW’s total assets amounted to $9,860 as of December 31, 2011. The TW Credit Facility contains restrictive covenants, including limitations on TW’s finance lease default ratio, debt service coverage ratio, certain liens, indebtedness and investments. In addition, the TW Credit Facility contains certain restrictive financial covenants on TGH’s tangible net worth, leverage, debt service coverage, TGH's container management subsidiary net income and debt levels, and TW's overall Asset Base minimums. As of December 31, 2011, TW was not in compliance with the TW Credit Facility's debt service coverage covenants and owner container concentration limits set forth by the TW Credit Facility's Asset Base covenants, primarily due to such covenants failing to take into account how they should be applied to commitments to fund TW's initial container financings. As a result, an Early Amortization Event has occurred and is continuing. Accordingly, TW obtained a waiver for these covenants effective December 29, 2011. TW, TGH and TGH's container management subsidiary were in compliance with all other covenants of the TW Credit Facility at December 31, 2011.

We have made certain representations and warranties in the TW 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.

Events of default under the TW Credit Agreement include, among others:

- a default in required payment;
- the aggregate loan principal balance exceeding the asset base beyond cure period;
- unsatisfied judgments against us that equal at least $1,000 to the extent not subject to a policy of insurance;
- invalidity of the lien on collateral;
- certain default of covenant or other documents;
- TW becoming obligated to register as an investment company under the Investment Company Act; and
- the occurrence of certain ERISA events.

Secured Debt Facility. TMCL has a securitization facility pursuant to which it has issued Floating Rate Asset Backed Notes, Series 2010-1 ("2010-1 Notes") with a total commitment of $850,000 pursuant to the Third Amended and Restated Series 2010-1 Supplement, dated as of June 29, 2010 (the "2010-1 Supplement"), to its Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended as of June 3, 2005, June 8, 2006, July 2, 2008, June 29, 2010 and June 10, 2011, the "Indenture"). Our primary ongoing container financing requirements have been funded by commitments under the Secured Debt Facility. The Secured Debt Facility provided a total commitment in the amount of $850,000 as of December 31, 2011. Of this amount, $820,697 had been drawn and the additional amount available for borrowing, as limited by TMCL's borrowing base, was $3,933 as of December 31, 2011.

Prior to the conversion date (currently defined as June 29, 2012), each of the 2010-1 Notes is a revolving note with a maximum principal amount equal to the amount of that 2010-1 Note. As a result, the amount funded under such 2010-1 Notes may be less than the face amount of that 2010-1 Note. TMCL may request funding under the 2010-1 Notes from time to time prior to the conversion date. Each of the 2010-1 Notes provides for payments of interest only during the period from its inception until its conversion date. Given a conversion date of June 29, 2012, the first principal payment would be on July 15, 2012. However, we have the option of repaying principal of the 2010-1 Notes at any time. After the conversion date, the 2010-1 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 2010-1 Notes are due monthly in arrears. Interest on the outstanding amounts of the 2010-1 Notes equal LIBOR plus 2.75% during the revolving period prior to the conversion date. Overdue payments of principal and interest of the 2010-1 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 2010-1 Notes, which is payable in arrears, of 0.75% if total borrowings under the 2010-1 Notes equal 50% or more of the total commitment or 1.00% if total borrowings under the 2010-1 Notes are less than 50% of the total commitment.

Under the Indenture, TMCL, Textainer Equipment Management Limited ("TEM"), one of TGH's subsidiaries, and TGH must maintain certain financial covenants, including the following (i) TMCL must maintain at least a 1.25 to 1.00 ratio of earnings (before interest expense and taxes) to interest expense; (ii) TEM may not incur more than $1,000 of consolidated funded debt (iii) TEM must make at least $2,000 in after-tax profits annually and (iv) TGH 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 December 31, 2011.

2011-1 Bonds. TMCL has issued $400,000 in Series 2011-1 Fixed Rate Asset Backed Notes ("the 2011-1 Bonds") pursuant to its Series 2011-1 Supplement, dated as of June 22, 2011, to the Indenture. The 2011-1 Bonds are term notes. The 2011-1 Bonds were purchased by various institutional investors.

Payments of principal and interest on the 2011-1 Bonds are due monthly. The 2011-1 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 June 15, 2021), but shall not exceed a maximum payment term of 15 years (with a legal final payment date of June 15, 2026). Under a 10-year amortization schedule, $40,000 of principal of the 2011-1 Bonds will amortize per year. TMCL will not be permitted to make a voluntary prepayments of all, or a portion of, the principal balance of the 2011-1 Bonds prior to the payment date occurring in June 2013. The interest rate applicable to the 2011-1 is fixed at 4.70% per annum. Overdue payments of principal and interest on the 2011-1 Bonds accrue interest at a rate of 2.0% above the interest rate ordinarily applicable to such amounts.

2005-1 Bonds. TMCL has also issued $580,000 in Floating Rate Asset Backed Notes, Series 2005-1 ("the "2005-1 Bonds") pursuant to its Series 2005-1 Supplement, dated as of May 26, 2005, to the Indenture. The 2005-1 Bonds are term notes. The 2005-1 Bonds were purchased by various institutional investors.

Payments of principal and interest on the 2005-1 Bonds are due monthly. The 2005-1 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, $51,500 of principal of the 2005-1 Bonds will amortize per year. TMCL is permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2005-1 Bonds. The interest rate applicable to the 2005-1 Bonds equals one-month LIBOR plus 0.25**%.** Overdue payments of principal and interest on the 2005-1 Bonds accrue interest at a rate of 2.0% above the interest rate ordinarily applicable to such amounts. Ultimate repayment of the 2005-1 Bonds has been insured by Ambac Assurance Corporation and the cost of this insurance coverage, which is equal to 0.275% on the outstanding principal balance of the 2005-1 Bonds, is recognized as incurred on a monthly basis.

The Secured Debt Facility, the 2011-1 Bonds and the 2005-1 Bonds are all governed by the Indenture and are secured by a pledge of, among other things, TMCL's containers, certain contracts related to TMCL's containers and the securitization facility, certain bank accounts, proceeds from the operation of TMCL's containers, and all other assets of TMCL to the extent that they relate to the containers. Under the terms of the Secured Debt Facility, the 2011-1 Bonds and the 2005-1 Bonds, the total outstanding principal of these two programs may not exceed an amount that is calculated by a formula based on TMCL's book value of equipment, restricted cash and direct financing and sales-type leases. The Secured Debt Facility, the 2011-1 Bonds and the 2005-1 Bonds also contain restrictive covenants regarding the average age of TMCL's container fleet, ability to incur other obligations and to distribute earnings, and overall asset base minimums, with which TMCL and TEM were in compliance at December 31, 2011.

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, the 2011-1 Bonds and 2005-1 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, TMCL'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 December 31, 2011.

Events of default under the 2010-1 Notes, the 2011-1 Bonds and the 2005-1 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;
- TMCL becoming obligated to register as an investment company under the Investment Company Act; and
- the occurrence of certain ERISA events.

Letter of Credit. On February 3, 2012, a bank issued TMCL a commitment letter (the "Commitment") to provide an irrevocable letter of credit ("Letter of Credit") with a maximum available commitment amount of $100,000 on the Conversion Date of the Secured Debt Facility if the Secured Debt Facility is not refinanced on or prior to the Conversion Date. The purpose of the Commitment is to maintain TMCL's current credit ratings on the 2005-1 Bonds, the 2011-1 Bonds and the Secured Debt Facility. The purpose of the Letter of Credit is to supplement the 2005-1 Bonds, the 2011-1 Bonds and the Secured Debt Facility by covering possible shortfalls in principal and interest payments under certain stress scenarios modeled by TMCL's credit rating agencies. The interest rate on the Letter of Credit, payable monthly in arrears, will be LIBOR plus 5.50% to 6.50% per annum for the five-year period following the Conversion Date and LIBOR plus 11.50% per annum thereafter. There is also a commitment fee of $500, payable in full on February 3, 2012, and an unused fee on the Commitment, payable in arrears, of 0.25% per annum, from February 3, 2012 through the date the Conversion Date and 0.625% per annum thereafter. The Commitment for the Letter of Credit will be terminated if the Secured Debt Facility is terminated prior to the June 29, 2012 Conversion Date.

Cash Flow

The following table summarizes historical cash flow information for the years ended December 31, 2011, 2010 and 2009:

	December 31,		
	2011	2010	2009
	(Dollars in thousands)		
Net income	$ 204,018	$ 133,764	$ 105,330
Adjustments to reconcile net income to net cash provided by operating activities	9,327	30,119	8,432
Net cash provided by operating activites	213,345	163,883	113,762
Net cash used in investing activities	(725,124)	(302,964)	(75,488)
Net cash provided by (used in) financing activities	529,490	139,284	(53,058)
Effect of exchange rate changes	24	59	113
Net increase (decrease) in cash and cash equivalents	17,735	262	(14,671)
Cash and cash equivalents at beginning of year	57,081	56,819	71,490
Cash and cash equivalents at end of year	$ 74,816	$ 57,081	$ 56,819

Operating Activities

Net cash provided by operating activities increased $49,462 (30.2%) from 2010 to 2011 and increased $50,121 (44.1%) from 2009 to 2010 primarily due to an increases in net income primarily resulting from in increases in the owned fleet size due to the purchase of new containers and increases in both per diem rental rates and utilization due to improved conditions in the container leasing industry.

Investing Activities

Net cash used in investing activities increased $422,160 (139.3%) from 2010 to 2011 due to a higher amount of container purchases, the payment for TMCL's capital restructuring (net of cash acquired) in 2011 and a lower receipt of principal payments on direct financing and sales-type leases, partially offset by higher proceeds from the sale of containers and fixed assets. Net cash used in investing activities increased $227,476 (301.3%) from 2009 to 2010 due to a higher amount of container purchases, partially offset by a higher receipt of principal payments on direct financing and sales-type leases, higher proceeds from the sale of containers and fixed assets and the purchase of intangible assets in 2009.

Financing Activities

Net cash provided by financing activities increased $390,206 (280.2%) from 2010 to 2011 primarily due to $400,000 of proceeds from the issuance of our 2011-1 Bonds, a $33,697 increase in net proceeds from our Secured Debt Facility, a $4,047 increase in net proceeds from our TL and TW Credit Facilities, an excess tax benefit from share-based compensation awards of $3,633 in 2011, a $3,268 decrease in debt issuance costs, capital contributions from noncontrolling interest of $1,823 in 2011 and a $1,032 increase in proceeds from the issuance of common shares, partially offset by an increase in restricted cash of $30,824 in 2011 compared to an increase in restricted cash of $8,448 in 2010, a $20,000 increase in principal payments on 2011-1 and 2005-1 Bonds and a $14,918 increase in dividends paid. Net cash provided by (used in) financing activities changed from net cash used in financing activities of $53,058 in 2009 to net cash provided by financing activities of $139,284 in 2010 primarily due to a $199,500 increase in net proceeds from our Secured Debt Facility, the extinguishment of 2005-1 Bonds for $20,234 in 2009, proceeds from the issuance of common shares upon the exercise of share options of $5,033 in 2010, and a decrease of $1,793 in principal payments on 2005-1 Bonds, partially offset by a $8,448 increase in restricted cash in 2010 compared to a $9,521 decrease in restricted cash in 2009, a $11,558 increase in debt issuance costs, a $3,691 increase in dividends paid and a $1,000 decrease in net proceeds from our TL Credit Facility.

C. Research and Development, Patents and Licenses, etc.

We do not carry out research and development activities and our business and profitability are not materially dependent upon any patents or licenses. 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.

D. Trend Information

Please see Item 5, "*Operating and Financial Review and Prospects – Tabular Disclosure of Contractual Obligations*" for a description of identifiable trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, our liquidity either increasing or decreasing at present or in the foreseeable future. We will require sufficient capital in the future to meet our payments and other obligations under our contractual obligations and commercial commitments. The need to make such payments is a "Trend" as it is unlikely that all such obligations will be eliminated from our future business activities. We intend to utilize cash on hand in order to meet our obligations under our contractual obligations and commercial commitments. It is likely that we will generate sufficient operating cash flow to meet these ongoing obligations in the foreseeable future. From time to time, we may issue additional debt in order to raise capital for future requirements.

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E. Off-Balance Sheet Arrangements

At December 31, 2011 we had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

F. Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments by due date as of December 31, 2011:

	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:							
TL Credit Facility	$ 125,000	$ —	$125,000	$ —	$ —	$ —	$ —
TW Credit Facility	8,047	—	—	—	—	—	8,047
Secured Debt Facility	820,697	41,035	82,070	82,070	82,070	82,070	451,382
2005-1 Bonds	175,958	51,500	51,500	51,500	21,458	—	—
2011-1 Bonds	380,000	40,000	40,000	40,000	40,000	40,000	180,000
Interest obligation (1)	233,321	45,360	39,636	34,282	29,482	25,001	59,560
Interest rate swaps payable (2)	20,125	9,697	6,393	3,143	890	2	—
Office lease obligations	7,385	1,508	1,413	1,428	1,380	1,367	289
Container contracts payable	25,510	25,510	—	—	—	—	—
Total contractual obligations	$1,796,043	$214,610	$346,012	$212,423	$175,280	$148,440	$699,278

(1) Assuming an estimated current interest rate of LIBOR plus a margin, which equals an all-in interest rate of 3.06%.

(2) Calculated based on the difference between our fixed contractual rates and the counterparties' estimated average LIBOR rate of 0.30%, for all periods, for all interest rate contracts outstanding as of December 31, 2011.

G. Safe Harbor

This Annual Report on Form 20-F contains forward-looking statements. See "Information Regarding Forward-Looking Statements; Cautionary Language."

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors as of March 15, 2012. 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 bye-laws 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 and non-management directors is Century House, 16 Par-La-Ville Road, Hamilton HM 08, Bermuda.

In accordance with our bye-laws, our board of directors are 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. Philip K. Brewer, James A. Owens, Isam K. Kabbani and James E. McQueen are designated Class II directors, to hold office until our 2012 annual general meeting of shareholders, John A. Maccarone, Dudley R. Cottingham, Hyman Shwiel and James E. Hoelter are designated Class I directors, to hold office until our 2013 annual general meeting of shareholders and Neil I. Jowell, Cecil Jowell and David M. Nurek are designated Class III directors, to hold office until our 2014 annual general meeting of shareholders,. Thereafter, directors in each class will 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 60.1% of our outstanding share capital. See Item 4, "*Information on the Company— Organizational Structure*" for an explanation of the relationship between us and Trencor. As indicated below, five of our directors are also directors of Trencor.

Executive Officers and Directors	Age	Position
Neil I. Jowell(1)(2)(3)(4)	78	Chairman
Philip K. Brewer	54	Director, President and Chief Executive Officer
Dudley R. Cottingham(1)(2)(3)	60	Director
James E. Hoelter(1)(2)(3)(4)	72	Director
Cecil Jowell(4)	76	Director
Isam K. Kabbani	77	Director
John A. Maccarone	67	Director
James E. McQueen(1)(4)	67	Director
David M. Nurek(2)(3)(4)	62	Director
James A. Owens	72	Director
Hyman Shwiel(1)(2)(3)	67	Director
Robert D. Pedersen	52	President and Chief Executive Officer of Textainer Equipment Management Limited
Hilliard C. Terry, III	42	Executive Vice President and Chief Financial Officer
Ernest J. Furtado	56	Senior Vice President and Chief Accounting and Compliance Officer

(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.

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

Directors

Neil I. Jowell has served as our director and chairman since December 1993. He has been a director of Trencor since 1966, and was appointed chairman in 1973. Mr. Jowell has over 50 years experience in the transportation industry. He holds an M.B.A. from Columbia University and Bachelor of Commerce and L.L.B. degrees from the University of Cape Town. Mr. Neil I. Jowell and Mr. Cecil Jowell are brothers.

Philip K. Brewer was appointed President and Chief Executive Officer and to our board of directors in October 2011. Mr. Brewer served as our Executive Vice President since January 2006, 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 and resale divisions. 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. 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 an M.B.A. in Finance from Columbia University.

Dudley R. Cottingham has been a member of our board of directors since December 1993 and served as assistant Secretary and/or secretary between December 1993 and October 2007. He has also served in the past as president of certain of our subsidiaries and continues to serve as a director of our Bermuda subsidiaries. Mr. Cottingham has over 30 years of experience in public accounting for a variety of international and local clients. He 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 and is chairman of the listing committee of the Bermuda Stock Exchange. He is chairman and an Investment and Operational Committee member of the Aurum Funds which are listed on the Bermuda and Irish Stock Exchanges. 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. He is a director of Morris, Cottingham & Co. Ltd. and their other group companies in Turks & Caicos Islands. 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 risk committee. He is the president of Summit Station LLC, a commercial real estate development company. Mr. Hoelter received a Bachelor of Business Administration degree from the University of Wisconsin and an 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 also serves on the board of Trencor and has been 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 previously listed on the JSE. Mr. C. Jowell holds a Bachelor of Commerce and L.L.B. degrees from the University of Cape Town and is a graduate of the Institute of Transport.

John A. Maccarone retired as our President and Chief Executive Officer in October 2011 when he became a non-executive director of Textainer Group Holdings Limited. He served as our President and Chief Executive Officer since January 1999, and as a member of our board of directors since December 1993. Until October 2011, Mr. Maccarone was 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 an M.B.A. from Loyola University of Chicago.

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, trading and construction 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 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 starting with National Marketing, a small trading company in specialized building materials. The IKK Group has been for the past decade consistently among the largest 35 Saudi Companies. Mr. Kabbani holds a B.A. from Swarthmore College and an M.A. in Economics and International Relations from Columbia University.

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 degree 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 listed on the JSE. 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 on international business for the Heath Lambert Group (Lloyd's Brokers) 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 Institute of International Container Lessors. 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 with 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 a M.B.A. from the University of Cape Town and is a Chartered Accountant (South Africa) and a CPA.

Executive Officers

For certain biographical information about Philip K. Brewer, see "Directors" above.

Robert D. Pedersen was appointed President and Chief Executive Officer of Textainer Equipment Management Limited, our management company, in October 2011. Mr. Pedersen 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.

Hilliard C. Terry, III was appointed Executive Vice President and Chief Financial Officer in January 2012. Prior to joining the company, Mr. Terry was Vice President and Treasurer and previously the head of Investor Relations at Agilent Technologies, Inc., where he worked since the company's initial public offering in 1999 and subsequent spin-off from Hewlett-Packard Company (HP). Before joining Agilent, he worked in marketing and investor relations for HP's VeriFone subsidiary and joined VeriFone, Inc. in 1995 prior to the company's acquisition by HP in 1997. Mr. Terry has also held positions in investor relations and investment banking with Kenetech Corporation and Goldman, Sachs & Co, respectively. He holds a B.A. in Economics from the University of California at Berkeley and an M.B.A. from Golden Gate University.

Ernest J. Furtado has served as our First Vice President, Senior Vice President, Chief Financial Officer and Secretary or Assistant Secretary since 1999. Mr. Furtado currently serves as our Senior Vice President and Chief Accounting and Compliance Officer. 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 was also a Manager of Internal Audit for Wells Fargo Bank and worked as a Certified Public Accountant at John F. Forbes & Co. Mr. Furtado is a Certified Public Accountant and holds a B.S. in Business Administration from the University of California at Berkeley and an M.B.A. in Information Systems from Golden Gate University.

Board of Directors

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

B. Compensation

The aggregate direct compensation we paid to our executive officers as a group (four persons, including John Maccarone, our former President and Chief Executive Officer who retired in October 2011) for the year ended December 31, 2011 was approximately $3.1 million, which included approximately $1.5 million in bonuses and approximately $69 in funds set aside or accrued to provide for health and life insurance, retirement, or similar benefits. On November 16, 2011, our executive officers as a group were also granted 61,500 share options, with an exercise price of $28.54 and an expiration date of November 15, 2021, and 61,500 restricted share units through our 2007 Share Incentive Plan. 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 2011, 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 2011 Short Term Incentive Plan ("STIP"). Under that plan, all eligible employees received an incentive award based on their respective job classification and our return on assets and earnings per share. In 2011, all STIP participants, including our executive officers received 200% of their target incentive award.

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, 2011 was approximately $576. Some directors were also reimbursed for expenses incurred in order to attend board or committee meetings.

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 could be granted pursuant to the 2007 Share Incentive Plan was 3,808,371 shares, representing 8% of the number of common shares issued and outstanding 45 days following our initial public offering on October 9, 2007, subject to adjustments for share splits, share dividends or other similar changes in our common shares or our capital structure. On February 23, 2010, the Company's Board of Directors approved an increase in the number of shares available for future issuance by 1,468,500 from 3,808,371 shares to 5,276,871 shares, which was approved by the Company's shareholders at the annual meeting of shareholders on May 19, 2010. The shares to be issued pursuant to awards under the 2007 Share Incentive Plan may be authorized, but unissued, or reacquired common shares.

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 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.

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 acquirer 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 acquirer 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 replaced our 2007 Short Term Incentive Plan 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 from awards 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.

Employment and Consulting Agreements with Executive Officers and Directors

We have entered into employment agreements with most 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. 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.

C. Board 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 New York Stock Exchange's ("NYSE") 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 pursuant to Rule 10A-3 promulgated under the Exchange Act. 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 does not need to 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, as required by NYSE standards. The members of our compensation committee are Messrs. Cottingham, Hoelter, Neil Jowell, Nurek and Shwiel. Messrs. Neil Jowell, Hoelter and Nurek are directors of Trencor. Messrs. Cottingham and Shwiel satisfy the NYSE's standards for director independence.
- We have established an audit committee responsible (i) for advising the board regarding the selection of independent auditors, (ii) overseeing the Company's accounting and financial reporting process, (iii) evaluating our internal controls, and (iv) overseeing compliance with policies and legal requirements with respect to financial reporting. Our audit committee need not comply with NYSE requirements that the audit committee have a minimum of three members or the NYSE's standards of director 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 are independent as that term is defined in Rule 10A-3 under the Exchange Act. The other three members are representatives of Trencor and have no voting rights.
- 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 nominating and governance committee has five members, Messrs. Cottingham, Hoelter, Neil Jowell, Nurek and Shwiel. Messrs. Cottingham and Shwiel satisfy the NYSE's standards for director independence. Our board of directors has adopted a nominating and governance committee charter.
- Under Bermuda law, we are not required to obtain shareholder consent prior to issuing securities or adopting share compensation plans. Nonetheless, we sought and received the approval of our shareholders for our 2007 Share Incentive Plan on September 4, 2007. Under Bermuda law, consent of the Bermuda Monetary Authority is required 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. Nonetheless, we have adopted both corporate governance guidelines and a code of business conduct.

D. Employees

As of December 31, 2011, we employed 157 people. We believe that our relations with our employees are good, and we are not a party to any collective bargaining agreements.

E. Share Ownership

See Item 7, "*Major Shareholders and Related Party Transactions*" for information regarding director and senior management ownership of our common shares.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table presents information regarding the beneficial ownership of our common shares as of March 9, 2012:

- each person or entity that we know beneficially owns 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 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 common shares owned is based on 49,519,958 common shares issued and outstanding on March 9, 2012. We do not believe that we are directly or indirectly owned or controlled by any foreign government. The voting rights of our common shares held by major shareholders are the same as the voting rights of shares held by all other shareholders. We are unaware of any arrangement that might result in a change of control.

	Number of Common Shares Beneficially Owned	
Holders	Shares (1)	% (2)
5% or More Shareholders		
Halco Holdings Inc. (3)	29,778,802	60.1%
Trencor Limited (3)	29,778,802	60.1%
Directors and Executive Officers		
Philip K. Brewer	420,853	*
Dudley R. Cottingham	4,825	*
James E. Hoelter (4)	30,783,967	62.2%
Cecil Jowell (5)	30,377,583	61.3%
Neil I. Jowell (5)	30,440,564	61.5%
Isam K. Kabbani (6)	2,653,800	5.4%
John A. Maccarone (7)	2,066,896	4.2%
James E. McQueen (8)	29,780,627	60.1%
David M. Nurek (9)	29,780,627	60.1%
James A. C. Owens	1,825	*
Hyman Shwiel	1,825	*
Ernest J. Furtado (10)	183,183	*
Robert D. Pedersen	235,096	*
Hilliard C. Terry, III	20,000	*
Current directors and executive officers (14 persons) as a group	37,215,610	75.2%

* Less than 1%.

(1) Beneficial ownership by a person assumes the exercise of all share options, warrants and rights held by such person. Common shares beneficially owned include the following share options and restricted share units:

	Grant Date						
	October 9, 2007	November 19, 2008	November 18, 2009	November 18, 2010	May 17, 2011	November 16, 2011	January 20, 2012
Share options							
Exercise price	$ 16.50	$ 16.97	$ 7.10	$ 28.26	N/A	$ 28.54	$ 31.34
Expiration date	October 8, 2017	November 18, 2018	November 17, 2019	November 17, 2020	N/A	November 15, 2021	January 19, 2022
Philip K. Brewer	44,430	19,500	22,350	15,000	—	30,000	—
Dudley R. Cottingham	—	—	—	—	—	—	—
James E. Hoelter	—	—	—	—	—	—	—
Cecil Jowell	—	—	—	—	—	—	—
Neil I. Jowell	—	—	—	—	—	—	—
Isam K. Kabbani	—	—	—	—	—	—	—
John A. Maccarone	59,380	8,125	31,215	—	—	—	—
James E. McQueen	—	—	—	—	—	—	—
David M. Nurek	—	—	—	—	—	—	—
James A. C. Owens	—	—	—	—	—	—	—
Hyman Shwiel	—	—	—	—	—	—	—
Ernest J. Furtado	—	4,375	7,524	7,500	—	9,500	—
Robert D. Pederson	20,190	13,000	16,762	15,000	—	22,000	—
Hilliard C. Terry, III	—	—	—	—	—	—	10,000
Restricted share units							
Philip K. Brewer	26,250	13,000	15,644	11,250	—	30,000	—
Dudley R. Cottingham	—	—	—	—	1,131	—	—
James E. Hoelter	—	—	—	—	1,131	—	—
Cecil Jowell	—	—	—	—	1,131	—	—
Neil I. Jowell	—	—	—	—	1,131	—	—
Isam K. Kabbani	—	—	—	—	1,131	—	—
John A. Maccarone	65,440	16,250	21,849	—	—	—	—
James E. McQueen	—	—	—	—	1,131	—	—
David M. Nurek	—	—	—	—	1,131	—	—
James A. C. Owens	—	—	—	—	1,131	—	—
Hyman Shwiel	—	—	—	—	1,131	—	—
Ernest J. Furtado	17,500	8,750	10,534	7,500	—	9,500	—
Robert D. Pederson	26,250	13,000	15,644	11,250	—	22,000	—
Hilliard C. Terry, III	—	—	—	—	—	—	10,000

(2) Percentage ownership is based on 49,519,958 shares outstanding as of March 9, 2012.

(3) Includes 29,778,802 shares held by Halco Holdings Inc. ("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, Mr. Cecil Jowell, Mr. McQueen and Mr. Nurek, all members of our board of directors and the board of directors of Trencor and Mr. Edwin Oblowitz, a member of the board of directors of Trencor.

(4) Includes 29,778,802 shares held by Halco (which in terms of SEC regulations are solely reported herewith as beneficially owned by Mr. Hoelter due to his position as a director of Trencor), 113,438 shares held by the James E. Hoelter & Virginia S. Hoelter Trust, 519,156 shares held by the JEH-VSH Limited Partnership #1, and 370,746 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 one of our directors and a member of the board of directors of Trencor. Mr. Hoelter disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco.

(5) Includes 29,778,802 shares held by Halco (which in terms of SEC regulations are solely reported herewith as beneficially owned by Mr. Cecil Jowell and Mr. Neil Jowell due to their position as a directors of Trencor) and 596,956 shares held by EA Finance, a company owned by a trust in which members of Mr. Cecil Jowell and Mr. Neil Jowell's family are discretionary beneficiaries. Mr. Cecil Jowell and Mr. Neil Jowell are our directors, directors of Halco, protectors of the Halco Trust and members of the board of directors of Trencor. In addition, Mr. Cecil Jowell has a

significant ownership interest in Trencor. Mr. Cecil Jowell and Mr. Neil Jowell disclaim beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by EA Finance and Halco.

(6) Includes 2,651,975 shares held by IKK Foundation, an affiliate of Mr. Kabbani.

(7) Includes 1,572,916 shares held by the Maccarone Family Partnership L.P., 252,271 shares held by the Maccarone Revocable Trust, 1,100 shares held by the Maccarone Charitable Trust, 1,000 shares held by the John Maccarone IRA Rollover and 350 shares held by the Bryan Maccarone UTMA.

(8) Includes 29,778,802 shares are held by Halco (which in terms of SEC regulations are solely reported herewith as beneficially owned by Mr. McQueen due to his position as a director of Trencor). 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) Includes 29,778,802 shares are held by Halco (which in terms of SEC regulations are solely reported herewith as beneficially owned by Mr. Nurek due to his position as a director of Trencor). Mr. Nurek is one of our directors, a protector of the Halco Trust and a member of the board of directors of Trencor. Mr. Nurek disclaims beneficial ownership, except to the extent of his pecuniary interest therein, if any, of the shares held by Halco.

(10) Includes 100,000 shares held by Ernest James Furtado and Barbara Ann Pelletreau, Trustees of the Furtado-Pelletreau 2003 Revocable Living Trust UDT dated November 28, 2003, 300 shares held by Ernest James Furtado as custodian for David Furtado UGMA, and 200 shares held by Ernest James Furtado as custodian for Michelle Pelletreau UGMA.

As of March 9, 2012, based on information available to the Company, 3,694 of our common shares issued and outstanding were held by one record holder in our domicile and headquarters country (Bermuda).

B. 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, in the past, we have extended loans to our employees in connection with their acquisition of our common shares in accordance with our various employees' share schemes. As of December 31, 2011 and December 31, 2010, no amounts were outstanding on such loans to employees. 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.

Indemnification of Officers and Directors

We have entered into 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.

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 2011, 2010 and 2009, we managed approximately 8,000 TEU (for which we received approximately $178 in management fees), 9,000 TEU (for which we received approximately $173 in management fees) and 9,800 TEU (for which we received approximately $146 in management fees), respectively, for IKK Foundation.

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 include Neil I. Jowell, Cecil Jowell, David Nurek 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.

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 2011, 2010 and 2009, we received the following fees or commissions from LAPCO: (i) $3,239, $3,274 and $3,095, respectively, in management fees, (ii) $1,395, $1,383 and $1,474, respectively, in sales commissions and (iii) $0, $180 and $87, respectively, in acquisition fees. In 2011, 2010 and 2009, fees received under the LAPCO agreement accounted for 4.0%, 6.8% and 7.7%, respectively, of total combined Container Management and Container Resale segment revenue and 1.1%, 1.6% and 1.9%, respectively, 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.

Halco acquired 2,100,000 common shares in the Company's initial public offering at the initial public offering price. The underwriters did not receive any discount or commission on these shares. The common shares that were purchased by Halco in the offering are not 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. See Item 14. "*Material Modifications to the Rights of Security Holders and Use of Proceeds*" for further details on these trading restrictions.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial Statements

Our audited consolidated financial statements which are comprised of our consolidated balance sheets as of December 31, 2011 and 2010 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, 2011 and the notes to those statements and the report of independent registered public accounting firm thereon, are included under Item 18, "*Financial Statements*" of this Annual Report on Form 20-F. Also, see Item 5, "*Operating and Financial Review and Prospects*" for additional financial information.

Legal Proceedings

See Item 4, "*Information on the Company — Business Overview—Legal Proceedings*" for information on our legal proceedings which may have, or have had in the recent past, significant effects on our financial position or profitability.

Dividend Policy

The following table summarizes dividends that we have declared and paid since January 1, 2009:

Date Declared	Dividend per Outstanding Common Share	Total Dividend
February 2009	$ 0.23	$ 10,985
May 2009	$ 0.23	$ 10,985
August 2009	$ 0.23	$ 10,985
November 2009	$ 0.23	$ 10,985
February 2010	$ 0.23	$ 11,035
May 2010	$ 0.24	$ 11,533
August 2010	$ 0.25	$ 12,038
November 2010	$ 0.27	$ 13,025
February 2011	$ 0.29	$ 14,115
May 2011	$ 0.31	$ 15,157
August 2011	$ 0.33	$ 16,149
November 2011	$ 0.35	$ 17,128
February 2012	$ 0.37	$ 18,288

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.

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 Item 3, "*Key Information — 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) the revolving credit facility of our wholly-owned subsidiary, Textainer Limited, 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 tangible 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 Item 5, "*Operating and Financial Review and Prospects—Liquidity and Capital Resources*" for a description of these covenants. 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.

B. Significant Changes

Except as disclosed in the Annual Report on Form 20-F, no significant changes have occurred since December 31, 2011, which is the date of our audited consolidated financial statements included in this Annual Report on Form 20-F.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Trading Markets and Price History

Our common shares have been listed on the New York Stock Exchange ("NYSE") under the symbol "TGH" since October 10, 2007. Prior to that time, there was no public market for our common shares. The following table sets forth the high and low closing sale prices, as reported on the NYSE for our common shares for the periods indicated:

	High	Low
Annual Highs and Lows:		
Fiscal 2011	$ 37.56	$ 19.74
Fiscal 2010	$ 31.35	$ 14.72
Fiscal 2009	$ 17.25	$ 4.30
Fiscal 2008	$ 22.35	$ 6.36
Fiscal 2007	$ 17.00	$ 13.42
Quarterly Highs and Lows (two most recent full financial years):		
Fourth quarter 2011	$ 29.98	$ 19.74
Third quarter 2011	$ 32.04	$ 20.28
Second quarter 2011	$ 37.56	$ 28.06
First quarter 2011	$ 37.16	$ 28.81
Fourth quarter 2010	$ 31.35	$ 24.06
Third quarter 2010	$ 29.12	$ 23.44
Second quarter 2010	$ 27.05	$ 20.24
First quarter 2010	$ 22.76	$ 14.72
Monthly Highs and Lows (over the most recent six month period):		
February 2012	$ 34.52	$ 30.98
January 2012	$ 32.42	$ 29.03
December 2011	$ 29.98	$ 25.55
November 2011	$ 28.86	$ 24.39
October 2011	$ 28.26	$ 19.74
September 2011	$ 23.13	$ 20.28

Transfer Agent

A register of holders of our common shares is maintained by Continental Management Limited in Bermuda and a branch register is maintained in the United States by Computershare Limited. The transfer agent and branch registrar for our common shares is Computershare Shareholder Services, Inc. and its fully owned subsidiary Computershare Trust Company, N.A., having its principal office at 250 Royall Street, Canton, MA 02021.

B. Plan of Distribution

Not applicable.

C. Markets

See Item 9, "*Offer and Listing Details – Trading Markets*" above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

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, prior to that time our business was based in Panama. Our headquarters office is located at 16 Par-La-Ville Road, Hamilton HM 08 Bermuda.

We incorporate by reference into this Annual Report on Form 20-F the description of our memorandum of association and our bye-laws contained in "Description of Share Capital" of our Registration Statement on Form F-1 filed with the SEC on September 26, 2007. Such information is a summary which does not purport to be complete and is qualified in its entirety by reference to our memorandum of association and our bye-laws, copies of which have been filed as Exhibits 3.1 and 3.2, respectively, to such Registration Statement.

C. Material Contracts

We have not entered into any material contracts during the two years immediately preceding the date of this Annual Report on Form 20-F other than contracts entered into in the ordinary course of business and other than those described in Item 4, " *Information on the Company—History and Development of the Company—Significant Events* " or elsewhere in this Annual Report on Form 20-F.

D. Exchange Controls

Trencor, a South African company listed on the JSE, has beneficiary interest in a majority of our share capital. Trencor currently has an indirect beneficiary interest in 60.1% of our issued and outstanding shares. 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 the 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 common shares.

E. Taxation

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 Bermuda subsidiaries have obtained an assurance from the Bermuda Minister of Finance under the Exempted Undertakings Tax Protection Act 1966 that, if any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on 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 is 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. However, given recently enacted legislation, we intend to apply for an extension of this assurance through 2035. As an exempted company, we are required to pay to the Bermuda government an annual fee presently not to exceed $32, 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.

A portion of our income is treated as effectively connected with the conduct of a trade or business within the U.S., and such effectively connected income is subject to U.S. federal income tax. U.S. federal income tax returns have been filed declaring such effectively connected income.

The determination of whether a person is engaged in a U.S. trade or business is based on a highly factual analysis. In general, there is no clear test as to the nature and scope of activities that constitute being engaged in a U.S. trade or business, and it is unclear how a court would construe the existing authorities with respect to our activities. Accordingly, it is possible that the IRS could assert that a significantly greater portion of our income than we currently report is derived from the conduct of a U.S. trade or business and therefore, is effectively connected income that is subject to U.S. federal income tax.

In addition to U.S. federal income tax on income associated with a U.S. trade or business, we are also subject to a 30% U.S. withholding tax imposed 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 rents, dividends and 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 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.

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.

In May of 2009, we received notification from the IRS that the 2007 and 2008 U.S. tax returns for our U.S. subsidiary, Textainer Equipment Management U.S. Limited, had been selected for examination. In May 2010, we received notification from the IRS that they had completed their examination, making minor changes to the 2007 and 2008 taxable income of our U.S. subsidiary with respect to our transfer pricing which did not significantly alter our income tax for these years.

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. Such amount must be included without reduction for any foreign taxes withheld. 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, 2013, 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 are "readily tradable" as a result of being listed on the NYSE, although there can be no assurance that our common shares are "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 believe that we were a PFIC for our prior taxable year and we intend to conduct our business so that we should not be treated as a PFIC for our current taxable year. However, we could 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.

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. Generally, 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).

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, 2013) will apply to non-corporate U.S. Holders. In the case of a corporation, capital gains are taxed at the same rate as ordinary income, which is currently 35%. 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 on the disposition of common shares 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. However, rents derived from the conduct of an active trade or business are not treated as passive income.

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 directly 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 the amount and character of our projected revenues and the amount and character of our 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 the amount and character of our actual revenues and capital expenditures do not match our projections, we may be a PFIC. In these calculations, we have valued our intangible 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 intangible assets and we may be a PFIC. Furthermore, we have made a number of assumptions regarding the value of our intangible assets. We believe our valuation approach is reasonable. However, it is possible that the IRS could challenge the valuation of our intangible assets, which may result in our being a PFIC.

We do not believe that we were a PFIC for our prior taxable year and we intend to conduct our business so that we should not be treated as a PFIC for our current taxable year. 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.

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 is permitted to make and makes (i) an election to treat us as a qualified electing fund ("QEF") under Section 1295 of the Code (a "QEF Election") or (ii) 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, regardless of whether we actually continue to be 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. We currently do not intend to prepare or provide you with certain tax information that would permit you to make a QEF Election to avoid the adverse tax consequences associated with owning PFIC stock.

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.

Legislative Developments

Signed into law March 30, 2010, the Health Care and Education Reconciliation Act provides, among other things, with respect to taxable years beginning after December 31, 2012, certain U.S. persons, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individuals, the additional Medicare tax applies to the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" over $200,000 ($250,000 if married and filing jointly or $125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. You should consult your tax advisors regarding the implications of the additional Medicare tax resulting from your ownership and disposition of our 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.

Information Reporting Regarding PFICs and Specified Foreign Financial Assets

Under legislation enacted on March 18, 2010, commonly referred to as the "Foreign Account Tax Compliance Act" or "FATCA ," if we were a PFIC, each U.S. Holder would be required to file an annual report containing such information as the IRS may require, unless otherwise provided by the IRS. Before the enactment of this legislation, a U.S. shareholder of a PFIC was only required to file such an annual report if the shareholder recognized gain on a direct or indirect disposition of PFIC stock, received certain direct or indirect distributions from the PFIC, or was making certain elections with respect to the PFIC. In Notice 2011-55, the IRS advised that, until it develops further guidance regarding the PFIC reporting obligation under FATCA, U.S. holders that would not otherwise have been required to file an annual report under the reporting rules prior to March 18, 2010, will not be required to file an annual report as a result of FATCA for taxable years beginning on or after March 18, 2010.

U.S. Holders that are individuals will be subject to reporting obligations with respect to their common shares if they do not hold their common shares in an account maintained by a financial institution and the aggregate value of their common shares and certain other "specified foreign financial assets" exceeds $50,000. Significant penalties can apply if a U.S. Holder is required to disclose its common shares under these rules and fails to do so.

In the event a U.S. Holder does not file the information reports described above relating to ownership of a PFIC or disclosure of specified foreign financial assets, the statute of limitations on the assessment and collection of U.S. federal income taxes of such U.S. holder for the related tax year will not close before such report is filed.

If you are a U.S. Holder, you are urged to consult with your own tax advisor regarding the application of the PFIC and specified foreign financial assets information reporting requirements and related statute of limitations tolling provisions with respect to our common shares.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Whenever a reference is made in this Annual Report on Form 20-F to any contract, agreement or other document, the reference may not be complete and you should refer to the copy of that contract, agreement or other document filed as an exhibit to one of our previous SEC filings. You can read our SEC filings 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. Copies of reports and other information may also be inspected in the offices of the NYSE, 20 Broad Street, New York, New York 10005.

I. Subsidiary Information

Not applicable.

ITEM 11. 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 2011, 2010 and 2009 were denominated in U.S. dollars. During 2011, 2010 and 2009, 36%, 34% and 38%, respectively, of our direct container expenses were paid in 18 different foreign currencies for the years ended December 31, 2011 and 2010 and 17 different foreign currencies for the year ended December 31, 2009. We do not hedge these container expenses as there are no significant payments made in any one foreign currency. Foreign exchange fluctuations did not materially impact our financial results in those periods.

Interest Rate Risk . We have entered into various interest rate swap and cap 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 London Inter Bank Offered Rate (“LIBOR”). The differentials between the fixed and variable rate payments under these agreements are recognized in realized (losses) gains on interest rate swaps and caps, net in the consolidated statement of income.

As of December 31, 2011, 2010 and 2009, none of the derivative instruments we have entered into qualify for hedge accounting. 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 unrealized (losses) gains on interest rate swaps and caps, net.

We utilize a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. This hierarchy prioritizes the inputs into three broad levels as follows: Level 1 inputs which are observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs which are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, which include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and Level 3 inputs which are unobservable inputs that reflect the reporting entity’s own assumptions.

We use the exchange price notion, which 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).

We changed from measuring the fair value of our interest rate swaps and caps under a Level 3 input to a Level 2 input during the three months ended June 30, 2009 because we began determining the fair value estimate using observable market inputs. In addition, our liability valuation reflects our credit standing and the credit standing of the counterparties to the interest rate swaps and caps. The valuation technique we utilized to calculate the fair value of the interest rate swaps and caps was the income approach. This approach represents the present value of future cash flows based upon current market expectations. The increase in the interest rate swap agreements’ net fair value liability during 2011 primarily reflects a decrease in rates in the future portion of the swaps’ curves as of December 31, 2011.

The notional amount of the interest rate swap agreements was $508,877 as of December 31, 2011, with expiration dates between May 2012 and July 2016. We receive fixed rates between 0.72% and 3.96% under the interest rate swap agreements. The net fair value liability of these agreements was $16,110 and $12,261 as of December 31, 2011 and 2010, respectively.

The notional amount of the interest rate cap agreements was $348,640 as of December 31, 2011, with expiration dates between January 2012 and November 2015.

Based on the debt balances and derivative instruments as of December 31, 2011, it is estimated that a 1% increase in interest rates would result in a decrease in the fair value of interest rate swaps and caps, net of $9,098, an increase in interest expense of $12,796 and a decrease in realized losses on interest rate swaps and caps, net of $5,239.

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, 2011, approximately 95.8% of accounts receivable for our total fleet and 99.7% of the finance lease receivables were from container lessees and customers outside of the U.S. Customers in the PRC (including Hong Kong) and France accounted for approximately 22.0% and 12.6%, respectively, of our total fleet container leasing revenue for the year ended December 31, 2011. 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.

Lease billings from our 25 largest container lessees represented $413,299, or 74.6% of our total owned and managed fleet container lease billings for the year ended December 31, 2011, with lease billings from our single largest container lessee accounting for $68,428, or 12.4% of our owned and managed fleet container lease billings during such period.

An allowance for doubtful accounts of $7,840 has been established against receivables as of December 31, 2011 for our owned fleet. During 2011, receivable write-offs, net of recoveries, totaled $3,820 for our owned fleet.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On October 15, 2007, we completed our initial public offering of our common shares at a price of $16.50 per share and listed our common shares on the New York Stock Exchange under the symbol "TGH." We sold an aggregate of 9,000,000 of our common shares and generated proceeds of $138.0 million, after deducting underwriting discounts and other offering expenses. The managing underwriters of our initial public offering were Credit Suisse Securities (USA) LLC, Wachovia Capital Markets, LLC, Jefferies & Company, Inc., Piper Jaffray & Co. and Fortis Securities LLC. There have been no material modifications to the rights of our security holders and the use of proceeds from our initial public offering previously disclosed in our registration statement on Form F-1 (File No. 333-146304) filed by us in connection with our initial public offering.

ITEM 15. CONTROLS AND PROCEDURES

A. Disclosure Controls and Procedures

Textainer's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of December 31, 2010, have concluded that, as of such date, our disclosure controls and procedures were effective.

Disclosure controls are controls and procedures designed to reasonably assure that information required to be disclosed in our reports filed under the Exchange Act, such as this Annual Report on Form 20-F, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls are also designed to reasonably assure that this information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control Over Financial Reporting

Textainer's management, with oversight by the Board of Directors, is responsible for establishing and maintaining adequate internal control over financial reporting. Textainer's internal control system was designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation and fair presentation of financial statements in accordance with generally accepted accounting principles in the United States.

Textainer's management assessed the effectiveness of our internal control over financial reporting as of December 31, 2011. In making this assessment, management used the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2011.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

C. Report of the Registered Public Accounting Firm

Our internal controls over financial reporting as of December 31, 2011 have been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included under Item 18, " *Financial Statements*" on page F-2 in this Annual Report on Form 20-F.

D. Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the period covered by this Annual Report on Form 20-F that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

In accordance with New York Stock Exchange ("NYSE") rules, we have an audit committee responsible for advising the board regarding the selection of independent auditors and evaluating our internal controls. As a foreign private issuer, we are not required to comply with NYSE requirements that our audit committee has a minimum of three members and that all of our audit committee members satisfy the NYSE's requirements for independence. Our audit committee has five members, Messrs. Shwiel, Cottingham, Neil Jowell, McQueen and Hoelter. Messrs. Shwiel and Cottingham are voting members of the audit committee and are independent as that term is defined in Rule 10A-3 under the Exchange Act. The board affirmatively determined that Mr. Shwiel and Mr. Cottingham are audit committee financial experts. The other three members (Messrs. Hoelter, Neil Jowell and McQueen) are representatives of Trencor and have no voting rights. Our board of directors has adopted an audit committee charter effective October 9, 2007.

ITEM 16B. CODE OF ETHICS

We have adopted the Textainer Group Holdings Limited Code of Business Conduct and Ethics (the "Code of Business Conduct and Ethics"), which covers members of our board of directors and all of our employees (including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions).

The Code of Business Conduct and Ethics addresses, among other things, the following items:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- accountability for adherence to the code.

During 2011, no waivers or amendments were made to the Code of Business Conduct and Ethics for any of our directors or executive officers. We have posted the text of the Code of Business Conduct and Ethics on our website at www.textainer.com.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our audit committee pre-approves all services provided by our principal accountants, KPMG LLP. All of the services and fees described below were reviewed and pre-approved by our audit committee. Our audit committee has delegated to the chairman of the audit committee certain limited authority to grant pre-approvals. These decisions to pre-approve a service must be presented to the full audit committee at its next scheduled meeting.

The following is a summary of the fees billed to us by our principal accountants for professional services rendered during 2011 and 2010:

Fee Category	2011 Fees	2010 Fees
Audit Fees	$ 922	$1,069
Audit-Related Fees	85	—
Tax Fees	—	31
All Other Fees	—	—
Total Fees	$1,007	$ 1,100

Audit Fees— Consists of fees billed for professional services rendered for the audit of our financial statements and services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-Related Fees— Consists of fees for attestation related services other than those described above as Audit fees. Fees of $85 billed in 2011 relate to the performance of agreed upon procedures on certain specific lender requirements.

Tax Fees— Consists of fees billed for professional services for tax compliance, tax advice and tax planning. KPMG LLP did not provide any tax compliance, tax advice or tax planning services to Textainer during 2011.

All Other Fees— Consists of fees for product and services other than the services reported above. KPMG LLP did not provide any other services to Textainer during 2011 and 2010.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

We rely on the exemption afforded by Rule 10A-3(b)(1)(iv)(D) under the Exchange Act. Three of the five members of our audit committee (Messrs. Hoelter, Neil Jowell and McQueen) are directors of Trencor, which, together with certain of its subsidiaries, are the discretionary beneficiaries of a trust that indirectly owns a majority of our common shares. Each of Messrs. Hoelter, Neil Jowell and McQueen is neither a voting member or chairperson of our audit committee nor one of our executive officers. We believe that such reliance does not materially adversely affect the ability of the audit committee to act independently or to satisfy the other requirements of Rule 10A-3.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

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 New York Stock Exchange's ("NYSE") 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 pursuant to Rule 10A-3 promulgated under the Exchange Act. 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, as required by NYSE standards. The members of our compensation committee are Messrs. Neil Jowell, Cottingham, Hoelter, Nurek and Shwiel. Messrs. Neil Jowell, Hoelter and Nurek are directors of Trencor. Messrs. Cottingham and Shwiel satisfy the NYSE's standards for director independence. Our board of directors has also adopted a compensation committee charter.
- We have established an audit committee responsible for (i) advising the board regarding the selection of independent auditors, (ii) overseeing the Company's accounting and financial reporting processes, (iii) evaluating our internal controls, and (iv) overseeing compliance with policies and legal requirements with respect to financial reporting. Our audit committee need not comply with the NYSE's requirements that the audit committee have a minimum of three members or the NYSE's standards of independence for domestic issuers. Our audit committee has five members, Messrs. Neil Jowell, Cottingham, Hoelter, McQueen and Shwiel. Messrs. Cottingham and Shwiel are voting members of the committee and are independent as that term is defined in Rule 10A-3 under the Exchange Act. The other three members are representatives of Trencor and have no voting rights. Our board of directors has also adopted an audit committee charter.
- 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 nominating and governance committee has five members, Messrs. Neil Jowell, Cottingham, Hoelter, Nurek and Shwiel. Messrs. Cottingham and Shwiel satisfy the NYSE's standards for director independence. Our board of directors has also adopted a nominating and governance committee charter.
- Under Bermuda law, we are not required to obtain shareholder consent prior to issuing securities or adopting share compensation plans. Nonetheless, 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. Nonetheless, we have adopted both corporate governance guidelines and a code of business conduct.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to the NYSE. However, we have provided a proxy statement to the NYSE and expect to continue to do so in the future.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have responded to Item 18 "Financial Statements."

ITEM 18. FINANCIAL STATEMENTS

Reference is made to pages F-1 through F-41 and is incorporated herein by reference.

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ITEM 19. EXHIBITS

The exhibits filed as part of this Annual Report on Form 20-F are listed in the Exhibit Index.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Textainer Group Holdings Limited

/S/ PHILIP K. BREWER

Philip K. Brewer
President and Chief Executive Officer

/S/ HILLIARD C. TERRY, III

Hilliard C. Terry, III
Executive Vice President and Chief Financial Officer

March 15, 2012

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Textainer Group Holdings Limited:

We have audited the accompanying consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2011 and 2010, 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, 2011. In connection with our audits of the consolidated financial statements, we have also audited financial statement schedules I and II. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements 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, 2011 and 2010, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedules I and II, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Textainer Group Holdings Limited's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 15, 2012 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP
San Francisco, CA
March 15, 2012

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Textainer Group Holdings Limited:

We have audited Textainer Group Holdings Limited and subsidiaries' internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Textainer Group Holdings Limited and subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Textainer Group Holdings Limited and subsidiaries' maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2011 and 2010, 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, 2011, and the financial statement schedules I and II, and our report dated March 15, 2012 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
San Francisco, CA
March 15, 2012

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Income
Years ended December 31, 2011, 2010 and 2009
(All currency expressed in United States dollars in thousands, except per share amounts)

	2011	2010	2009
Revenues:			
Lease rental income	$ 327,627	$235,827	$189,779
Management fees	29,324	29,137	25,228
Trading container sales proceeds	34,214	11,291	11,843
Gains on sale of containers, net	31,631	27,624	12,111
Total revenues	422,796	303,879	238,961
Operating expenses:			
Direct container expense	18,307	25,542	39,062
Cost of trading containers sold	29,456	9,046	9,721
Depreciation expense	83,177	58,972	48,473
Amortization expense	6,110	6,544	7,080
General and administrative expense	23,495	21,670	20,304
Short-term incentive compensation expense	4,921	4,805	2,924
Long-term incentive compensation expense	5,950	5,318	3,575
Bad debt expense, net	3,007	145	3,304
Gain on sale of containers to noncontrolling interest	(19,773)	—	—
Total operating expenses	154,650	132,042	134,443
Income from operations	268,146	171,837	104,518
Other income (expense):			
Interest expense	(44,891)	(18,151)	(11,750)
Gain on early extinguishment of debt	—	—	19,398
Interest income	32	27	61
Realized losses on interest rate swaps and caps, net	(10,824)	(9,844)	(14,608)
Unrealized (losses) gains on interest rate swaps and caps, net	(3,849)	(4,021)	11,147
Other, net	(115)	(1,591)	35
Net other (expense) income	(59,647)	(33,580)	4,283
Income before income tax and noncontrolling interest	208,499	138,257	108,801
Income tax expense	(4,481)	(4,493)	(3,471)
Net income	204,018	133,764	105,330
Less: Net income attributable to the noncontrolling interest	(14,412)	(13,733)	(14,554)
Net income attributable to Textainer Group Holdings Limited common shareholders	$189,606	$ 120,031	$ 90,776
Net income attributable to Textainer Group Holdings Limited common shareholders per share:			
Basic	$ 3.88	$ 2.50	$ 1.90
Diluted	$ 3.80	$ 2.43	$ 1.88
Weighted average shares outstanding (in thousands):			
Basic	48,859	48,108	47,761
Diluted	49,839	49,307	48,185

See accompanying notes to consolidated financial statements.

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TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets
December 31, 2011 and 2010
(All currency expressed in United States dollars in thousands)

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	$ 74,816	$ 57,081
Accounts receivable, net of allowance for doubtful accounts of $7,840 and $8,653 in 2011 and 2010, respectively	86,428	63,511
Net investment in direct financing and sales-type leases	25,075	19,117
Trading containers	12,970	404
Containers held for sale	7,832	2,883
Prepaid expenses	10,243	8,603
Deferred taxes	2,443	1,895
Total current assets	219,807	153,494
Restricted cash	45,858	15,034
Containers, net of accumulated depreciation of $377,731 and $361,791 at 2011 and 2010, respectively	1,903,855	1,437,259
Net investment in direct financing and sales-type leases	85,121	72,224
Fixed assets, net of accumulated depreciation of $9,027 and $8,820 at 2011 and 2010, respectively	1,717	1,804
Intangible assets, net of accumulated amortization of 33,340 and $27,441 at 2011 and 2010, respectively	46,675	60,122
Interest rate swaps and caps	—	1,320
Other assets	7,171	5,950
Total assets	$ 2,310,204	$ 1,747,207
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 2,616	$ 6,296
Accrued expenses	18,491	11,988
Container contracts payable	25,510	98,731
Deferred revenue	6,245	6,855
Due to owners, net	15,812	17,545
Secured debt facility	41,035	—
Bonds payable	91,500	51,500
Total current liabilities	201,209	192,915
Revolving credit facilities	133,047	104,000
Secured debt facility	779,383	558,127
Bonds payable	464,226	175,570
Deferred revenue	1,136	2,994
Interest rate swaps and caps	16,110	13,581
Income tax payable	22,729	20,821
Deferred taxes	7,438	8,632
Total liabilities	1,625,278	1,076,640
Equity:		
Textainer Group Holdings Limited shareholders' equity:		
Common shares, $0.01 par value. Authorized 140,000,000 shares; issued and outstanding 48,951,114 and 48,318,058 at 2011 and 2010, respectively	490	483
Additional paid-in capital	154,460	181,602
Accumulated other comprehensive loss	(28)	(52)
Retained earnings	528,906	401,849
Total Textainer Group Holdings Limited shareholders' equity	683,828	583,882
Noncontrolling interest	1,098	86,685
Total equity	684,926	670,567
Total liabilities and equity	$ 2,310,204	$ 1,747,207

See accompanying notes to consolidated financial statements.

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TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Shareholders' Equity and Comprehensive Income
Years ended December 31, 2011, 2010 and 2009
(All currency expressed in United States dollars in thousands, except share amounts)

	Textainer Group Holdings Limited Shareholders' Equity						
	Common shares						
	Shares	Amount	Additional paid-in capital	Accumulated other comprehensive income (loss)	Retained earnings	Noncontrolling interest	Total equity
Balances, December 31, 2008	47,604,740	$ 476	$ 166,744	$ (224)	$282,613	$ 58,398	$ 508,007
Dividends to shareholders ($0.92 per common share)	—	—	—	—	(43,940)	—	(43,940)
Restricted share units vested	156,031	2	(2)	—	—	—	—
Long-term incentive compensation expense	—	—	3,493	—	—	—	3,493
Tax benefit from restricted share units vested	—	—	262	—	—	—	262
Comprehensive income:							
Net income attributable to Textainer Group Holdings Limited common shareholders	—	—	—	—	90,776	—	90,776
Net income attributable to noncontrolling interest	—	—	—	—	—	14,554	14,554
Foreign currency translation adjustments	—	—	—	113	—	—	113
Total comprehensive income							105,443
Balances, December 31, 2009	47,760,771	$ 478	$ 170,497	$ (111)	$ 329,449	$ 72,952	$ 573,265
Dividends to shareholders ($0.99 per common share)	—	—	—	—	(47,631)	—	(47,631)
Restricted share units vested	193,241	2	(2)	—	—	—	—
Exercise of share options	364,046	3	5,030	—	—	—	5,033
Long-term incentive compensation expense	—	—	5,457	—	—	—	5,457
Tax benefit from share options exercised and restricted share units vested	—	—	620	—	—	—	620
Comprehensive income:							
Net income attributable to Textainer Group Holdings Limited common shareholders	—	—	—	—	120,031	—	120,031
Net income attributable to noncontrolling interest	—	—	—	—	—	13,733	13,733
Foreign currency translation adjustments	—	—	—	59	—	—	59
Total comprehensive income							133,823
Balances, December 31, 2010	48,318,058	$ 483	$ 181,602	$ (52)	$ 401,849	$ 86,685	$ 670,567
Dividends to shareholders ($1.28 per common share)	—	—	—	—	(62,549)	—	(62,549)
Restricted share units vested	274,172	3	(3)	—	—	—	—
Exercise of share options	358,884	4	6,061	—	—	—	6,065
Long-term incentive compensation expense	—	—	6,177	—	—	—	6,177
Tax benefit from share options exercised and restricted share units vested	—	—	3,633	—	—	—	3,633
Capital restructuring	—	—	(43,010)	—	—	(101,822)	(144,832)
Capital contributions from noncontrolling interest	—	—	—	—	—	1,823	1,823
Comprehensive income:							
Net income attributable to Textainer Group Holdings Limited common shareholders	—	—	—	—	189,606	—	189,606
Net income attributable to noncontrolling interest	—	—	—	—	—	14,412	14,412
Foreign currency translation adjustments	—	—	—	24	—	—	24
Total comprehensive income							204,042
Balances, December 31, 2011	48,951,114	$ 490	$ 154,460	$ (28)	$528,906	$ 1,098	$ 684,926

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years ended December 31, 2011, 2010 and 2009
(All currency expressed in United States dollars in thousands)

	2011	2010	2009
Cash flows from operating activities:			
Net income	$ 204,018	$ 133,764	$ 105,330
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	83,177	58,972	48,473
Bad debt expense, net	3,007	145	3,304
Unrealized losses (gains) on interest rate swaps and caps, net	3,849	4,021	(11,147)
Amortization of debt issuance costs	8,101	4,399	2,176
Amortization of intangible assets	6,110	6,544	7,080
Amortization of acquired net (below) above-market leases	(411)	26	1,456
Amortization of deferred revenue	(9,181)	(7,082)	(4,462)
Amortization of unearned income on direct financing and sales-type leases	(9,055)	(7,853)	(8,625)
Gains on sale of containers, net	(31,631)	(27,624)	(12,111)
Gain on sale of containers to noncontrolling interest	(19,773)	—	—
Gain on early extinguishment of debt	—	—	(19,398)
Share-based compensation expense	6,177	5,457	3,493
Decrease (increase) in:			
Accounts receivable, net	(25,924)	(8,828)	(8,804)
Trading containers, net	(12,566)	867	325
Prepaid expenses and other current assets	(7,046)	(2,140)	1,538
Due from affiliates, net	—	126	(87)
Other assets	4,736	(1,561)	(805)
Increase (decrease) in:			
Accounts payable	(3,680)	(2,782)	4,156
Accrued expenses	6,503	2,868	(210)
Deferred revenue	6,713	(2,311)	(3,581)
Due to owners, net	(1,733)	3,404	3,264
Long-term income tax payable	1,908	2,165	2,582
Deferred taxes, net	46	1,306	(185)
Total adjustments	9,327	30,119	8,432
Net cash provided by operating activities	213,345	163,883	113,762
Cash flows from investing activities:			
Purchase of containers and fixed assets	(823,694)	(402,286)	(137,387)
Payment for Textainer Marine Containers Ltd. capital restructuring, net of cash acquired	(11,783)	—	—
Purchase of intangible assets	—	—	(13,795)
Proceeds from sale of containers and fixed assets	75,311	58,166	51,946
Receipt of principal payments on direct financing and sales-type leases	35,042	41,156	23,748
Net cash used in investing activities	(725,124)	(302,964)	(75,488)
Cash flows from financing activities:			
Proceeds from revolving credit facilities	202,100	152,000	186,000
Principal payments on revolving credit facilities	(173,053)	(127,000)	(160,000)
Proceeds from secured debt facility	627,000	327,000	196,500
Principal payments on secured debt facility	(364,803)	(98,500)	(167,500)
Proceeds from bonds payable	400,000	—	—
Principal payments on bonds payable	(71,500)	(51,500)	(53,293)
Extinguishment of bonds payable	—	—	(20,234)
(Increase) decrease in restricted cash	(30,824)	(8,448)	9,521
Debt issuance costs	(8,402)	(11,670)	(112)
Issuance of common shares upon exercise of share options	6,065	5,033	—
Excess tax benefit from share-based compensation awards	3,633	—	—
Capital contributions from noncontrolling interest	1,823	—	—
Dividends paid	(62,549)	(47,631)	(43,940)
Net cash provided by (used in) financing activities	529,490	139,284	(53,058)
Effect of exchange rate changes	24	59	113
Net increase (decrease) in cash and cash equivalents	17,735	262	(14,671)
Cash and cash equivalents, beginning of the year	57,081	56,819	71,490
Cash and cash equivalents, end of the year	$ 74,816	$ 57,081	$ 56,819

(Continued)

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows
Years ended December 31, 2011, 2010 and 2009
(All currency expressed in United States dollars in thousands)

	2011	2010	2009
Supplemental disclosures of cash flow information:			
Cash paid during the year for:			
Interest and realized losses on interest rate swaps and caps, net	$ 46,287	$ 23,061	$24,506
Net income taxes paid	$ 391	$ 649	$ 541
Supplemental disclosures of noncash investing activities:			
(Decrease) increase in accrued container purchases	$ (73,221)	$85,591	$ 11,072
Containers placed in direct financing and sales-type leases	$ 47,672	$ 23,590	$18,023
Intangible assets relinquished for container purchases	$ 7,748	$ —	$ 3,378
Contribution of nonmonetary assets for Textainer Marine Containers Ltd. capital restructuring:			
Net investment in direct financing and sales-type leases	$ 8,896	$ —	$ —
Containers, net	$124,153	$ —	$ —

See accompanying notes to consolidated financial statements.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. 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 conducts its business activities in three main areas: Container Ownership, Container Management and Container Resale. These activities are described below (also see Note 12 "Segment Information").

Container Ownership

The Company's containers consist primarily of standard dry freight containers, but also include special-purpose containers. These containers are financed through retained earnings, a revolving credit facility and 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 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, fixed assets, depreciation and other operating expenses, and vendor payables arising from direct container operations of the managed portion of the Owners' 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, sales commissions and net acquisition fees earned on the acquisition of containers. Expenses related to the provision of management services include general and administrative expense, short-term and long-term incentive compensation expense and amortization 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 were sold as well as the related selling costs. The Company earns sales commissions related to the sale of the containers that it manages.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

(b) Principles of Consolidation and Variable Interest Entity

The consolidated financial statements of the Company include TGH and all its subsidiaries. All material intercompany balances have been eliminated in consolidation.

On August 5, 2011, a joint venture, TW Container Leasing, Ltd. ("TW") (a Bermuda company), was formed between the Company's wholly owned subsidiary, Textainer Limited ("TL"), and Wells Fargo Container Corp. ("WFC"). The purpose of TW is to lease containers to lessees under direct financing leases. TW is governed by members, credit and management agreements. Under the members agreement, TL owns 25% and WFC owns 75% of the common shares and related voting rights of TW. TL also has two seats and WFC has six seats on TW's board of directors, with each seat having equal voting rights, provided, however, that the approval of at least one TL-appointed director is required for any action of the board of directors. Under a credit agreement, dated as of August 5, 2011, with certain lenders and Wells Fargo Securities, LLC ("WFS"), as administrative agent for the lenders, TW maintains a revolving credit facility with an aggregate commitment of up to $425,000 for the origination of direct financing leases to finance up to 85% of the book value of TW's net investment in direct financing leases (see Note 11 "Revolving Credit Facilities, Bonds Payable and Secured Debt Facility, and Derivative Instruments"). Both WFC and WFS are directly and indirectly wholly owned subsidiaries of Wells Fargo and Company. The remaining cost of originating direct financing leases will be provided in the form of capital contributions from TL and WFC, split 25% and 75%, respectively. Under the management agreement, the Company's wholly owned subsidiary, Textainer Equipment Management Limited ("TEML"), manages all of TW's containers, making day-to-day decisions regarding the marketing, servicing and design of TW's direct financing leases.

Based on the combined design and provisions of TW's members, credit and management agreements, the Company has determined that TW is a Variable Interest Entity ("VIE") and that the Company is the primary beneficiary of TW by virtue of its role as manager of the vehicle and its equity ownership in the entity. An entity is the primary beneficiary of a VIE if it meets both of the following criteria:

- The power to direct the activities of a VIE that most significantly impact the VIE's economic performance; and
- The obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could be potentially significant to the VIE.

Accordingly, the Company includes TW's financial statements in its consolidated financial statements. The equity owned by WFC in TW is shown as a noncontrolling interest on the Company's consolidated balance sheet and the net income (loss) attributable to its operations is shown as net income (loss) attributable to noncontrolling interest on the Company's consolidated statement of income.

The majority of the container equipment included in the accompanying consolidated financial statements is owned by Textainer Marine Containers Limited ("TMCL") in which the Company held a 100.00% and 84.42% economic ownership as of December 31, 2011 and 2010, respectively. TCG Fund I, L.P. ("TCG") held the remaining 15.58% economic ownership as of December 31, 2010 (see Note 2 "Gain on Sale of Containers to Noncontrolling Interest").

(c) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents are comprised of interest-bearing deposits or money market securities with original maturities of three months or less. The Company maintains cash and cash equivalents and

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

restricted cash (see Note 13 "Commitments and Contingencies—Restricted Cash") with various financial institutions. These financial institutions are located in the United States, Canada, Bermuda, Singapore, the United Kingdom, the Netherlands and Malaysia. A significant portion of the Company's cash and cash equivalents and restricted cash is maintained with a small number of banks and, accordingly, the Company is exposed to the credit risk of these counterparties in respect of the Company's cash and cash equivalents and restricted cash. Furthermore, the deposits maintained at some of these financial institutions exceed the amount of insurance provided on the deposits. Restricted cash is excluded from cash and cash equivalents and is included in long-term assets.

(d) Intangible Assets

Intangible assets, consisting primarily of exclusive rights to manage container fleets, are amortized over the expected life of the contracts based on forecasted income to the Company. The contract terms range from 11 to 13 years. The Company reviews its intangible assets for impairment if events and circumstances indicate that the carrying amount of the intangible assets may not be recoverable. The Company compares the carrying value of the intangible assets to expected future undiscounted cash flows for the purpose of assessing the recoverability of the recorded amounts. If the carrying amount exceeds expected undiscounted cash flows, the intangible assets shall be reduced to their fair value.

(e) 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 and sales-type 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 leases. Under sales-type leases, a gain or loss is recognized at the inception of the leases by subtracting the book value of the containers from the estimated fair value of the containers and the remaining revenue is earned and recognized over the lease terms so as to produce a constant periodic rate of return on the net investment in the leases.

With the exception of certain purchase leasebacks (see Note 4 "Purchase-leaseback Transactions"), container leases do not include step-rent provisions or lease concessions, nor do they depend on indices or rates.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

The following is a schedule, by year, of future minimum lease payments receivable under the long-term leases as of December 31, 2011:

Year ending December 31:	
2012	$172,872
2013	135,382
2014	124,743
2015	102,198
2016 and thereafter	95,058
Total future minimum lease payments receivable	$ 630,253

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.

(f) Direct Container Expense

Direct container expense represents the operating costs arising from the containers owned by the Company and includes storage, handling, maintenance, Damage Protection Plan ("DPP") repair, agent and insurance expense.

(g) 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.

(h) 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, excluding its foreign subsidiaries, is the U.S. dollar. Assets and liabilities denominated in a currency other than the entity's functional currency are re-measured 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 (losses) gains, reported in direct container expense in the consolidated statements of income were $(31), $(434) and $38 for the years ended December 31, 2011, 2010 and 2009, 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).

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
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(i) Containers and Fixed Assets

Capitalized container costs include the container cost payable to the manufacturer and the associated transportation costs incurred in moving the containers from the manufacturer to the containers' first destined port. 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. The Company has experienced a significant increase in container resale prices over the last few years as a result of an industry-wide shortage of older containers available for sale and the increased cost of new containers. Based on this extended period of higher realized container resale prices and the Company's expectation that new equipment prices will remain near current levels, the Company increased the estimated future residual values of its containers used in the calculation of depreciation expense during the second half of 2011. The effect of this change was a reduction in depreciation expense of $9,522 ($9,279 after tax or $0.19 per diluted share) for the year ended December 31, 2011. Assuming no change in equipment cost balances the change would result in a decrease in future depreciation expense of $19,044 per year. Depreciation expense may fluctuate in future periods based on fluctuations in these estimates.

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, 2011 and 2010. During the year ended December 31, 2011, the Company recorded an impairment of $1,213, which is included in depreciation expense in the consolidated statement of income, to write-down the carrying values of 554 containers held for continued use that were determined to be unrecoverable from a lessee. During the year ended December 31, 2010, no reduction in the carrying values of containers held for continued use was required.

During the years ended December 31, 2011, 2010 and 2009, the Company recorded impairments of $1,222, $1,602 and $1,973, which are included in depreciation expense in the consolidated statements of income, to write-down the carrying value of 1,268, 4,244 and 11,958 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. At December 31, 2011 and 2010, the carrying value of 324 and 631 containers identified for sale included impairment charges of $134 and $172, respectively. The carrying value of these containers identified for sale amounted to $173 and $376 as of December 31, 2011 and 2010, respectively, and is included in containers held for sale in the consolidated balance sheets.

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During the years ended December 31, 2011, 2010 and 2009, the Company recorded the following net gains on sales of containers, included in gains on sale of containers, net in the consolidated statements of income:

	2011		2010		2009	
	Units	Amount	Units	Amount	Units	Amount
Gains on sale of previously written down containers, net	1,540	$ 2,464	6,767	$ 3,337	9,221	$ 1,140
Gains on sale of containers not written down, net	34,101	29,167	30,724	24,287	35,024	10,971
Gains on sales of containers, net	35,641	$ 31,631	37,491	$27,624	44,245	$12,111

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 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.

(j) 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.

The Company also accounts for income tax positions by recognizing the effect on income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs. If there are findings in future regulatory examinations of the Company's tax returns, those findings may result in additional income tax expense.

The Company records interest and penalties related to unrecognized tax benefits in income tax expense.

(k) Maintenance and Repair Expense and Damage Protection Plan

The Company's leases generally 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 DPP to certain lessees of its containers. Under the terms of the DPP, 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 DPP. 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 DPP or for other lessees who do not participate in the DPP. Based on past history, there is uncertainty as to collectability of these amounts from lessees who are billed at the end of the lease term because the amounts due under the DPP are typically re-negotiated at the end of the lease term or the lease term is extended. The Company uses the direct expense method of accounting for maintenance and repairs.

(l) Concentrations

Although substantially all of the Company's income from operations is derived from assets employed in foreign countries, virtually all of this income is denominated in U.S. dollars. The Company does pay some of its expenses in various foreign currencies. During 2011, 2010 and 2009, \$6,614 or 36%, \$8,796 or 34% and \$15,013 or 38%, respectively, of the Company's direct container expenses were paid in 18 different foreign currencies during 2011 and 2010 and 17 different foreign currencies during 2009. The Company does not hedge these container expenses as there are no significant payments made in any one foreign currency.

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. Except for one major lessee which made up 12.3%, 10.8% and 12.5% of the Company's lease rental income during 2011, 2010 and 2009, respectively, no other single lessees made up greater than 10% of the Company's lease rental income for each of those years. One single lessee accounted for 20.6% and 13.5% of the Company's accounts receivable, net as of December 31, 2011 and 2010.

Total fleet lease rental income differs from reported lease rental income in that total fleet lease rental income comprises revenue earned from leases on containers in the Company's total fleet, including revenue earned by the Owners from leases on containers in its managed fleet, while the Company's reported lease rental income only comprises income associated with its owned fleet. The Company's largest customer represented approximately \$68.4 million or 12.4%, \$52.7 million or 11.1% and \$51.4 million or 12.1% of the Company's total fleet's 2011, 2010 and 2009 leasing billings, respectively. The Company had no other customer that individually accounted for over 10% of the lease billings of the Company's total fleet in 2011, 2010 and 2009. The Company currently has containers on-hire to approximately 400 customers. The Company's customers are mainly international shipping lines, but the Company also leases containers to freight forwarding companies and the U.S. military. The Company's five largest customers accounted for approximately 34.8%, 32.3% and 34.8% of the Company's total fleet's 2011, 2010 and 2009 leasing billings, respectively. During 2011, 2010 and 2009, revenue from the Company's 25 largest container lessees by lease billings represented 74.6%, 76.7% and 74.8% of the Company's total fleet's container lease billings, respectively. A default by any of these major customers could have a material adverse impact on the Company's business, results from operations and financial condition.

As of December 31, 2011 and 2010, approximately 95.8% and 95.1%, respectively, of the Company' accounts receivable for its total fleet were from container lessees and customers outside of the U.S. As of December 31, 2011 and 2010, approximately 99.7% and 99.4% of the Company's finance lease receivables for its total fleet were from container lessees and customers outside of the U.S. Except

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for the countries outside of the U.S. noted in the table below, customers in no other single countries made up greater than 10% of the Company's total fleet container lease billings during 2011, 2010 and 2009.

Country	2011	2010	2009
People's Republic of China	22.0%	20.6%	18.8%
France	12.6%	11.4%	12.4%
Taiwan	n/a	n/a	10.7%

(m) 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. The Company's financial instruments include cash and cash equivalents, restricted cash, accounts receivable and payable, net investment in direct financing and sales-type leases, due from affiliates, net, container contracts payable, due to owners, net, debt and interest rate swaps and caps. At December 31, 2011 and 2010, the fair value of the Company's financial instruments approximates the related book value of such instruments except that, the fair value of net investment in direct financing and sales-type leases (including the short-term balance) was approximately $106,948 and $88,904 at December 31, 2011 and 2010, respectively, compared to book values of $110,196 and $91,341 at December 31, 2011 and 2010, respectively, and the fair value of long-term debt (including current maturities) based on the borrowing rates available to the Company was approximately $1,483,150 and $869,596 at December 31, 2011 and 2010, respectively, compared to book values of $1,509,191 and $889,197 at December 31, 2011 and 2010, respectively.

(n) Derivative Instruments

The Company has entered into various interest rate swap and cap 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 (losses) gains on interest rate swaps and caps, net in the consolidated statement of income.

As of the balance sheet dates, none of the derivative instruments is designated by the Company for hedge accounting. 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 unrealized (losses) gains on interest rate swaps and caps, net.

(o) Share Options and Restricted Share Units

The Company estimates the fair value of all employee share options awarded under its 2007 Share Incentive Plan (the "2007 Plan") on the grant date using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's consolidated statements of income.

The Company uses the Black-Scholes-Merton ("Black-Scholes") option-pricing model as a method for determining the estimated fair value for employee share option awards. Compensation expense for employee share awards is recognized on a straight-line basis over the vesting period of the award. Share-based compensation expense of $6,177, $5,457 and $3,493 was recorded as a part of

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long-term incentive compensation during 2011, 2010 and 2009 for share options and restricted share units awarded to employees under the 2007 Plan.

(p) Comprehensive Income (Loss)

The Company reports changes in equity from all sources. The Company discloses the effect of its foreign currency translation adjustment as a component of other comprehensive income (loss).

(q) 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, intangible assets, accounts receivable, income taxes, 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.

(r) Reclassifications

Certain reclassifications of 2010 and 2009 amounts have been made in order to conform with the 2011 financial statement presentation. On the Company's consolidated statements of cash flows for 2010 and 2009, proceeds from sale of containers and fixed assets of $17,364 and $6,887, respectively, were reclassified to purchase of containers and fixed assets.

(s) 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 net income per share reflects the potential dilution that could occur if all outstanding share options were exercised or converted into common shares. During 2011, 2010 and 2009, 173,635, 18,286 and 1,062,438 share options were excluded, respectively from the computation of diluted earnings per share because they were anti-dilutive under the treasury stock method. A reconciliation of the numerator and denominator of basic earnings per share ("EPS") with that of diluted EPS during 2011, 2010 and 2009 is presented as follows:

Share amounts in thousands	2011	2010	2009
Numerator			
Net income attributable to Textainer Group Holdings Limited common shareholders—basic and diluted EPS	$189,606	$120,031	$90,776
Denominator			
Weighted average common shares outstanding— basic	48,859	48,108	47,761
Dilutive share options and restricted share units	980	1,199	424
Weighted average common shares outstanding— diluted	$ 49,839	$ 49,307	$48,185
Net income attributable to Textainer Group Holdings Limited common shareholders per common share			
Basic	$ 3.88	$ 2.50	$ 1.90
Diluted	$ 3.80	$ 2.43	$ 1.88

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(t) Fair value measurements

The Company utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The Company uses the exchange price notion, which 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).

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 and 2010:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2011			
Assets			
Interest rate swaps and caps	$ —	$ —	$ —
Total	$ —	$ —	$ —
Liabilities			
Interest rate swaps and caps	$ —	$ 16,110	$ —
Total	$ —	$ 16,110	$ —
December 31, 2010			
Assets			
Interest rate swaps and caps	$ —	$ 1,320	$ —
Total	$ —	$ 1,320	$ —
Liabilities			
Interest rate swaps and caps	$ —	$ 13,581	$ —
Total	$ —	$ 13,581	$ —

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The following table summarizes the Company's assets measured at fair value on a non-recurring basis as of December 31, 2011 and 2010:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Years Ended December 31, 2011 and 2010 Total Impairments (2)
December 31, 2011				
Assets				
Containers held for sale (1)	$ —	$ 173	$ —	$ 1,222
Total	$ —	$ 173	$ —	$ 1,222
December 31, 2010				
Assets				
Containers held for sale (1)	$ —	$ 376	$ —	$ 1,602
Total	$ —	$ 376	$ —	$ 1,602

(1) Represents the carrying value of containers included in containers held for sale in the consolidated balance sheets that have been impaired to write down the value of the containers to their estimated fair value less cost to sell.

(2) Included in depreciation expense in the accompanying consolidated statements of income.

When the Company is required to write down the cost basis of its containers identified for sale to fair value less cost to sell, the Company measures the fair value of its containers identified for sale under a Level 2 input. The Company relies on its recent sales prices for identical or similar assets in markets, by geography, that are active. The Company records impairments to write down the value of containers identified for sale to their estimated fair value less cost to sell.

The Company measures the fair value of its $508,877 notional amount of interest rate swaps and caps under a Level 2 input. The valuation also reflects the credit standing of the Company and the counterparties to the interest rate swaps and caps. The valuation technique utilized by the Company to calculate the fair value of the interest rate swaps and caps was the income approach. This approach represents the present value of future cash flows based upon current market expectations. The Company's interest rate swap agreements had a net fair value liability of $16,110 and $12,261 as of December 31, 2011 and 2010, respectively. The credit valuation adjustment (which was a reduction in the liability) was determined to be $134 and $45 as of December 31, 2011 and 2010, respectively. The change in fair value during 2011, 2010 and 2009 of $(3,849), $(4,021) and $11,147, respectively, was recorded in the consolidated statement of income as unrealized (losses) gains on interest rate swaps and caps, net.

(u) Recently Issued Accounting Standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04 *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS* ("ASU 2011-04"), which amends current guidance to achieve common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards. The amendments generally represent clarification of FASB Accounting Standards Codification Topic 820, but also include instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. The amendments are effective for interim and annual reporting periods beginning after December 15, 2011. The Company does not believe that the adoption of ASU 2011-04 will have a material effect on its consolidated financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income* ("ASU 2011-05"), which provides new guidance on the presentation of comprehensive income in financial statements. Entities are required to present total comprehensive income either in a single, continuous statement of comprehensive income or in two separate, but consecutive, statements. Under the single-statement approach, entities must include the components of net income, a total for net income, the components of other comprehensive income and a total for comprehensive income. Under the two-statement approach, entities must report an income statement and, immediately following, a statement of other comprehensive income. Under either method, entities must display adjustments to items reclassified from other comprehensive income to net income in both net income and other comprehensive income. ASU 2011-05 will be effective for interim and annual reporting periods beginning after December 15, 2011, with early adoption permitted. The Company does not believe that the adoption of ASU 2011-05 will have a material effect on its consolidated financial position, results of operations or cash flows.

(2) Gain on Sale of Containers to Noncontrolling Interest

On June 30, 2011, TMCL completed a capital restructuring, whereby TL became the sole owner of TMCL. Immediately before the capital restructuring, TL held an 82.49% economic ownership in TMCL and TCG held the remaining 17.51% economic ownership. TL's total ownership and voting interest in TMCL's Class A common shares before and after the capital restructuring was 75% and 100%, respectively.

On June 30, 2011, TL purchased 1,500 (or 12.5%) Class A common shares of TMCL from TCG for cash consideration of $71,089. The Company accounted for this transaction as a reduction in the related noncontrolling interest and additional paid-in capital. To complete the capital restructuring, TMCL contributed 12.5% of its containers, net and investment in direct financing and sales-type leases to TCG and TCG paid $67,303 of principal on TMCL's secured debt facility (equal to 12.5% of the balance of TMCL's secured debt facility and bonds payable) in consideration for the remaining 1,500 (or 12.5%) Class A shares of TMCL held by TCG, which were immediately retired. The fair value of the containers, net and investment in direct financing and sales-type leases contributed was $124,153 and $8,896, respectively, compared to a book value of $104,345 and $8,931, respectively. The Company recorded a gain on sale of containers to noncontrolling interest of $19,773 for the year ended December 31, 2011 in the amount by which the fair value of its containers, net and net investment in direct financing and sales-type leases exceeded their book values. Simultaneously with the contribution of containers, net and net investment in direct financing and sales-type leases, TCG repaid $67,303 of TMCL's secured debt facility. TL also paid an additional $7,997 of cash consideration to TCG as a final determination of the purchase price as determined under the contract for 12.5% of the book value of TMCL's net assets excluding the book value of containers, net, net investment in direct financing and sales-type leases, secured debt facility and bonds payable as of June 30, 2011. As a result of this restructuring, TL acquired the noncontrolling interest in TMCL and additional paid-in capital was reduced by $43,010 during the year ended December 31, 2011.

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TL's 100% ownership and voting interest in TMCL's Class B common shares was not affected by the capital restructuring. 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 TMCL and was not affected by the capital restructuring. For U.S. federal income tax purposes, as a result of the capital restructuring described above, TMCL became a disregarded entity with respect to the Company. The Company has consolidated TMCL since the inception of the entity in 2001.

(3) Container Purchases

In 2011 the Company concluded three separate purchases of approximately 115,500 containers that it had been managing for institutional investors, including related accounts receivable, due from owners, net, net investment in direct financing leases, accounts payable and accrued expenses for total purchase consideration of $187,191 (consisting of cash of $179,444 and elimination of the Company's intangible asset for the management rights relinquished of $7,747). The total purchase price, which was allocated based on the fair value of the assets and liabilities acquired, was recorded as follows:

Containers, net	$ 178,059
Other net assets	9,132
	$ 187,191

On November 1, 2010, the Company purchased approximately 23,400 containers that it had been managing for an institutional investor, including related accounts receivable, due from owners, net, net investment in direct financing leases, accounts payable and accrued expenses for a total purchase price equal to $36,408. The total purchase price, which was allocated based on the fair value of the assets and liabilities acquired, was recorded as follows:

Containers, net of accumulated depreciation	$ 33,978
Other net assets	2,430
	$ 36,408

On October 1, 2009, the Company purchased approximately 30,900 containers that it had been managing for Amphibious Container Leasing Limited ("Amficon") for total purchase consideration of $67,054 (consisting of cash of $63,676 and the elimination of the Company's intangible asset for the management rights relinquished of $3,378). No other assets or liabilities were purchased.

On August 1, 2009, the Company purchased approximately 28,700 containers that it had been managing for an institutional investor, including related accounts receivable, due from owners, net, accounts payable and accrued expenses for a total purchase price equal to $34,173. The total purchase price, which was allocated based on the fair value of the assets and liabilities acquired, was recorded as follows:

Containers, net of accumulated depreciation	$ 33,015
Other net assets	1,158
Purchase price	$ 34,173

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(4) Purchase-leaseback Transactions

On March 31, 2011, July 25, 2011 and August 25, 2011, the Company completed purchase-leaseback transactions for approximately 10,600, 7,800 and 6,800 containers, respectively, with a shipping line for total purchase prices of $10,257, $8,841 and $9,929, respectively. The purchase price and leaseback rental rates were below market rates. The prepayment of the leases by the lessee by selling the containers at below-market prices to the company was recorded as follows:

Containers, net of accumulated depreciation	$ 36,131
Deferred revenue—operating lease contracts	(7,104)
Purchase price	$ 29,027

On March 31, 2009 and July 16, 2009, the Company completed purchase-leaseback transactions for approximately 5,900 and 28,900 containers, respectively, with a shipping line for total purchase prices of $1,361 and $11,914, respectively. The purchase price and leaseback rental rates were below market rates. The prepayment of the lease by the lessee by selling the containers at below-market prices to the Company was recorded as follows:

Containers, net of accumulated depreciation	$ 40,291
Deferred revenue—operating lease contracts	(27,016)
Purchase price	$ 13,275

The deferred revenue is being amortized to lease rental income so as to produce even revenue recognition over the terms of the respective leases. The balance of deferred revenue related to these purchase-leaseback transactions as of December 31, 2011 of $7,381 reflects reductions resulting from the amortization of the deferred revenue recorded at the time of purchase and reversals of deferred revenue related to containers that were returned by the lessee since the origination of the purchase-leaseback transactions that have been sold.

(5) 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 during 2011, 2010 and 2009 were as follows:

	2011	2010	2009
Fees from affiliated Owner	$ 4,636	$ 4,837	$ 4,727
Fees from unaffiliated Owners	22,741	22,410	18,668
Fees from Owners	27,377	27,247	23,395
Other fees	1,947	1,890	1,833
Total management fees	$29,324	$29,137	$25,228

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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, 2011 and 2010 consisted of the following:

	2011	2010
Affiliated Owner	$ 919	$ 885
Unaffiliated Owners	14,893	16,660
Total due to Owners, net	$15,812	$17,545

(6) Direct Financing and Sales-type Leases

The Company leases containers under direct financing and sales-type leases. The Company had 56,857 and 52,485 containers under direct financing and sales-type leases as of December 31, 2011 and 2010, respectively.

The components of the net investment in direct financing and sales-type leases, which are reported in the Company's Container Ownership segment, as of December 31, 2011 and 2010 were as follows:

	2011	2010
Future minimum lease payments receivable	$ 122,349	$100,559
Residual value of containers on sales-type leases	11,032	9,390
Less unearned income	(23,185)	(18,608)
Net investment in direct financing and sales-type leases	$110,196	$ 91,341
Amounts due within one year	$ 25,075	$ 19,117
Amounts due beyond one year	85,121	72,224
Net investment in direct financing and sales-type leases	$110,196	$ 91,341

The Company maintains detailed credit records about its container lessees. The Company's credit policy sets different maximum exposure limits for its container lessees. The Company uses various credit criteria to set maximum exposure limits rather than a standardized internal credit rating. Credit criteria used by the Company to set maximum exposure limits 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. and Lloyd's Marine Intelligence Unit (common credit reporting agencies used in the maritime sector), operational history and financial strength. The Company monitors its container lessees' performance and its lease exposures on an ongoing basis, and its credit management processes are aided by the long payment experience the Company has had with most of its container lessees and the Company's broad network of long-standing relationships in the shipping industry that provide the Company current information about its container lessees.

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If the aging of current billings for the Company's direct financing and sales-type leases included in accounts receivable, net were applied to the related balances of the unbilled future minimum lease payments receivable component of the Company's net investment in direct finance leases and sales-type leases as of December 31, 2011, the aging would be as follows:

1-30 days past due	$ 19,409
31-60 days past due	180
61-90 days past due	11,434
Greater than 90 days past due	161
Total past due	31,184
Current	91,165
Total future minumum lease payments	$122,349

The Company maintains allowances, if necessary, for doubtful accounts and estimated losses resulting from the inability of its lessees to make required payments under direct financing and sales-type leases based on, but not limited to, each lessee's payment history, management's current assessment of each lessee's financial condition and the adequacy of the fair value of containers that collateralize the leases compared to the book value of the related net investment in direct financing and sales-type leases. Management does not set an internal credit score or obtain an external credit score as part of estimating the allowance as of period end. Based on management's assessment, there was no allowance for doubtful accounts recorded related to the Company's net investment in direct financing and sales-type leases as of December 31, 2011.

The following is a schedule by year of future minimum lease payments receivable under these direct financing and sales-type leases as of December 31, 2011:

Year ending December 31:	
2012	$ 33,524
2013	28,797
2014	24,353
2015	20,582
2016 and thereafter	15,093
Total future minimum lease payments receivable	$122,349

Lease rental income includes income earned from direct financing and sales-type leases in the amount of $8,553, $7,303 and $10,691 during 2011, 2010 and 2009 respectively.

(7) Containers and Fixed Assets

Containers, net at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Containers	$2,281,586	$1,799,050
Less accumulated depreciation	(377,731)	(361,791)
Containers, net	$1,903,855	$1,437,259

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Trading containers had carrying values of $12,970 and $404 as of December 31, 2011 and 2010 and are not subject to depreciation. Containers held for sale that had carrying values of $7,832 and $2,883 as of December 31, 2011 and 2010 are also not subject to depreciation. All owned containers are pledged as collateral for debt as of December 31, 2011 and 2010.

Fixed assets, net at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Computer equipment and software	$ 7,111	$ 6,965
Office furniture and equipment	1,803	1,766
Automobiles	51	136
Leasehold improvements	1,779	1,757
	10,744	10,624
Less accumulated depreciation	(9,027)	(8,820)
Fixed assets, net	$ 1,717	$ 1,804

(8) Intangible Assets

On June 12, 2009, the Company purchased for $2,954 the exclusive rights to manage the approximately 154,000 TEU container fleet of Capital Intermodal Limited, Capital Intermodal GmbH, Capital Intermodal Inc., Capital Intermodal Assets Limited and Xines Limited (collectively “Capital Intermodal”). The purchase price is being amortized over the expected approximate 11-year life of the contract on a pro-rata basis to the expected management fees. Amortization expense for the years ended December 31, 2011 and 2010 was $329 and $254, respectively.

On April 15, 2009, the Company purchased the exclusive rights to manage the approximately 145,000 TEU container fleet of Amficon for $10,600. The purchase price is being amortized over the expected approximate 11-year life of the contract on a pro-rata basis to the expected management fees. On October 1, 2009, the Company purchased approximately 53,000 TEU of the containers that it had been managing for Amficon for $63,676 cash and relinquished management rights for those containers previously recorded as an intangible asset of $3,378. Amortization expense for the years ended December 31, 2011 and 2010 was $562 and $641, respectively.

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The changes in the carrying amount of intangible assets during the years ended December 31, 2011, 2010 and 2009 are as follows:

Balance as of December 31, 2008	$ 64,751
Additions arising from the Amficon, Capital Intermodal and other transactions	13,795
Amortization expense of step acquisition adjustment related to lease contracts(1)	(1,396)
Reduction arising from the relinquishment of management rights from the purchase of containers from Amficon	(3,378)
Amortization expense	(7,080)
Balance as of December 31, 2009	66,692
Amortization expense of step acquisition adjustment related to lease contracts (1)	(26)
Amortization expense	(6,544)
Balance as of December 31, 2010	60,122
Amortization expense of step acquisition adjustment related to lease contracts (1)	411
Amortization expense	(6,110)
Reduction arising from the relinquishment of management rights from the purchase of containers from institutional investors	(7,748)
Balance as of December 31, 2011	$ 46,675

(1) Represents a step acquisition adjustment related to the Company's wholly owned subsidiary, Textainer Limited's ("TL") purchase of 3,000 additional Class A shares of TMCL on November 1, 2007. The adjustment was recorded to increase the balance of lease contracts to an amount that equaled the fair market value of the lease contracts on the date of the acquisition.

The following is a schedule, by year, of future amortization of intangible assets as of December 31, 2011:

Year ending December 31:	
2012	$ 5,277
2013	5,616
2014	5,691
2015	5,762
2016 and thereafter	24,329
Total future amortization of intangible assets	$46,675

(9) Accrued Expenses

Accrued expenses at December 31, 2011 and 2010 consisted of the following:

	2011	2010
Accrued compensation	$ 6,280	$ 6,266
Direct container expense	7,718	2,557
Interest payable	2,907	1,580
Other	1,586	1,585
Total accrued expenses	$18,491	$11,988

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(10) 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. Income tax expense for 2011, 2010 and 2009 consisted of the following:

	2011	2010	2009
Current			
Bermuda	$ —	$ —	$ —
Foreign	6,223	3,187	3,657
	6,223	3,187	3,657
Deferred			
Bermuda	—	—	—
Foreign	(1,742)	1,306	(186)
	(1,742)	1,306	(186)
	$ 4,481	$ 4,493	$ 3,471

The components of income before income taxes and noncontrolling interest were as follows:

	2011	2010	2009
Bermuda sources	$ —	$ —	$ —
Foreign sources	208,499	138,257	108,801
	$208,499	$138,257	$108,801

A reconciliation of the differences between the Bermuda statutory income tax rate and the effective tax rate as provided in the consolidated statements of income is as follows:

	2011	2010	2009
Bermuda tax rate	0.00%	0.00%	0.00%
Foreign tax rate	0.44%	1.63%	1.05%
Tax uncertainties	1.71%	1.62%	2.14%
	2.15%	3.25%	3.19%

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The tax effects of temporary differences that give rise to significant portions of the current and non-current deferred tax assets and deferred tax liabilities at December 31, 2011 and 2010 are presented below:

	2011	2010
Current deferred tax assets		
Other	$ 2,443	$ 1,895
Current deferred tax assets	2,443	1,895
Non-current deferred tax assets		
Net operating loss carryforwards	7,352	5,797
Other	2,109	1,220
Non-current deferred tax assets	9,461	7,017
Non-current deferred tax liabilties		
Containers, net	15,853	15,182
Other	1,046	467
Non-current deferred tax liabilties	16,899	15,649
Net deferred tax liability	$ 4,995	$ 6,737

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 carry-forwards of $21,664 that will begin to expire from December 31, 2017 through December 31, 2030 if not utilized.

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, 2011, cumulative earnings of approximately $45,549 would be subject to income taxes of approximately $13,677 if such earnings of foreign corporations were transferred out of such jurisdictions in the form of dividends.

The Company's foreign tax returns, including the United States, State of California, State of New Jersey, State of Texas, State of Illinois, Malaysia, Singapore, and United Kingdom, are subject to examination by the various tax authorities. With the exception of two tax returns of two foreign subsidiaries, the Company's foreign tax returns are no longer subject to examinations by taxing authorities for years before 2005.

In May of 2009, the Company received notification from the Internal Revenue Service that the 2007 and 2008 United States tax return for TEMUS had been selected for examination. In May 2010, the Company received notification from the IRS that they had completed their examination, making changes to

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the 2007 and 2008 taxable income of TEMUS which did not significantly alter the Company's income tax for these years. As a result, the Company reduced the amount of unrecognized tax benefits and recognized a tax provision reduction during the year ended December 31, 2010. The Company's effective tax rate reflects the recognition of this $2,259 tax provision reduction.

A reconciliation of the beginning and ending unrecognized tax benefit amounts for 2011 and 2010 are as follows:

Balance at December 31, 2009	$ 17,088
Increases related to prior year tax positions	—
Decreases related to prior year tax positions	(2,259)
Increases related to current year tax positions	8,007
Settlements	—
Lapse of statute of limitations	(3,287)
Balance at December 31, 2010	19,549
Increases related to prior year tax positions	243
Decreases related to prior year tax positions	(2,215)
Increases related to current year tax positions	7,689
Settlements	—
Lapse of statute of limitations	(3,826)
Balance at December 31, 2011	$ 21,440

If the unrecognized tax benefits of $21,440 at December 31, 2011 were recognized, tax benefits in the amount of $20,839 would reduce our annual effective tax rate. The Company believes the total amount of unrecognized tax benefit as of December 31, 2011 will decrease by $3,682 in the next twelve months due to expiration of the statute of limitations, of which $3,589 would reduce our annual effective tax rate.

Interest and penalty (benefit) expense recorded during 2011 amounted to $188 and $0, respectively. Total accrued interest and penalties as of December 31, 2011 were $838 and $0, respectively, and were included in non-current income taxes payable. Interest and penalty (benefit) expense recorded during 2010 amounted to $(381) and $0, respectively. Total accrued interest and penalties as of December 31, 2010 were $649 and $0, respectively, and were included in non-current income taxes payable.

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(11) Revolving Credit Facilities, Bonds Payable and Secured Debt Facility, and Derivative Instruments

The following represents the Company's debt obligations as of December 31, 2011 and 2010:

	2011	2010
Revolving Credit Facilities, Bonds Payable and Secured Debt Facility		
TL Revolving Credit Facility, weighted average variable interest at 1.53% and 1.29% at December 31, 2011 and 2010, respectively	$ 125,000	$ 104,000
TW Revolving Credit Facility, weighted average variable interest at 3.02% at December 31, 2011	8,047	—
2005-1 Bonds, variable interest at 0.81% and 0.79% at December 31, 2011 and 2010, respectively	175,726	227,070
2011-1 Bonds, fixed interest at 4.70% at December 31, 2011	380,000	—
Secured Debt Facility, weighted average variable interest at 3.03% and 3.01% at December 31, 2011 and 2010, respectively	820,418	558,127
Total debt obligations	$ 1,509,191	$ 889,197
Amount due within one year	$ 132,535	$ 51,500
Amounts due beyond one year	$ 1,376,656	$ 837,697

Revolving Credit Facilities

A Company subsidiary, TL, has a credit agreement with a group of banks that provides for a revolving credit facility with an aggregate commitment amount of up to $205,000 (which includes a $50,000 letter of credit facility) (the "TL Credit Facility"). The TL Credit Facility provides for payments of interest only during its term beginning on its inception date through April 22, 2013 when all borrowings are due in full. Interest on the outstanding amount due under the TL Credit Facility at December 31, 2011 was based either on the U.S. prime rate or LIBOR plus a spread between 0.5% and 1.5%, which varies based on TGH's leverage. Total outstanding principal under the TL Credit Facility was $125,000 and $104,000 as of December 31, 2011 and 2010, respectively. The Company had no outstanding letters of credit under the TL Credit Facility as of December 31, 2011 and 2010.

The TL Credit Facility is secured by the Company's containers and under the terms of the TL Credit Facility, the total outstanding principal may not exceed the lesser of the commitment amount and a formula based on the Company's net book value of containers and outstanding debt. The additional amount available for borrowing under the TL Credit Facility, as limited by the Company's borrowing base, was $24,688 as of December 31, 2011.

TGH acts as a guarantor of the TL Credit Facility. The TL Credit Facility contains restrictive covenants, including limitations on certain liens, indebtedness and investments. In addition, the TL Credit Facility contains certain restrictive financial covenants on TGH's tangible net worth, leverage, debt service coverage and on TL's leverage and interest coverage. The Company was in compliance with all such covenants at December 31, 2011. There is a commitment fee of 0.20% to 0.30% on the unused portion of the TL Credit Facility, which varies based on the leverage of TGH and is payable in arrears. In addition, there is an agent's fee, which is payable annually in advance.

The Company's joint venture, TW, is party to a credit agreement, dated as of August 5, 2011, with certain lenders and WFS, as administrative agent for the lenders, which provides for a revolving credit facility with an aggregate commitment amount of up to $425,000 (the "TW Credit Facility"). The TW Credit Facility provides for payments of interest, payable monthly in arrears, during its term beginning on its inception date through August 5, 2014. Interest on the outstanding amount due under the TW Credit Facility is based on LIBOR plus a spread between 2.75% and 3.75% per annum, which varies based on the occurrence of certain specified events. There is a commitment fee of 0.5% on the unused portion of the TW Credit Facility, which is payable monthly in arrears. In addition, there is an agent's fee of 0.025% on the aggregate commitment amount of the TW Credit Facility, which is payable monthly in advance. TW is required to make principal payment on a monthly basis to the extent that the outstanding amount due exceeds TW's borrowing base. The aggregate loan principal balance is due on the maturity date, August 5, 2024. Total outstanding principal under the TW Credit Facility was $8,047 as of December 31, 2011.

The TW Credit Facility is secured by TW's containers and under the terms of the TW Credit Facility, the total outstanding principal may not exceed the lesser of the commitment amount and the borrowing base, a formula based on TW's net book value of containers and restricted cash and direct financing and sales-type leases. The additional amount available for borrowing under the TW Credit Facility, as limited by TW's borrowing base, was $0 as of December 31, 2011.

The TW Credit Facility is secured by a pledge of TW's assets. TW's total assets amounted to $9,860 as of December 31, 2011. The TW Credit Facility contains restrictive covenants, including limitations on TW's finance lease default ratio, debt service coverage ratio, certain liens, indebtedness and investments. In addition, the TW Credit Facility contains certain restrictive financial covenants on TGH's tangible net worth, leverage, debt service coverage, TGH's container management subsidiary net income and debt levels, and TW's overall Asset Base minimums. As of December 31, 2011, TW was not in compliance with the TW Credit Facility's debt service coverage covenants and owner container concentration limits set forth by the TW Credit Facility's Asset Base covenants, primarily due to such covenants failing to take into account how they should be applied to commitments to fund TW's initial container financings. As a result, an Early Amortization Event has occurred and is continuing. Accordingly, TW obtained a waiver for these covenants effective December 29, 2011. TW, TGH and TGH's container management subsidiary was in compliance with all of the TW Credit Facility's other covenants at December 31, 2011.

Bonds Payable and Secured Debt Facility

In 2005, one of the Company's subsidiaries, TMCL, issued $580,000 in variable rate amortizing bonds (the "2005-1 Bonds") to institutional investors. The $580,000 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. During 2009, the Company repurchased $65,000 of aggregate original face amount or $39,917 in aggregate outstanding principal amount of its 2005-1 Bonds for $20,234. As a result of these purchases, the Company recognized a gain on early extinguishment of debt during 2009 of $19,398, net of the write-off of deferred debt financing costs of $285. Based on the outstanding principal amount at December 31, 2010 and under a 10-year amortization schedule, $51,500 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. TMCL is permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2005-1 Bonds. Ultimate payment of the 2005-1 Bond principal has been insured and the cost of this insurance coverage, which is equal to 0.275% on the outstanding principal balance of the 2005-1 Bonds, 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.

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In June 2011, TMCL issued $400,000 aggregate principal amount of Series 2011-1 Fixed Rate Asset Backed Notes (the “2011-1 Bonds”) to qualified institutional investors pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) and to non-U.S. persons in accordance with Regulation S promulgated under the Securities Act. The $400,000 in 2011-1 Bonds represent fully amortizing notes payable on a straight-line basis over a scheduled payment term of 10 years, but not to exceed a maximum payment term of 15 years. Based on the outstanding principal amount at December 31, 2011 and under the 10-year amortization schedule, $40,000 in 2011-1 Bond principal will amortize per year. Under the terms of the 2011-1 Bonds, both principal and interest incurred are payable monthly. TMCL is not permitted to make voluntary prepayments of all, or a portion of, the principal balance of the 2011-1 Bonds prior to the payment date occurring in June 2013. The interest rate for the outstanding principal balance of the 2011-1 Bonds is fixed at 4.70% per annum. The final target payment date and legal final payment date are June 15, 2021 and June 15, 2026, respectively.

The Company’s primary ongoing container financing requirements are funded by revolving notes issued by TMCL (the “Secured Debt Facility”). On March 15, 2011, TMCL exercised an option to increase the maximum available commitment under the Secured Debt Facility from $750,000 to $850,000. The additional amount available for borrowing under the Secured Debt Facility, as limited by the Company’s borrowing base, was $3,933 as of December 31, 2011. The Secured Debt Facility provides for payments of interest only during the period from its inception until its Conversion Date (as defined in the Indenture governing the 2005-1 Bonds and the Secured Debt Facility) (currently set at June 29, 2012), with a provision for the Secured Debt Facility to amortize over a 10-year period, but not to exceed the maximum term of a 15-year period, beginning on the Conversion Date. The interest rate on the Secured Debt Facility, payable monthly in arrears, is LIBOR plus 2.75% during the revolving period prior to the Conversion Date. There is also a commitment fee on the unused portion of the Secured Debt Facility, payable in arrears, of 0.75% if total borrowings under the Secured Debt Facility equal 50% or more of the total commitment or 1.00% if total borrowings are less than 50% of the total commitment. If the Secured Debt Facility is not refinanced or renewed prior to the Conversion Date, the interest rate would increase based on pre-agreed terms during the 10 or 15 year amortization period that follows.

Under the terms of the 2005-1 Bonds, 2011-1 Bonds and Secured Debt Facility, the total outstanding principal of these two programs may not exceed an amount (the “Asset Base”), which is calculated by a formula based on TMCL’s book value of equipment, restricted cash and direct financing and sales-type leases. The total obligations under the 2005-1 Bonds, 2011-1 Bonds and the Secured Debt Facility are secured by a pledge of TMCL’s assets. TMCL’s total assets amounted to $1,994,404 as of December 31, 2011. The 2005-1 Bonds, 2011-1 Bonds and the Secured Debt Facility also contain restrictive covenants regarding the average age of TMCL’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, for which TMCL and TGH’s container management subsidiary believe that they were in compliance at December 31, 2011.

On February 3, 2012, a bank issued TMCL a commitment letter (the “Commitment”) to provide an irrevocable letter of credit (“Letter of Credit”) with a maximum available commitment amount of $100,000 on the Conversion Date of the Secured Debt Facility if the Secured Debt Facility is not refinanced on or prior to the Conversion Date. The purpose of the Commitment is to maintain TMCL’s current credit ratings on the 2005-1 Bonds, the 2011-1 Bonds and the Secured Debt Facility. The purpose of the Letter of Credit is to supplement the 2005-1 Bonds, the 2011-1 Bonds and the Secured Debt Facility by covering possible shortfalls in principal and interest payments under certain stress scenarios modeled by TMCL’s credit rating

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agencies. The interest rate on the Letter of Credit, payable monthly in arrears, will be LIBOR plus 5.50% to 6.50% per annum for the five-year period following the Conversion Date and LIBOR plus 11.50% per annum thereafter. There is also a commitment fee of $500, payable in full on February 3, 2012, and an unused fee on the Commitment, payable in arrears, of 0.25% per annum, from February 3, 2012 through the date the Conversion Date and 0.625% per annum thereafter.

The following is a schedule by year, of future scheduled repayments, as of December 31, 2011:

	TL Credit Facility	TW Credit Facility	2005-1 Bonds (1)	2011-1 Bonds	Secured Debt Facility (1)
Year ending December 31:					
2012	$ —	$ —	$ 51,500	$ 40,000	$ 41,035
2013	125,000	—	51,500	40,000	82,070
2014	—	—	51,500	40,000	82,070
2015	—	—	21,458	40,000	82,070
2016 and thereafter	—	8,047	—	220,000	533,452
	$ 125,000	$ 8,047	$ 175,958	$ 380,000	$ 820,697

(1) Future scheduled payments for the 2005-1 Bonds and the Secured Debt Facility exclude step acquisition adjustments of $232 and $279, respectively, related to TL's purchase of 3,000 additional shares of TMCL on November 1, 2007. The adjustments were recorded to reduce the balance of both the 2005-1 Bonds and the Secured Debt Facility to an amount that equaled the fair market value of the debt on the date of the acquisition.

The future repayments schedule for the Secured Debt Facility is based on the assumption that the facility will not be extended on its Conversion Date and will then convert into a ten-year fully amortizing note payable.

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 TL Credit Facility, TW Credit Facility, 2005-1 Bonds and Secured Debt Facility. The following is a summary of the Company's derivative instruments as of December 31, 2011:

Derivative instruments	Notional amount
Interest rate cap contracts with several banks with fixed rates between 3.19% and 5.63% per annum, nonamortizing notional amounts,with termination dates through November 2015	$ 348,640
Interest rate swap contracts with several banks, with fixed rates between 0.72% and 3.96% per annum, amortizing notional amounts, with termination dates through July 2016	508,877
Total notional amount as of December 31, 2011	$857,517

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During January 2012, the Company entered into an interest rate swap contract with a bank, with a one-month LIBOR rate fixed at 0.89% per annum, in amortizing notional amount with initial notional amount of $5,584 and a term from January 26, 2012 through April 15, 2017.

During February 2012, the Company entered into an interest rate cap contract with a bank, which caps one-month LIBOR fixed rate at 3.25% per annum, in non-amortizing notional amount of $250,000 and a term from February 15, 2012 through March 15, 2012.

During March 2012, the Company entered into an interest rate cap contract with a bank, which caps one-month LIBOR fixed rate at 3.24% per annum, in non-amortizing notional amount of $250,000 and a term from March 15, 2012 through April 15, 2012.

The Company’s interest rate swap agreements had a fair value liability of $16,110 and $13,581, as of December 31, 2011 and 2010, respectively, and a fair value asset of $1,320 as of December 31, 2010, which are inclusive of counterparty risk. The primary external risk the Company’s interest rate swap agreements is the counterparty credit exposure, as defined as the ability of a counterparty to perform its financial obligations under a derivative contract. The Company monitors its counterparties’ credit ratings on an on-going basis and they were in compliance with the related derivative agreements at December 31, 2011. The Company does not have any master netting arrangements with its counterparties, The change in fair value was recorded in the consolidated statement of income as unrealized (losses) gains on interest rate swaps and caps, net.

(12) Segment Information

As described in Note 1(a) “Nature of Operations”, the Company operates in three reportable segments: Container Ownership, Container Management and Container Resale. The following tables show segment information for 2011, 2010 and 2009, reconciled to the Company’s income before income tax and noncontrolling interest as shown in its consolidated statements of income:

2011	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 326,519	$ 1,108	$ –	$ –	$ –	$ 327,627
Management fees	–	69,354	10,320	–	(50,350)	29,324
Trading container sales proceeds	–	–	34,214	–	–	34,214
Gains on sale of containers, net	31,598	33	–	–	–	31,631
Total revenue	$ 358,117	$ 70,495	$ 44,534	$ –	$(50,350)	$ 422,796
Depreciation expense	$ 85,643	$ 791	$ –	$ –	$ (3,257)	$ 83,177
Interest expense	$ 44,891	$ –	$ –	$ –	$ –	$ 44,891
Unrealized losses on interest rate swaps and caps, net	$ 3,849	$ –	$ –	$ –	$ –	$ 3,849
Segment income before income tax and noncontrolling interest	$ 177,694	$ 36,772	$10,759	$(3,314)	$ (13,412)	$ 208,499
Total assets	$2,243,977	$99,287	$17,590	$ 3,413	$(54,063)	$2,310,204
Purchases of long-lived assets	$ 749,766	$ 707	$ –	$ –	$ –	$ 750,473

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2010	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 234,577	$ 1,250	$ –	$ –	$ –	$ 235,827
Management fees	–	48,028	10,086	–	(28,977)	29,137
Trading container sales proceeds	–	–	11,291	–	–	11,291
Gains on sale of containers, net	27,617	7	–	–	–	27,624
Total revenue	$ 262,194	$ 49,285	$ 21,377	$ –	$(28,977)	$ 303,879
Depreciation expense	$ 60,398	$ 779	$ –	$ –	$ (2,205)	$ 58,972
Interest expense	$ 18,151	$ –	$ –	$ –	$ –	$ 18,151
Unrealized losses on interest rate swaps and caps, net	$ 4,021	$ –	$ –	$ –	$ –	$ 4,021
Segment income before income tax and noncontrolling interest	$ 119,772	$ 15,901	$ 7,995	$(2,815)	$ (2,596)	$ 138,257
Total assets	$1,660,626	$114,060	$ 996	$ 3,290	$(31,765)	$1,747,207
Purchases of long-lived assets	$ 504,650	$ 601	$ –	$ –	$ –	$ 505,251

2009	Container Ownership	Container Management	Container Resale	Other	Eliminations	Totals
Lease rental income	$ 188,431	$ 1,348	$ –	$ –	$ –	$ 189,779
Management fees	–	37,384	9,601	–	(21,757)	25,228
Trading container sales proceeds	–	–	11,843	–	–	11,843
Gains on sale of containers, net	12,114	(3)	–	–	–	12,111
Total revenue	$ 200,545	$ 38,729	$ 21,444	$ –	$(21,757)	$ 238,961
Depreciation expense	$ 49,596	$ 790	$ –	$ –	$ (1,913)	$ 48,473
Interest expense	$ 11,750	$ –	$ –	$ –	$ –	$ 11,750
Unrealized gains on interest rate swaps and caps, net	$ 11,147	$ –	$ –	$ –	$ –	$ 11,147
Segment income before income tax and noncontrolling interest	$ 95,178	$ 9,981	$ 7,993	$(2,686)	$ (1,665)	$ 108,801
Total assets	$ 1,259,050	$122,381	$ 2,463	$ 2,109	$(25,980)	$ 1,360,023
Purchases of long-lived assets	$ 157,351	$ 11,790	$ –	$ –	$ –	$ 169,141

General and administrative expenses are allocated to the reportable business segments based on direct overhead costs incurred by those segments. Amounts reported in the “Other” column represent activity unrelated to the active reportable business segments. Amounts reported in the “Eliminations” column represent inter-segment management fees between the Container Management and Container Ownership segments.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

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.

(13) Commitments and Contingencies

(a) Leases

The Company has entered into several operating leases for office space. Rent expense amounted to $1,600, $1,594 and $1,655 during 2011, 2010 and 2009, respectively.

Future minimum lease payment obligations under the Company's noncancelable operating leases at December 31, 2011 were as follows:

	Operating leasing
Year ending December 31:	
2012	$ 1,508
2013	1,413
2014	1,428
2015	1,380
2016 and thereafter	1,656
Total	$ 7,385

(b) Restricted Cash

Restricted interest-bearing cash accounts were established by the Company as additional collateral for outstanding borrowings under the Company's TW Credit Facility, 2005-1 Bonds and 2011-1 Bonds and Secured Debt Facility. The total balance of these restricted cash accounts was $45,858 and $15,034 as of December 31, 2011 and 2010, respectively.

(c) Trading Container Purchase Commitment

The Company entered into an agreement in November 2011 with a shipping line to purchase up to $18,730 of containers to be resold. The agreement expires at the earlier of November 2012 or when all of the equipment has been delivered and at December 31, 2011 $9,278 of containers remain to be delivered.

(d) Container Commitments

At December 31, 2011, the Company had placed orders with manufacturers for containers to be delivered subsequent to December 31, 2011 in the total amount of $34,121.

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

(14) Share Option and Restricted Share Unit Plans

As of December 31, 2011, the Company maintained one active share option and restricted share unit plan, the 2007 Plan. The 2007 Plan provides for the grant of share options, restricted share units, restricted shares, share appreciation rights and dividend equivalent rights. The 2007 Plan provides for grants of incentive share options only to the Company's employees or employees of any parent or subsidiary of TGH. Awards other than incentive share options may be granted to the Company's employees, directors and consultants or the employees, directors and consultants of any parent or subsidiary of TGH. Under the 2007 Plan, which was approved by the Company's shareholders on September 4, 2007, a maximum of 3,808,371 share awards may be granted under the plan. On February 23, 2010, the Company's Board of Directors approved an increase in the number of shares available for future issuance by 1,468,500 shares, which was approved by the Company's shareholders at the annual meeting of shareholders on May 19, 2010. At December 31, 2011, 1,486,883 shares were available for future issuance under the 2007 Plan.

Share options are granted at exercise prices equal to the fair market value of the shares on the grant date. Each employee's options vest in increments of 25% 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 ten years from the date of grant.

Beginning approximately one year after a restricted share unit's grant date for each restricted share unit granted in 2007, 2008 and 2009, each employee's restricted share units vest in increments of 15% per year for the first two years, 20% for the third year and 25% for the fourth and fifth year. Beginning approximately one year after a restricted share unit's grant date for each restricted share unit granted in 2010 and 2011, each employee's restricted share units vest in increments of 25% per year.

The following is a summary of activity in the Company's 2007 Plan for the years ended December 31, 2011, 2010 and 2009:

	Share options (common share equivalents)	Weighted average exercise price
Balances, December 31, 2008	1,284,012	$ 14.68
Options granted during the period	218,904	$ 16.97
Balances, December 31, 2009	1,502,916	$ 15.01
Options granted during the period	151,687	$ 28.26
Options exercised during the period	(364,046)	$ 15.41
Options forfeited during the period	(32,475)	$ 14.49
Balances, December 31, 2010	1,258,082	$ 16.51
Options granted during the period	173,350	$ 28.54
Options exercised during the period	(358,884)	$ 15.29
Options forfeited during the period	(3,503)	$ 18.48
Balances, December 31, 2011	1,069,045	$ 18.86
Options exercisable at December 31, 2011	221,100	$ 15.18
Options vested and expected to vest at December 31, 2011	1,028,709	$ 18.61

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

	Restricted share units	Weighted average grant date fair value
Balances, December 31, 2008	1,282,140	$ 12.20
Share units granted during the period	220,397	$ 14.09
Share units vested during the period	(156,031)	$ 14.11
Balances, December 31, 2009	1,346,506	$ 12.28
Share units granted during the period	152,687	$ 25.62
Share units vested during the period	(193,241)	$ 12.20
Share units forfeited during the period	(40,056)	$ 12.04
Balances, December 31, 2010	1,265,896	$ 13.90
Share units granted during the period	191,449	$ 25.45
Share units vested during the period	(274,172)	$ 13.23
Share units forfeited during the period	(4,561)	$ 14.73
Balances, December 31, 2011	1,178,612	$15.95
Share units outstanding and expected to vest at December 31, 2011	1,121,835	$16.76

The estimated weighted average grant date fair value of share options granted during 2011, 2010 and 2009 was $11.60, $9.82 and $4.69 per share, respectively. As of December 31, 2011, $12,751 of total compensation cost related to non-vested share option and restricted share unit awards not yet recognized is expected to be recognized over a weighted average period of 2.4 years. The aggregate intrinsic value of all options exercisable and outstanding, which represents the total pre-tax intrinsic value, based on the Company's closing common share price of $29.12 per share as of December 29, 2011 was $3,083. The aggregate intrinsic value is calculated as the difference between the exercise prices of the Company's share options that were in-the-money and the market value of the common shares that would have been issued if those share options were exercised as of December 31, 2011.

The following table summarizes information about share options exercisable and outstanding at December 31, 2011:

	Share options exercisable		Share options outstanding	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Range of per-share exercise prices				
$7.10 - $7.10	31,925	$ 7.10	150,220	$ 7.10
$14.01 - $14.01	2,242	14.01	3,106	14.01
$16.50 - $16.50	159,700	16.50	407,860	16.50
$16.97 - $16.97	27,233	16.97	183,972	16.97
$28.26 - $28.26	—	—	151,543	28.26
$28.54 - $28.54	—	—	172,344	28.54
	221,100	$ 15.18	1,069,045	$ 18.86

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements—Continued
December 31, 2011, 2010, and 2009
(All currency expressed in U.S. dollars in thousands)

The weighted average contractual life of options exercisable and outstanding as of December 31, 2011 was 6.2 years and 7.4 years, respectively.

The fair value of each share option granted under the 2007 Plan was estimated on the date of grant using the Black-Scholes option pricing model for the years ended December 31, 2011, 2010 and 2009 with the following assumptions:

	2011	2010	2009
Risk-free interest rates	1.1%	2.0%	2.6%
Expected terms (in years)	5.7	6.3	6.3
Expected common share price volatilities	68.0%	50.1%	46.0%
Expected dividends	4.9%	3.8%	5.4%
Expected forfeitures	5.0%	5.0%	5.0%

The risk-free interest rate 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 share option life. The expected term is calculated based on historical exercises for share options granted during the year ended December 31, 2011 and the short-cut method was used to calculate the expected term for share options granted during the years ended December 31, 2010 and 2009 because the Company did not have sufficient historical information to calculate the expected terms. The expected common share price volatility for the 2007 Plan is based on the historical volatility of publicly traded companies within the Company’s industry. The dividend yield reflects the estimated future yield on the date of grant. The Company only recognizes expense for share-based awards that are ultimately expected to vest. The forfeiture rate is based on the Company’s estimate of share options that are expected to cancel prior to vesting.

(15) Dividend

On February 10, 2012, the Company’s board of directors approved and declared a quarterly cash dividend of $0.37 per share on the Company’s issued and outstanding common shares, payable on March 6, 2012 to shareholders of record as of February 24, 2012

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TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I—CONDENSED STATEMENTS OF INCOME
Parent Company Information
Years Ended December 31, 2011, 2010 and 2009
(All currency expressed in United States dollars in thousands)

	2011	2010	2009
Operating expenses:			
General and administrative expense	$ 2,676	$ 2,818	$ 2,765
Long-term incentive compensation expense	638	—	—
Total operating expenses	3,314	2,818	2,765
Loss from operations	(3,314)	(2,818)	(2,765)
Other income:			
Equity in net income of subsidiaries	192,920	122,846	93,459
Other income	—	3	93
Net other income	192,920	122,849	93,552
Income before income tax	189,606	120,031	90,787
Income tax expense	—	—	(11)
Net income	$189,606	$ 120,031	$90,776

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I—CONDENSED BALANCE SHEETS
Parent Company Information
December 31, 2011 and 2010
(All currency expressed in United States dollars in thousands)

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	$ 2,587	$ 2,133
Prepaid expenses	230	266
Due from affiliates, net	215	728
Other assets	50	165
Total current assets	3,082	3,292
Investments in subsidiaries	681,589	581,369
Total assets	$ 684,671	$584,661
Liabilities and Shareholders' Equity		
Current liabilities:		
Accrued expenses	$ 843	$ 779
Total current liabilities	843	779
Shareholders' equity:		
Common shares	490	483
Additional paid-in capital	154,460	181,602
Accumulated other comprehensive loss	(28)	(52)
Retained earnings	528,906	401,849
Total shareholders' equity	683,828	583,882
Total liabilities and shareholders' equity	$ 684,671	$584,661

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

SCHEDULE I—CONDENSED STATEMENTS OF CASH FLOWS
Parent Company Information
Years ended December 31, 2011, 2010 and 2009
(All currency expressed in United States dollars in thousands)

	2011	2010	2009
Cash flows from operating activities:			
Net income	$ 189,606	$ 120,031	$ 90,776
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in income of subsidiaries	(192,920)	(122,846)	(93,459)
Dividends received from subsidiaries	53,500	40,500	43,600
Share-based compensation	6,177	5,457	3,493
Decrease (increase) in:			
Accounts receivable, net	115	(165)	—
Prepaid expenses	36	32	(250)
Other assets	—	4	(4)
Increase (decrease) in:			
Accrued expenses	64	483	59
Total adjustments	(133,028)	(76,535)	(46,561)
Net cash provided by operating activities	56,578	43,496	44,215
Cash flows from investing activities:			
Decrease (increase) in investments in subsidiaries, net	(177)	(679)	625
Net cash provided by (used in) investing activities	(177)	(679)	625
Cash flows from financing activities:			
Issuance of common shares upon exercise of share options	6,065	5,033	—
Dividends paid	(62,549)	(47,631)	(43,940)
Due to affiliates, net	513	48	155
Net cash used in financing activities	(55,971)	(42,550)	(43,785)
Effect of exchange rate changes	24	59	113
Net increase in cash and cash equivalents	454	326	1,168
Cash and cash equivalents, beginning of the year	2,133	1,807	639
Cash and cash equivalents, end of the year	$ 2,587	$ 2,133	$ 1,807

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Schedule II

TEXTAINER GROUP HOLDINGS LIMITED AND SUBSIDIARIES

Valuation Accounts
Years ended December 31, 2011, 2010 and 2009
(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, 2009				
Accounts receivable, allowance for doubtful accounts	$5,855	$ 3,304	$ (812)	$ 8,347
December 31, 2010				
Accounts receivable, allowance for doubtful accounts	$ 8,347	$ 145	$ 161	$8,653
December 31, 2011				
Accounts receivable, allowance for doubtful accounts	$ 8,653	$ 3,007	$ (3,820)	$ 7,840

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EXHIBIT INDEX

Exhibit Number	Description of Document
1.1	Memorandum of Association of Textainer Group Holdings Limited(1)
1.2	Bye-laws of Textainer Group Holdings Limited(2)
2.1	Form of Common Share Certificate(3)
4.1	Office Lease, dated August 8, 2001, by and between Pivotal 650 California St., LLC and Textainer Equipment Management (U.S.) Limited (the “Office Lease”)(4)
4.2	First Amendment to the Office Lease, dated as of December 23, 2008, by and between A – 650 California Street, LLC and Textainer Equipment Management (U.S.) Limited(5)
4.3*†	Employment Agreement, dated as of October 1, 2011 by and between Textainer Equipment Management (U.S.) Limited and Philip K. Brewer
4.4*	Employment Agreement, dated January 1, 1998 by and between Textainer Equipment Management (U.S.) Limited and Ernest J. Furtado(6)
4.5*†	Employment Agreement, dated October 1, 2011 by and between Textainer Equipment Management (U.S.) Limited and Robert D. Pedersen
4.6*†	Employment Agreement, dated January 10, 2012 by and between Textainer Equipment Management (U.S.) Limited and Hilliard C. Terry, III
4.7*	2007 Short-Term Incentive Plan effective January 1, 2007(7)
4.8*	2007 Share Incentive Plan (as amended and restated effective May 19, 2010)(8)
4.9*	2008 Bonus Plan(9)
4.10*†	Form of Indemnification Agreement
4.11	Second Amended and Restated Indenture, dated as of May 26, 2005, by and between Textainer Marine Containers Limited, as issuer, and Wells Fargo Bank, National Association, as indenture trustee (the “Second Amended and Restated Indenture”)(10)
4.12	Amendment Number 1, dated as of June 3, 2005, to the Second Amended and Restated Indenture(11)
4.13	Amendment Number 2, dated as of June 8, 2006, to the Second Amended and Restated Indenture(12)
4.14	Amendment Number 3, dated as of July 2, 2008, to the Second Amended and Restated Indenture(13)
4.15	Amendment Number 4, dated as of June 29, 2010, to the Second Amended and Restated Indenture(14)
4.16	Amendment Number 5, dated as of June 29, 2010, to the Second Amended and Restated Indenture(15)
4.17†	Omnibus Amendment, Consent and Waiver, dated as of June 10, 2011, to the Second Amended and Restated Indenture
4.18†	Amendment Number 7, dated as of February 3, 2012, to the Second Amended and Restated Indenture
4.19	Textainer Marine Containers Limited Series 2005-1 Supplement, dated as of May 26, 2005 to the Second Amended and Restated Indenture(16)
4.20	Textainer Marine Containers Limited Series 2010-1 Supplement, dated as of June 29, 2010 to the Second Amended and Restated Indenture(17)
4.21†	Textainer Marine Containers Limited Series 2011-1 Supplement, dated as of June 29, 2010 to the Second Amended and Restated Indenture

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Exhibit Number	Description of Document
4.22	Credit Agreement, dated as of April 22, 2008, by and among Textainer Limited, as borrower, Textainer Group Holdings Limited, as guarantor, Bank of America, N.A., as agent and the lenders party thereto (the “Credit Agreement”)(18)
4.23**	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(19)
4.24	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(20)
4.25**	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(21)
4.26	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(22)
4.27†	Credit Agreement, dated August 5, 2011, by and among TW Container Leasing, Ltd., as Borrower, the Lenders from time to time party thereto and Wells Fargo Securities LLC, as Administrative Agent
4.28†	Members Agreement, dated August 5, 2011 of the members of TW Container Leasing, Ltd, and Supplement Number 1 to the Members Agreement, dated August 5, 2011
4.29†	Equipment Management Services Agreement, dated August 5, 2011, between Textainer Equipment Management Limited and TW Container Leasing, Ltd.
4.30†	Share Purchase Agreement, dated June 29, 2011 between TCG Fund I, L.P. and Textainer Limited
4.31†	Contribution and Distribution Agreement, dated June 30, 2011 among TCG Fund I, L.P., Textainer Limited and Textainer Marine Containers Limited
8.1†	Subsidiaries of the Registrant
12.1†	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2†	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1†	Certification of the Chief Executive Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2†	Certification of the Chief Financial Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1†	Consent of KPMG LLP
101.INS†	XBRL Instance Document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document

† Filed herewith.

* Indicates management contract or compensatory plan.

** Confidential treatment requested for certain portions of this exhibit, which portions are omitted and filed separately with the SEC.

(1) Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(2) Incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(3) Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(4) Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(5) Incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.

(6) Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(7) Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(8) Incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-8 (File No. 333-171409) filed with the SEC on December 23, 2010.

(9) Incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(10) Incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(11) Incorporated by reference to Exhibit 10.11 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(12) Incorporated by reference to Exhibit 10.12 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(13) Incorporated by reference to Exhibit 4.14 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.

(14) Incorporated by reference to Exhibit 4.15 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 18, 2011.

(15) Incorporated by reference to Exhibit 4.16 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 18, 2011.

(16) Incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(17) Incorporated by reference to Exhibit 4.18 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 18, 2011.

(18) Incorporated by reference to Exhibit 4.17 to the Registrant's Annual Report on Form 20-F (File No. 001-33725) filed with the SEC on March 16, 2009.

(19) Incorporated by reference to Exhibit 10.17 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(20) Incorporated by reference to Exhibit 10.18 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(21) Incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

(22) Incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form F-1 (File No. 333-146304) filed with the SEC on September 26, 2007.

EXHIBIT 4.3

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as of the later of the 1st day of October 2011 or the day after the termination of employment of the current President and CEO, John A. Maccarone, (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 Employer since the 1st day of January 1998 (the "Employment Date"). Prior to the Employment Date, Employee was employed by Textainer Group Holdings Limited. The terms and conditions of Employee's employment with Employer are set forth in that certain employment agreement dated the 1st day of January 1998 by and between Employee and Employer (the "Original Agreement"), which replaced in its entirety a prior employment agreement between Employee and Textainer Group Holdings Limited dated the 12th of February 1996. Employee recently was promoted to President and Chief Executive Officer of Textainer Group Holdings Limited, a Bermuda company, the duties of which offices Employee performs exclusively outside the United States.

In connection with Employee's promotion to Chairman of Employer, 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 promotes Employee, and Employee agrees to accept such employment, upon the following terms and conditions:

DEFINITIONS

"Affiliate" means, when used with reference to Employer (a) 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 (b) 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, 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, as in effect from time to time.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, dental, vision insurance, disability, life insurance, retirement and other benefits for its U.S.-based employees.

"Cause" means a termination of Employee's employment due to one or more of the following, as determined by Employer: (a) the failure of Employee to comply with a lawful instruction of Employer so long as the instruction is consistent with the scope and responsibilities of Employee's position after there has been delivered to the Employee a written demand for performance from Employer and Employee has not corrected such failure within thirty (30) days of such written demand; (b) Employee's failure or refusal to perform according to, or to comply with, the material policies, procedures or practices established by Employer (including but not limited to, any policies, procedures, practices or agreements related to confidentiality, proprietary information, trade secrets, corporate governance, conflicts of interest, and code of conduct); (c) Employee's commission of or participation in a material fraud or act of dishonesty against Employer; or (d) Employee's conviction of, or the entering of a guilty plea or a plea of "no contest" with respect to (i) a felony involving fraud, dishonesty or an act of moral turpitude or (ii) other crime, provided that with respect to such other crime, the crime has had or will have a material detrimental effect on TGH's or an Affiliate's business or reputation.

"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.

"Corporate Transaction" shall have the meaning of such term as set forth in the Textainer Group Holdings Limited 2007 Share Incentive Plan, as may be amended from time to time.

"Good Reason" means a termination of Employee's employment by Employee that is designated in writing by Employee as a termination for Good Reason and occurs within thirty (30) days following the expiration of the Cure Period (as defined below) as a result of the occurrence of one or more of the following, without Employee's express written consent: (a) a material, ten (10) percent or more, reduction of Employee's Base Salary then in effect, provided that a reduction applied to Similarly Situated Executives (as defined below) will not be considered material, even if equal to or greater than 10%; (b) a material reduction in Employee's authority, duties or responsibilities from those in effect immediately prior to such reduction; or (c) the relocation of Employee to a facility or location that is more than fifty (50) miles from his primary place of employment and such relocation results in an increase in Employee's one-way driving distance by more than fifty (50) miles; provided, however, that before Employee may resign for Good Reason, Employee must provide Employer with written notice of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by Employer within thirty (30) days (the "Cure Period") of such written notice.

"in Connection with a Corporate Transaction." A termination of Employee's employment will be "in Connection with a Corporate Transaction" if Employee's employment is terminated at any time on or within twelve (12) months following the Corporate Transaction.

"Retirement" means:

(a) With respect to Clause 10(a) and (b), a termination of Employee's employment by Employee that is designated by Employee in writing as a voluntary termination other than (i) for Good Reason or (ii) due to Employee's death and that occurs after (x) attaining age fifty (50), (y) completing at least ten (10) Years of Service with Employer and (z) having 70 points, where points are made up of Years of Service with Employer plus Employee's age at termination. For example, if Employee has fifteen (15) Years of Service and is age sixty (60), Employee would have seventy-five (75) points.

(b) With respect to Clause 10(c), a termination of Employee's employment by Employee that is designated by Employee in writing as a voluntary termination other than (i) for Good Reason or (ii) due to Employee's death and that occurs after attaining age sixty-five (65).

For this purpose, "Years of Service" equals the number of full months from Employee's latest hire date with Employer to the date of his termination, divided by 12.

"Similarly Situated Executives" means executive officers of Employer in salary grades O, P, Q and R or higher.

"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 Chairman 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. Employee is subject to, and hereby agrees to comply with, the rules, regulations, practices and policies of Employer and its Affiliates, as may be adopted or modified from time to time in the sole discretion of Employer and its Affiliates, including but not limited to any rules, regulations, practices, and policies related to corporate governance, conflicts of interest, and code of conduct.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate 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 2011, a copy of which is incorporated by reference into this Agreement, and shall continue to be so designated for the remainder of 2011 subject to Employee's continued employment with Employer. Employee shall be eligible to receive an annual incentive award for each calendar year in accordance with, and subject to, the terms and conditions of the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Subject to approval of the Compensation Committee in November 2011 and provided that the Effective Date occurs prior to such approval, TGH will grant Employee (i) a stock option to purchase 30,000 shares of TGH common shares at an exercise price equal to the fair market value of such shares on the date of grant, as determined by the Compensation Committee in its discretion (the "Option") and (ii) 30,000 restricted share units (the "RSUs"), in each case under and pursuant to the terms and conditions of the Textainer Group Holdings Limited 2007 Share Incentive Plan and stock option agreement and restricted share unit agreement to be entered into by and between Employee and TGH.

The Option and RSUs will be scheduled to vest at such times and under such conditions as determined by the Compensation Committee and set forth in the applicable award agreement.

(d) 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, 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.

(e) 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 acknowledges and agrees that Employer may in its discretion terminate at any time or modify from time to time such Benefit Plans.

(f) Employer, at its cost, will provide Employee with a parking space for an automobile within reasonable walking distance to Employer's place of business if requested by Employee.

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 dated 1 September 1996.

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 and its Affiliates. 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. Subject to Clause 11 below, Employee's beneficiary will receive:

(i) A prorated incentive award based on the percentage of the STIP year over which Employee was employed by Employer. Such percentage will be applied to the bonus amount that would have been payable to Employee based on actual achievement of the applicable corporate performance criteria had Employee remained employed through the date incentive awards under the STIP are payable to employees generally (the "STIP Payment Date"). The prorated incentive award will be paid to Employee's beneficiary on the STIP Payment Date, plus

(ii) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(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:

(a) In the event Employer terminates Employee's employment pursuant to Clause 8(a) for any reason other than for Cause and such termination is not in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to (A) twelve (12) months of Employee's Base Salary in effect as of the date of Employee's termination (the "Termination Date") if Employee has been employed by Employer for fifteen (15) years or less or (B) eighteen (18) months of Employee's Base Salary in effect as of the Termination Date if Employee has been employed by Employer for more than fifteen (15) years, plus

(ii) If Employee and any spouse and/or dependents of the Employee ("Family Members") has coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986, 29 U.S.C. Sections 1161-1168; 26 U.S.C. Section 4980B(f), as amended, and all applicable regulations (referred to collectively as "COBRA") for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of eighteen (18) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

(b) In the event Employer terminates Employee's employment pursuant to Clause 8(a) for any reason other than for Cause and such termination is in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twenty (24) months of Employee's Base Salary (as in effect immediately prior to (A) the Corporate Transaction, or (B) the Termination Date, whichever is greater), plus

(ii) If Employee and any Family Members have coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under COBRA for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of up to eighteen (18) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer, plus

(iii) A lump sum severance payment equal to (A) 50% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is prior to 1 July of the STIP Plan Year, or (B) 100% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is after 30 June of the STIP Plan Year, plus

(iv) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(c) In the event Employee terminates his employment pursuant to Clause 8(a) for Good Reason and such termination is in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twelve (12) months of Employee's Base Salary (as in effect immediately prior to (A) the Corporate Transaction, or (B) the Termination Date, whichever is greater), plus

(ii) If Employee and any Family Members have coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under COBRA for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of eighteen (18) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

(iii) A lump sum severance payment equal to (A) 50% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is prior to 1 July of the STIP Plan Year, or (B) 100% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is after 30 June of the STIP Plan Year, plus

(iv) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(d) For purposes of clarity, under no circumstances will Employee be entitled to benefits under Clause 9(a), (b) or (c) if Employee terminates his employment pursuant to Clause 8(a) due to Retirement and is entitled to receive some or all of the benefits described in Clause 10 (subject to the terms and conditions therein).

10. Retirement: In the event Employee terminates his employment pursuant to Clause 8(a) due to Retirement, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(a) A lump sum severance payment equal to one month of Employee's Base Salary in effect as of the Termination Date, subject to a minimum amount of $3,500 and maximum amount of $10,000, plus

(b) A prorated incentive award based on the percentage of the STIP year over which Employee was employed by Employer. Such percentage will be applied to the bonus amount that would have been payable to Employee based on actual achievement of the applicable corporate performance criteria had Employee remained employed through the STIP Payment Date. The prorated incentive award will be paid to Employee on the STIP Payment Date, plus

(c) If, in connection with Employee's Retirement, Employer or TGH does not offer to retain Employee as a consultant or a non-employee member of the board of directors of TGH, Employee will not be treated as having incurred a termination of Continuous Service for purposes of all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date and Employee shall vest in such awards on the vesting dates set forth in the vesting schedule applicable to each such award, subject to the terms and conditions applicable to such awards (including any performance criteria but excluding the requirement that the Employee actually remain in Continuous Service). With respect to any award described in the preceding sentence that is a stock option, the Post-Termination Exercise Period (as defined in the applicable notice of stock option award and stock option agreement for such award) shall commence on the date the stock option becomes 100% vested, provided that in no event will the stock option be exercised following the Expiration Date set forth in the applicable notice of stock option award and stock option agreement. Notwithstanding the foregoing, if Employee terminates his employment pursuant to Clause 8(a) due to Retirement and such termination occurs at any time on or within twelve (12) months following a Corporate Transaction, if required to avoid imposition of additional tax under Section 409A, Employee will immediately vest in and have the right to exercise all awards that were issued under TGH's stock plans, are outstanding immediately prior to the Termination Date and are considered deferred compensation under and subject to Section 409A, all restrictions applicable to such awards will lapse, and all performance goals or other vesting criteria applicable to such awards will be deemed achieved at target levels and all other terms and conditions met.

Notwithstanding the foregoing or anything herein to the contrary, on or prior to the date the Employee attains age sixty (60), Employee and Employer agree to work together in good faith to reconsider the terms of Clause 10(c) in light of the types of awards that may be granted to Employee under TGH's stock plans, the applicable accounting rules and tax rules in effect at such time, including but not limited to Section 409A (as defined in Annex A attached hereto), and any other factors the consideration of which is deemed necessary or advisable by Employee or Employer.

11. Release: The receipt of any payment pursuant to Clause 8(b), 9 or 10, above, will be subject to Employee timely signing and not revoking a standard release of all claims in a form reasonably satisfactory to Employer (the "Release"). To be timely, the Release must become effective and irrevocable no later than sixty (60) days following the Termination Date (the "Release Deadline"). If the Release does not become effective and irrevocable by the Release Deadline, Employee will forfeit any rights to the benefits described in Clause 8(b), 9 or 10, as applicable. In no event will any benefits be paid under Clause 8(b), 9 or 10, above, until the Release becomes effective and irrevocable. Subject to Annex A attached hereto, benefits will commence or be provided once the Release becomes effective and irrevocable.

12. Excise Taxes. Notwithstanding anything herein to the contrary, in the event that any payments or benefits paid or payable hereunder or otherwise, including, but not limited to, under the Original Agreement, to Employee (the "Payments") would (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this sentence, would be subject to the excise tax imposed by Section 4999 of

the Code (the "Excise Tax"), then such Payments will be reduced to be equal to the Reduced Amount (as defined below) if and to the extent that a reduction in the Payments would result in Employee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Employee received the entire amount of such Payments in accordance with their existing terms. The "Reduced Amount" will be the largest portion of the Payments that would result in no portion of the Payments being subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in a manner necessary to provide Employee with the greatest economic benefit. If more than one manner of reduction of payments or benefits necessary to arrive at the Reduced Amount yields the greatest economic benefit, the payments and benefits shall be reduced pro rata. Employee may not exercise any discretion with respect to the ordering of any reductions of payments or benefits under this Clause 12. Unless the Parties otherwise agree in writing, any determination required under this Clause 12 shall be made in writing by Employer's or an Affiliate's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Employer and Employee for all purposes. For purposes of making the calculations required by this Clause 12, the Accountants may make reasonable assumptions and approximations concerning applicable taxes. The Parties shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Clause 12. Employer shall bear all costs incurred for and by the Accountants in connection with any calculations or determinations contemplated by this Clause 12.

13. 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 14 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 14.

14. Arbitration: All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Clause 13 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.

15. 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.

16. 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 directly or indirectly 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 or its Affiliates, any terms or conditions relating to such employee's leaving the employ of Employer or its Affiliates. The receipt of any benefits pursuant to Clause 9 or 10 will be subject to Employee not violating the provisions of this Clause 16. In the event Employee breaches the provisions of Clause 16, all continuing payments and benefits to which Employee may otherwise be entitled pursuant to Clause 9 or 10 will immediately cease and Employer will be entitled to any other rights and remedies and may take any other action legally permissible as a result of breaching the provisions of Clause 16.

17. 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.

18. 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.

19. 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
[redacted]

20. 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.

21. 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.

22. 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.

23. 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/ PHILIP K. BREWER

PHILIP K. BREWER

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED

BY: /S/ JOHN A. MACCARONE

JOHN A. MACCARONE
DIRECTOR

ANNEX A

SECTION 409A ADDENDUM

Notwithstanding anything to the contrary in the Agreement, no severance pay or benefits to be paid or provided to Employee, if any, pursuant to the Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Payments") will be paid or otherwise provided until Employee has had a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Employee, if any, that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has had a "separation from service" within the meaning of Section 409A. Each payment and benefit payable under the Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

Any severance payments or benefits under the Agreement that would be considered Deferred Payments will be paid or will commence on the sixtieth (60th) day following Employee's separation from service, or, if later, such time as required by the next paragraph.

Notwithstanding anything to the contrary in the Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination (other than due to death), then the Deferred Payments that would otherwise have been payable within the first six (6) months following Employee's separation from service, will be paid on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service, but in no event later than seven months after the date of such separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit.

The amount payable pursuant to Clause 10(a) of the Agreement is intended to satisfy the requirements of the "limited payments" exception under Section 1.409A-1(b)(9)(v)(D) of the Treasury Regulations and will not constitute a Deferred Payment unless such amount, when aggregated with any other severance payments or benefits or separation benefits subject to Section 409A, exceeds the limitation set forth therein. Any amount paid under the Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not

constitute Deferred Payments. Any amount paid under the Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constituted Deferred Payments. For this purpose, the "Section 409A Limit" will mean two (2) times the lesser of: (i) Employee's annualized compensation based upon the annual rate of pay paid to him during Employee's taxable year preceding his taxable year of his separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Employee's separation from service occurred.

The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Employer and Employee agree to work together in good faith to consider amendments to the Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

EXHIBIT 4.5

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as of the later of the 1st day of October 2011 or the day after the termination of employment of the current President and CEO, John A. Maccarone, (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 Employee's employment with Employer are set forth in that certain employment agreement dated the 1st day of January 1998 by and between Employee and Employer (the "Original Agreement"), which replaced in its entirety a prior employment agreement between Employee and Employer dated the 1st of August 1994. Employee recently was promoted to President and Chief Executive Officer of Textainer Equipment Management Limited, a Bermuda company, the duties of which offices Employee performs exclusively outside the United States.

In connection with Employee's promotion to President of Employer, 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 promotes Employee, and Employee agrees to accept such employment, upon the following terms and conditions:

DEFINITIONS

"Affiliate" means, when used with reference to Employer (a) 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 (b) 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, 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, as in effect from time to time.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, dental, vision insurance, disability, life insurance, retirement and other benefits for its U.S.-based employees.

"Cause" means a termination of Employee's employment due to one or more of the following, as determined by Employer: (a) the failure of Employee to comply with a lawful instruction of Employer so long as the instruction is consistent with the scope and responsibilities of Employee's position after there has been delivered to the Employee a written demand for performance from Employer and Employee has not corrected such failure within thirty (30) days of such written demand; (b) Employee's failure or refusal to perform according to, or to comply with, the material policies, procedures or practices established by Employer (including but not limited to, any policies, procedures, practices or agreements related to confidentiality, proprietary information, trade secrets, corporate governance, conflicts of interest, and code of conduct); (c) Employee's commission of or participation in a material fraud or act of dishonesty against Employer; or (d) Employee's conviction of, or the entering of a guilty plea or a plea of "no contest" with respect to (i) a felony involving fraud, dishonesty or an act of moral turpitude or (ii) other crime, provided that with respect to such other crime, the crime has had or will have a material detrimental effect on TGH's or an Affiliate's business or reputation.

"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.

"Corporate Transaction" shall have the meaning of such term as set forth in the Textainer Group Holdings Limited 2007 Share Incentive Plan, as may be amended from time to time.

"Good Reason" means a termination of Employee's employment by Employee that is designated in writing by Employee as a termination for Good Reason and occurs within thirty (30) days following the expiration of the Cure Period (as defined below) as a result of the occurrence of one or more of the following, without Employee's express written consent: (a) a material, ten (10) percent or more, reduction of Employee's Base Salary then in effect, provided that a reduction applied to Similarly Situated Executives (as defined below) will not be considered material, even if equal to or greater than 10%; (b) a material reduction in Employee's authority, duties or responsibilities from those in effect immediately prior to such reduction; or (c) the relocation of Employee to a facility or location that is more than fifty (50) miles from his primary place of employment and such relocation results in an increase in Employee's one-way driving distance by more than fifty (50) miles; provided, however, that before Employee may resign for Good Reason, Employee must provide Employer with written notice of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by Employer within thirty (30) days (the "Cure Period") of such written notice.

"in Connection with a Corporate Transaction." A termination of Employee's employment will be "in Connection with a Corporate Transaction" if Employee's employment is terminated at any time on or within twelve (12) months following the Corporate Transaction.

"Retirement" means:

(a) With respect to Clause 10(a) and (b), a termination of Employee's employment by Employee that is designated by Employee in writing as a voluntary termination other than (i) for Good Reason or (ii) due to Employee's death and that occurs after (x) attaining age fifty (50), (y) completing at least ten (10) Years of Service with Employer and (z) having 70 points, where points are made up of Years of Service with Employer plus Employee's age at termination. For example, if Employee has fifteen (15) Years of Service and is age sixty (60), Employee would have seventy-five (75) points.

(b) With respect to Clause 10(c), a termination of Employee's employment by Employee that is designated by Employee in writing as a voluntary termination other than (i) for Good Reason or (ii) due to Employee's death and that occurs after attaining age sixty-five (65).

For this purpose, "Years of Service" equals the number of full months from Employee's latest hire date with Employer to the date of his termination, divided by 12.

"**Similarly Situated Executives**" means executive officers of Employer in salary grades O, P, Q and R or higher.

"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 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. Employee is subject to, and hereby agrees to comply with, the rules, regulations, practices and policies of Employer and its Affiliates, as may be adopted or modified from time to time in the sole discretion of Employer and its Affiliates, including but not limited to any rules, regulations, practices, and policies related to corporate governance, conflicts of interest, and code of conduct.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate 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 2011, a copy of which is incorporated by reference into this Agreement, and shall continue to be so designated for the remainder of 2011 subject to Employee's continued employment with Employer. Employee shall be eligible to receive an annual incentive award for each calendar year in accordance with, and subject to, the terms and conditions of the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Subject to approval of the Compensation Committee in November 2011 and provided that the Effective Date occurs prior to such approval, TGH will grant Employee (i) a stock option to purchase 22,000 shares of TGH common shares at an exercise price equal to the fair market value of such shares on the date of grant, as determined by the Compensation Committee in its discretion (the "Option") and (ii) 22,000 restricted share units (the "RSUs"), in each case under and pursuant to the terms and conditions of the Textainer Group Holdings Limited 2007 Share Incentive Plan and stock option agreement and restricted share unit agreement to be entered into by and between Employee and TGH. The Option and RSUs will be scheduled to vest at such times and under such conditions as determined by the Compensation Committee and set forth in the applicable award agreement.

(d) 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, 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.

(e) 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 acknowledges and agrees that Employer may in its discretion terminate at any time or modify from time to time such Benefit Plans.

(f) Employer, at its cost, will provide Employee with a parking space for an automobile within reasonable walking distance to Employer's place of business if requested by Employee.

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 dated 1 September 1996.

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 and its Affiliates. 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. Subject to Clause 11 below, Employee's beneficiary will receive:

(i) A prorated incentive award based on the percentage of the STIP year over which Employee was employed by Employer. Such percentage will be applied to the bonus amount that would have been payable to Employee based on actual achievement of the applicable corporate performance criteria had Employee remained employed through the date incentive awards under the STIP are payable to employees generally (the "STIP Payment Date"). The prorated incentive award will be paid to Employee's beneficiary on the STIP Payment Date, plus

(ii) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(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:

(a) In the event Employer terminates Employee's employment pursuant to Clause 8(a) for any reason other than for Cause and such termination is not in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to (A) twelve (12) months of Employee's Base Salary in effect as of the date of Employee's termination (the "Termination Date") if Employee has been employed by Employer for fifteen (15) years or less or (B) eighteen (18) months of Employee's Base Salary in effect as of the Termination Date if Employee has been employed by Employer for more than fifteen (15) years, plus

(ii) If Employee and any spouse and/or dependents of the Employee ("Family Members") has coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986, 29 U.S.C. Sections 1161-1168; 26 U.S.C. Section 4980B(f), as amended, and all applicable regulations (referred to collectively as "COBRA") for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of eighteen (18) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

(b) In the event Employer terminates Employee's employment pursuant to Clause 8(a) for any reason other than for Cause and such termination is in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twenty (24) months of Employee's Base Salary (as in effect immediately prior to (A) the Corporate Transaction, or (B) the Termination Date, whichever is greater), plus

(ii) If Employee and any Family Members have coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under COBRA for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of up to eighteen (18) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer, plus

(iii) A lump sum severance payment equal to (A) 50% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is prior to 1 July of the STIP Plan Year, or (B) 100% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is after 30 June of the STIP Plan Year, plus

(iv) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(c) In the event Employee terminates his employment pursuant to Clause 8(a) for Good Reason and such termination is in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twelve (12) months of Employee's Base Salary (as in effect immediately prior to (A) the Corporate Transaction, or (B) the Termination Date, whichever is greater), plus

(ii) If Employee and any Family Members have coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under COBRA for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of eighteen (18) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

(iii) A lump sum severance payment equal to (A) 50% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is prior to 1 July of the STIP Plan Year, or (B) 100% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is after 30 June of the STIP Plan Year, plus

(iv) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(d) For purposes of clarity, under no circumstances will Employee be entitled to benefits under Clause 9(a), (b) or (c) if Employee terminates his employment pursuant to Clause 8(a) due to Retirement and is entitled to receive some or all of the benefits described in Clause 10 (subject to the terms and conditions therein).

10. Retirement: In the event Employee terminates his employment pursuant to Clause 8(a) due to Retirement, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(a) A lump sum severance payment equal to one month of Employee's Base Salary in effect as of the Termination Date, subject to a minimum amount of $3,500 and maximum amount of $10,000, plus

(b) A prorated incentive award based on the percentage of the STIP year over which Employee was employed by Employer. Such percentage will be applied to the bonus amount that would have been payable to Employee based on actual achievement of the applicable corporate performance criteria had Employee remained employed through the STIP Payment Date. The prorated incentive award will be paid to Employee on the STIP Payment Date, plus

(c) If, in connection with Employee's Retirement, Employer or TGH does not offer to retain Employee as a consultant or a non-employee member of the board of directors of TGH, Employee will not be treated as having incurred a termination of Continuous Service for purposes of all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date and Employee shall vest in such awards on the vesting dates set forth in the vesting schedule applicable to each such award, subject to the terms and conditions applicable to such awards (including any performance criteria but excluding the requirement that the Employee actually remain in Continuous Service). With respect to any award described in the preceding sentence that is a stock option, the Post-Termination Exercise Period (as defined in the applicable notice of stock option award and stock option agreement for such award) shall commence on the date the stock option becomes 100% vested, provided that in no event will the stock option be exercised following the Expiration Date set forth in the applicable notice of stock option award and stock option agreement. Notwithstanding the foregoing, if Employee terminates his employment pursuant to Clause 8(a) due to Retirement and such termination occurs at any time on or within twelve (12) months following a Corporate Transaction, if required to avoid imposition of additional tax under Section 409A, Employee will immediately vest in and have the right to exercise all awards that were issued under TGH's stock plans, are outstanding immediately prior to the Termination Date and are considered deferred compensation under and subject to Section 409A, all restrictions applicable to such awards will lapse, and all performance goals or other vesting criteria applicable to such awards will be deemed achieved at target levels and all other terms and conditions met.

Notwithstanding the foregoing or anything herein to the contrary, on or prior to the date the Employee attains age sixty (60), Employee and Employer agree to work together in good faith to reconsider the terms of Clause 10(c) in light of the types of awards that may be granted to Employee under TGH's stock plans, the applicable accounting rules and tax rules in effect at such time, including but not limited to Section 409A (as defined in Annex A attached hereto), and any other factors the consideration of which is deemed necessary or advisable by Employee or Employer.

11. Release: The receipt of any payment pursuant to Clause 8(b), 9 or 10, above, will be subject to Employee timely signing and not revoking a standard release of all claims in a form reasonably satisfactory to Employer (the "Release"). To be timely, the Release must become effective and irrevocable no later than sixty (60) days following the Termination Date (the "Release Deadline"). If the Release does not become effective and irrevocable by the Release Deadline, Employee will forfeit any rights to the benefits described in Clause 8(b), 9 or 10, as applicable. In no event will any benefits be paid under Clause 8(b), 9 or 10, above, until the Release becomes effective and irrevocable. Subject to Annex A attached hereto, benefits will commence or be provided once the Release becomes effective and irrevocable.

12. Excise Taxes. Notwithstanding anything herein to the contrary, in the event that any payments or benefits paid or payable hereunder or otherwise, including, but not limited to, under the Original Agreement, to Employee (the "Payments") would (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this sentence, would be subject to the excise tax imposed by Section 4999 of

the Code (the "Excise Tax"), then such Payments will be reduced to be equal to the Reduced Amount (as defined below) if and to the extent that a reduction in the Payments would result in Employee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Employee received the entire amount of such Payments in accordance with their existing terms. The "Reduced Amount" will be the largest portion of the Payments that would result in no portion of the Payments being subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in a manner necessary to provide Employee with the greatest economic benefit. If more than one manner of reduction of payments or benefits necessary to arrive at the Reduced Amount yields the greatest economic benefit, the payments and benefits shall be reduced pro rata. Employee may not exercise any discretion with respect to the ordering of any reductions of payments or benefits under this Clause 12. Unless the Parties otherwise agree in writing, any determination required under this Clause 12 shall be made in writing by Employer's or an Affiliate's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Employer and Employee for all purposes. For purposes of making the calculations required by this Clause 12, the Accountants may make reasonable assumptions and approximations concerning applicable taxes. The Parties shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Clause 12. Employer shall bear all costs incurred for and by the Accountants in connection with any calculations or determinations contemplated by this Clause 12.

13. <u>Remedies - Injunction:</u> 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 14 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 14.

14. <u>Arbitration:</u> All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Clause 13 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.

15. 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.

16. 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 directly or indirectly 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 or its Affiliates, any terms or conditions relating to such employee's leaving the employ of Employer or its Affiliates. The receipt of any benefits pursuant to Clause 9 or 10 will be subject to Employee not violating the provisions of this Clause 16. In the event Employee breaches the provisions of Clause 16, all continuing payments and benefits to which Employee may otherwise be entitled pursuant to Clause 9 or 10 will immediately cease and Employer will be entitled to any other rights and remedies and may take any other action legally permissible as a result of breaching the provisions of Clause 16.

17. 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.

18. 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.

19. 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
[redacted]

20. 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.

21. 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.

22. 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.

23. 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
DIRECTOR

ANNEX A

SECTION 409A ADDENDUM

Notwithstanding anything to the contrary in the Agreement, no severance pay or benefits to be paid or provided to Employee, if any, pursuant to the Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Payments") will be paid or otherwise provided until Employee has had a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Employee, if any, that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has had a "separation from service" within the meaning of Section 409A. Each payment and benefit payable under the Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

Any severance payments or benefits under the Agreement that would be considered Deferred Payments will be paid or will commence on the sixtieth (60th) day following Employee's separation from service, or, if later, such time as required by the next paragraph.

Notwithstanding anything to the contrary in the Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination (other than due to death), then the Deferred Payments that would otherwise have been payable within the first six (6) months following Employee's separation from service, will be paid on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service, but in no event later than seven months after the date of such separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit.

The amount payable pursuant to Clause 10(a) of the Agreement is intended to satisfy the requirements of the "limited payments" exception under Section 1.409A-1(b)(9)(v)(D) of the Treasury Regulations and will not constitute a Deferred Payment unless such amount, when aggregated with any other severance payments or benefits or separation benefits subject to Section 409A, exceeds the limitation set forth therein. Any amount paid under the Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not

constitute Deferred Payments. Any amount paid under the Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constituted Deferred Payments. For this purpose, the "Section 409A Limit" will mean two (2) times the lesser of: (i) Employee's annualized compensation based upon the annual rate of pay paid to him during Employee's taxable year preceding his taxable year of his separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Employee's separation from service occurred.

The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Employer and Employee agree to work together in good faith to consider amendments to the Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

EXHIBIT 4.6

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made as the 10th day of January 2012, (the "Effective Date") by and between TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED ("Employer"), a Delaware corporation, and HILLIARD C. TERRY, III (hereinafter referred to as "Employee") (jointly, the "Parties").

RECITALS

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 (a) 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 (b) 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, 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, as in effect from time to time.

"Benefit Plans" means employee benefit programs which Employer has or will establish for health, dental, vision insurance, disability, life insurance, retirement and other benefits for its U.S.-based employees.

"Cause" means a termination of Employee's employment due to one or more of the following, as determined by Employer: (a) the failure of Employee to comply with a lawful instruction of Employer so long as the instruction is consistent with the scope and responsibilities of Employee's position after there has been delivered to the Employee a written demand for performance from Employer and Employee has not corrected such failure within thirty (30) days of such written demand; (b) Employee's failure or refusal to perform according to, or to comply with, the material policies, procedures or practices established by Employer (including but not limited to, any policies, procedures, practices or agreements related to confidentiality, proprietary information, trade secrets, corporate governance, conflicts of interest, and code of conduct); (c) Employee's commission of or participation in a material fraud or act of dishonesty against Employer; or (d) Employee's conviction of, or the entering of a guilty plea or a plea of "no contest" with respect to (i) a felony involving fraud, dishonesty or an act of moral turpitude or (ii) other crime, provided that with respect to such other crime, the crime has had or will have a material detrimental effect on TGH's or an Affiliate's business or reputation.

"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.

"Corporate Transaction" shall have the meaning of such term as set forth in the Textainer Group Holdings Limited 2007 Share Incentive Plan, as may be amended from time to time.

"Good Reason" means a termination of Employee's employment by Employee that is designated in writing by Employee as a termination for Good Reason and occurs within thirty (30) days following the expiration of the Cure Period (as defined below) as a result of the occurrence of one or more of the following, without Employee's express written consent: (a) a material, ten (10) percent or more, reduction of Employee's Base Salary then in effect, provided that a reduction applied to Similarly Situated Executives (as defined below) will not be considered material, even if equal to or greater than 10%; (b) a material reduction in Employee's authority, duties or responsibilities from those in effect immediately prior to such reduction; or (c) the relocation of Employee to a facility or location that is more than fifty (50) miles from his primary place of employment and such relocation results in an increase in Employee's one-way driving distance by more than fifty (50) miles; provided, however, that before Employee may resign for Good Reason, Employee must provide Employer with written notice of the condition that could constitute a "Good Reason" event within ninety (90) days of the initial existence of such condition and such condition must not have been remedied by Employer within thirty (30) days (the "Cure Period") of such written notice.

"in Connection with a Corporate Transaction." A termination of Employee's employment will be "in Connection with a Corporate Transaction" if Employee's employment is terminated at any time on or within twelve (12) months following the Corporate Transaction.

"Retirement" means:

With respect to Clause 10(a) and (b), a termination of Employee's employment by Employee that is designated by Employee in writing as a voluntary termination other than (i) for Good Reason or (ii) due to Employee's death and that occurs after (x) attaining age fifty (50), (y) completing at least ten (10) Years of Service with Employer and (z) having 70 points, where points are made up of Years of Service with Employer plus Employee's age at termination. For example, if Employee has fifteen (15) Years of Service and is age sixty (60), Employee would have seventy-five (75) points.

For this purpose, "Years of Service" equals the number of full months from Employee's latest hire date with Employer to the date of his termination, divided by 12.

"**Similarly Situated Executives**" means executive officers of Employer in salary grades O, P, Q and R or higher.

"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 Executive Vice President and Chief Financial 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. Employee is subject to, and hereby agrees to comply with, the rules, regulations, practices and policies of Employer and its Affiliates, as may be adopted or modified from time to time in the sole discretion of Employer and its Affiliates, including but not limited to any rules, regulations, practices, and policies related to corporate governance, conflicts of interest, and code of conduct.

2. Term of Employment: The term of employment shall commence on the Effective Date and shall terminate 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 2012, a copy of which is incorporated by reference into this Agreement, and shall continue to be so designated for the remainder of 2012 subject to Employee's continued employment with Employer. Employee shall be eligible to receive an annual incentive award for each calendar year in accordance with, and subject to, the terms and conditions of the short-term incentive compensation plan of Employer or TGH which is in effect for such year.

(c) Subject to approval of the Compensation Committee and provided that the Effective Date occurs prior to such approval, TGH will grant Employee (i) a stock option to purchase 10,000 shares of TGH common shares at an exercise price equal to the fair market value of such shares on the date of grant, as determined by the Compensation Committee in its discretion (the "Option") and (ii) 10,000 restricted share units (the "RSUs"), in each case under and pursuant to the terms and conditions of the Textainer Group Holdings Limited 2007 Share Incentive Plan and stock option agreement and restricted share unit agreement to be entered into by and between Employee and TGH. The Option and RSUs will be scheduled to vest at such times and under such conditions as determined by the Compensation Committee and set forth in the applicable award agreement.

(d) 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, 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.

(e) 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 acknowledges and agrees that Employer may in its discretion terminate at any time or modify from time to time such Benefit Plans.

(f) Employer, at its cost, will provide Employee with a parking space for an automobile within reasonable walking distance to Employer's place of business if requested by Employee.

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. <u>Indemnity:</u> Employee shall be indemnified in accordance with the Indemnification Agreement entered into between Employee and Employer or one or more of its Affiliates on the Effective Date (and as such agreement may be subsequently amended or modified).

5. <u>Exclusivity of Services:</u> Employee agrees to devote Employee's full-time and exclusive services (except for attention to personal interests outside normal office hours) to Employer and its Affiliates. Any exception to this must be approved in writing by Employer, provided however, that Employer acknowledges that Employee has disclosed Employee's outside interests as of the Effective Date and Employer has consented to such interests.

6. <u>Conflict of Interest and Non-Competition:</u> 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. <u>Confidential Information:</u> 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. <u>Termination:</u>

(a) <u>With or Without Cause:</u> 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) <u>Death:</u> In the event of Employee's death, this Agreement shall terminate automatically. Subject to Clause 11 below, Employee's beneficiary will receive:

(i) A prorated incentive award based on the percentage of the STIP year over which Employee was employed by Employer. Such percentage will be applied to the bonus amount that would have been payable to Employee based on actual achievement of the applicable corporate performance criteria had Employee remained employed through the date incentive awards under the STIP are payable to employees generally (the "STIP Payment Date"). The prorated incentive award will be paid to Employee's beneficiary on the STIP Payment Date, plus

(ii) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(c) <u>Incapacity:</u> 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:

(a) In the event Employer terminates Employee’s employment pursuant to Clause 8(a) for any reason other than for Cause and such termination is not in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee’s continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twelve (12) months of Employee’s Base Salary in effect as of the date of Employee’s termination (the “Termination Date”), plus

(ii) If Employee and any spouse and/or dependents of the Employee (“Family Members”) has coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under the Consolidated Omnibus Budget Reconciliation Act of 1986, 29 U.S.C. Sections 1161-1168; 26 U.S.C. Section 4980B(f), as amended, and all applicable regulations (referred to collectively as “COBRA”) for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of twelve (12) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

(b) In the event Employer terminates Employee’s employment pursuant to Clause 8(a) for any reason other than for Cause and such termination is in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee’s continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twelve (12) months of Employee’s Base Salary (as in effect immediately prior to (A) the Corporate Transaction, or (B) the Termination Date, whichever is greater), plus

(ii) If Employee and any Family Members have coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under COBRA for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of up to twelve (12) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer, plus

(iii) A lump sum severance payment equal to (A) 50% of Employee’s target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is prior to 1 July of the STIP Plan Year, or (B) 100% of Employee’s target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is after 30 June of the STIP Plan Year, plus

(iv) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(c) In the event Employee terminates his employment pursuant to Clause 8(a) for Good Reason and such termination is in Connection with a Corporate Transaction, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(i) A lump sum severance payment equal to twelve (12) months of Employee's Base Salary (as in effect immediately prior to (A) the Corporate Transaction, or (B) the Termination Date, whichever is greater), plus

(ii) If Employee and any Family Members have coverage on the Termination Date under a Benefit Plan that provides medical, dental or vision coverage and Employee is eligible for and validly elects to continue coverage under COBRA for the Employee and his Family Members, such continued coverage will be provided to Employee and his Family Members for a period of twelve (12) months following the Termination Date at a cost to Employee that is no greater than that which would have been incurred by Employee had Employee remained as an employee of Employer.

(iii) A lump sum severance payment equal to (A) 50% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is prior to 1 July of the STIP Plan Year, or (B) 100% of Employee's target bonus amount under the STIP which is in effect on the Termination Date if the Termination Date is after 30 June of the STIP Plan Year, plus

(iv) With respect to all awards issued under TGH's stock plans and outstanding immediately prior to the Termination Date, Employee will immediately vest in and have the right to exercise such awards, all restrictions will lapse, and all performance goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met.

(d) For purposes of clarity, under no circumstances will Employee be entitled to benefits under Clause 9(a), (b) or (c) if Employee terminates his employment pursuant to Clause 8(a) due to Retirement and is entitled to receive some or all of the benefits described in Clause 10 (subject to the terms and conditions therein).

10. Retirement: In the event Employee terminates his employment pursuant to Clause 8(a) due to Retirement, then, subject to Clause 11 below and Employee's continued compliance with Clause 16, Employee shall be entitled to receive:

(a) A lump sum severance payment equal to one month of Employee's Base Salary in effect as of the Termination Date, subject to a minimum amount of $3,500 and maximum amount of $10,000, plus

(b) A prorated incentive award based on the percentage of the STIP year over which Employee was employed by Employer. Such percentage will be applied to the bonus amount that would have been payable to Employee based on actual achievement of the applicable corporate performance criteria had Employee remained employed through the STIP Payment Date. The prorated incentive award will be paid to Employee on the STIP Payment Date, plus

11. Release: The receipt of any payment pursuant to Clause 8(b), 9 or 10, above, will be subject to Employee timely signing and not revoking a standard release of all claims in a form reasonably satisfactory to Employer (the "Release"). To be timely, the Release must become effective and irrevocable no later than sixty (60) days following the Termination Date (the "Release Deadline"). If the Release does not become effective and irrevocable by the Release Deadline, Employee will forfeit any rights to the benefits described in Clause 8(b), 9 or 10, as applicable. In no event will any benefits be paid under Clause 8(b), 9 or 10, above, until the Release becomes effective and irrevocable. Subject to Annex A attached hereto, benefits will commence or be provided once the Release becomes effective and irrevocable.

12. Excise Taxes. Notwithstanding anything herein to the contrary, in the event that any payments or benefits paid or payable hereunder or otherwise, including, but not limited to, under the Original Agreement, to Employee (the "Payments") would (a) constitute "parachute payments" within the meaning of Section 280G of the Code, and (b) but for this sentence, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payments will be reduced to be equal to the Reduced Amount (as defined below) if and to the extent that a reduction in the Payments would result in Employee retaining a larger amount, on an after-tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Employee received the entire amount of such Payments in accordance with their existing terms. The "Reduced Amount" will be the largest portion of the Payments that would result in no portion of the Payments being subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in a manner necessary to provide Employee with the greatest economic benefit. If more than one manner of reduction of payments or benefits necessary to arrive at the Reduced Amount yields the greatest economic benefit, the payments and benefits shall be reduced pro rata. Employee may not exercise any discretion with respect to the ordering of any reductions of payments or benefits under this Clause 12. Unless the Parties otherwise agree in writing, any determination required under this Clause 12 shall be made in writing by Employer's or an Affiliate's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Employer and Employee for all purposes. For purposes of making the calculations required by this

Clause 12, the Accountants may make reasonable assumptions and approximations concerning applicable taxes. The Parties shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Clause 12. Employer shall bear all costs incurred for and by the Accountants in connection with any calculations or determinations contemplated by this Clause 12.

13. 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 14 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 14.

14. Arbitration: All disputes concerning the meaning or effect of this Agreement and all disputes arising under this Agreement (except those arising under Clause 13 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.

15. 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.

16. 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 directly or indirectly 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 or its Affiliates, any terms or conditions relating to such employee's leaving the employ of Employer or its Affiliates. The receipt of any benefits pursuant to Clause 9 or 10 will be subject to Employee not violating the provisions of this Clause 16. In the event Employee breaches the provisions of Clause 16, all continuing payments and benefits to which Employee may otherwise be entitled pursuant to Clause 9 or 10 will immediately cease and Employer will be entitled to any other rights and remedies and may take any other action legally permissible as a result of breaching the provisions of Clause 16.

17. 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.

18. 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.

19. 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:	Hilliard C. Terry, III [redacted]

20. 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.

21. 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.

22. 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.

23. 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.

HILLIARD C. TERRY, III

/S/ HILLIARD C. TERRY, III

TEXTAINER EQUIPMENT MANAGEMENT (U.S.) LIMITED

BY: /S/ PHILIP K. BREWER
PHILIP K. BREWER
PRESIDENT AND CEO,
TEXTAINER GROUP HOLDINGS LIMITED

ANNEX A

SECTION 409A ADDENDUM

Notwithstanding anything to the contrary in the Agreement, no severance pay or benefits to be paid or provided to Employee, if any, pursuant to the Agreement that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Payments") will be paid or otherwise provided until Employee has had a "separation from service" within the meaning of Section 409A. Similarly, no severance payable to Employee, if any, that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until Employee has had a "separation from service" within the meaning of Section 409A. Each payment and benefit payable under the Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

Any severance payments or benefits under the Agreement that would be considered Deferred Payments will be paid or will commence on the sixtieth (60th) day following Employee's separation from service, or, if later, such time as required by the next paragraph.

Notwithstanding anything to the contrary in the Agreement, if Employee is a "specified employee" within the meaning of Section 409A at the time of Employee's termination (other than due to death), then the Deferred Payments that would otherwise have been payable within the first six (6) months following Employee's separation from service, will be paid on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Employee's separation from service, but in no event later than seven months after the date of such separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Employee dies following Employee's separation from service, but prior to the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Employee's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit.

The amount payable pursuant to Clause 10(a) of the Agreement is intended to satisfy the requirements of the "limited payments" exception under Section 1.409A-1(b)(9)(v)(D) of the Treasury Regulations and will not constitute a Deferred Payment unless such amount, when aggregated with any other severance payments or benefits or separation benefits subject to Section 409A, exceeds the limitation set forth therein. Any amount paid under the Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not

constitute Deferred Payments. Any amount paid under the Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constituted Deferred Payments. For this purpose, the "Section 409A Limit" will mean two (2) times the lesser of: (i) Employee's annualized compensation based upon the annual rate of pay paid to him during Employee's taxable year preceding his taxable year of his separation from service as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Internal Revenue Code for the year in which Employee's separation from service occurred.

The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. Employer and Employee agree to work together in good faith to consider amendments to the Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Employee under Section 409A.

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "***Agreement***"), dated as of ___, 20__, between Textainer Group Holdings Limited, a Bermuda corporation (the "***Corporation***"), and ____________ (together with such person's spouse or domestic partner, "***Indemnitee***").

W I T N E S S E T H:

WHEREAS, Indemnitee is either a member of the board of directors of the Corporation (the " ***Board of Directors***"), a director of a subsidiary of the Corporation, an officer of the Corporation or an officer of a subsidiary of the Corporation, or one or more of such positions, and in such capacity or capacities, or otherwise as an Agent (as hereinafter defined) of the Corporation, is performing a valuable service for the Corporation; and

WHEREAS, the Corporation is aware that competent and experienced persons are increasingly reluctant to serve as directors or officers of corporations or other business entities unless they are protected by comprehensive indemnification and liability insurance, due to increased exposure to litigation costs and risks resulting from their service to such entities, and because the exposure frequently bears no reasonable relationship to the compensation of such directors and officers; and

WHEREAS, the Board of Directors of the Corporation has concluded that, to retain and attract talented and experienced individuals to serve or continue to serve as officers or directors of the Corporation or its subsidiaries, and to encourage such individuals to take the business risks necessary for the success of the Corporation, it is necessary for the Corporation contractually to indemnify directors and officers and to assume for itself to the fullest extent permitted by law expenses and damages in connection with claims against such officers or directors in connection with their service to the Corporation; and

WHEREAS, Section 98 of the Companies Act of Bermuda , under which the Corporation is organized, empowers the Corporation to indemnify by agreement its officers, directors, employees and agents, and persons who serve, at the request of the Corporation, as directors, officers, employees or agents of other corporations or enterprises; and

WHEREAS, the Corporation desires and has requested the Indemnitee to serve or continue to serve as a director, officer or agent of the Corporation or one or more of its subsidiaries free from undue concern for claims for damages arising out of or related to such services to the Corporation; and

WHEREAS, Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Corporation on the condition that he or she be indemnified as herein provided and Indemnitee has previously entered into an indemnification agreement with the Corporation and/or one or more of the subsidiaries of the Corporation ("***Existing Indemnification Agreements***"); and

WHEREAS, it is intended that Indemnitee shall be paid promptly by the Corporation all amounts necessary to effectuate in full the indemnity provided herein; and

WHEREAS, the Corporation has determined that the liability insurance coverage available to the Corporation and its directors and officers as of the date hereof may be inadequate. The Corporation believes, therefore, that the interests of its stockholders would best be served by the indemnification of selected representatives of the Corporation; and

WHEREAS, in recognition of Indemnitee's need for substantial protection against personal liability in order to support and encourage Indemnitee's continued service to the Corporation in an effective manner, the Corporation wishes to provide in this Agreement for the indemnification of and the advancement of Expenses to Indemnitee to the fullest extent (whether partial or complete) permitted by law and as set forth in this Agreement, and, pursuant to Section 10 for the continued coverage of Indemnitee under the directors' and officers' liability insurance policies of the Corporation.

WHEREAS, certain defined terms are set forth in Section 17 below:

NOW, THEREFORE, in consideration of the premises and the covenants in this Agreement, and of Indemnitee serving or continuing to serve the Corporation or one or more of its subsidiaries as an Agent and intending to be legally bound hereby, the parties hereto agree to terminate all Existing Indemnification Agreements and to replace such agreements with the Agreement, and hereto agree as follows:

1. Services by Indemnitee. Indemnitee agrees to serve or continue to serve (a) as a director or an officer of the Corporation, or as a manager, director or employee of a subsidiary of the Corporation, or one or more of such positions, and until such time as Indemnitee resigns or fails to stand for election or is removed from Indemnitee's position, or (b) otherwise as an Agent of the Corporation. Indemnitee may from time to time also perform other services at the request or for the convenience of, or otherwise benefiting the Corporation or one or more of its subsidiaries. Indemnitee may at any time and for any reason resign or be removed from his or her position or positions (subject to any other contractual obligation or other obligation imposed by operation of law), in which event the Corporation shall have no obligation under this Agreement to continue Indemnitee in any such position, provided however that this Agreement shall remain in effect for the Indemnification Period.

2. Indemnification of Indemnitee. Subject to the limitations set forth herein and particularly in Section 6 hereof, the Corporation shall indemnify Indemnitee as follows:

(a) The Corporation shall, with respect to any Proceeding (as hereinafter defined), indemnify Indemnitee to the fullest extent permitted by applicable law or as such law may from time to time be amended (but, in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than the law permitted the Corporation to provide before such amendment). The right to indemnification conferred herein shall be presumed to have been relied upon by Indemnitee in serving or continuing to serve the Corporation as an Agent and shall be enforceable as a contract right. Without in any way diminishing the scope of the indemnification provided by this Section 2(a), the rights of indemnification of Indemnitee shall include but shall not be limited to those rights hereinafter set forth.

(b) The Corporation shall indemnify Indemnitee if Indemnitee is or was a party or witness or is threatened to be made a party or witness to any Proceeding (other than an action by or in the right of the Corporation) by reason of the fact that Indemnitee is or was an Agent of the Corporation, or any subsidiary of the Corporation, or by reason of the fact that Indemnitee is or was serving at the request of the Corporation as an Agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against Expenses (as hereinafter defined) or Liabilities (as hereinafter defined), actually and reasonably incurred by Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

(c) The Corporation shall indemnify Indemnitee if Indemnitee was or is a party or witness or is threatened to be made a party to any Proceeding by or in the right of the Corporation or any subsidiary of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee is or was an Agent of the Corporation, or any subsidiary of the Corporation, or by reason of the fact that Indemnitee is or was serving at the request of the Corporation as an Agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against Expenses and, to the fullest extent permitted by law, Liabilities if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(d) Notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any issue or matter therein, Indemnitee shall be indemnified against all Expenses incurred in connection therewith, except with respect to any portion of the proceeding relating to a matter described in Section 6. For these purposes, Indemnitee will be deemed to have been "successful on the merits" upon termination of any Proceeding or of any claim, issue or matter therein, by the winning of a motion to dismiss (with prejudice), motion for summary judgment, or settlement (with or without court approval). If Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of Expenses, but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

(e) The Corporation shall indemnify and hold harmless Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Corporation (other than Indemnitee) who may be jointly liable with Indemnitee.

3. Advancement of Expenses. All reasonable Expenses incurred by or on behalf of Indemnitee (including costs of enforcement of this Agreement) shall be advanced from time to time by the Corporation to Indemnitee within thirty (30) days after the receipt by the Corporation of a written request for an advance of Expenses, whether prior to or after final disposition of a Proceeding (except to the extent that there has been a Final Adverse Determination that Indemnitee is not entitled to be indemnified for such Expenses), including without limitation any Proceeding brought by or in the right of the Corporation. Notwithstanding the foregoing, the Indemnitee may alternately request that the Corporation (but without duplication) (a) pay such Expenses on behalf of Indemnitee or (b) reimburse Indemnitee for such Expenses. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. The written request for an advancement, payment or reimbursement of any and all Expenses under this paragraph shall contain reasonable detail of the Expenses incurred by Indemnitee. In the event that such written request shall be accompanied by an affidavit of counsel to Indemnitee to the effect that such counsel has reviewed such Expenses and that such Expenses are reasonable in such counsel's view, then such expenses shall be deemed reasonable in the absence of clear and convincing evidence to the contrary. By execution of this Agreement, Indemnitee shall be deemed to have made whatever undertaking as may be required by law at the time of any advancement of Expenses with respect to repayment to the Corporation of such Expenses, but such advancement of Expenses shall otherwise be unsecured and interest free, without regard to Indemnitee's ability to repay. In the event that the Corporation shall breach its obligation to advance Expenses under this Section 3, the parties hereto agree that Indemnitee's remedies available at law would not be adequate and that Indemnitee would be entitled to specific performance.

4. Presumptions and Effect of Certain Proceedings.

(a) Upon making a request for indemnification, Indemnitee shall be presumed to be entitled to indemnification under this Agreement and the Corporation shall have the burden of proof to overcome that presumption by a preponderance of the evidence in reaching any contrary determination.

(b) The termination of any Proceeding by judgment, order, settlement, arbitration award or conviction, or upon a plea of nolo contendere or its equivalent shall not affect this presumption or, except as determined by a judgment or other final adjudication adverse to Indemnitee, establish a presumption with regard to any factual matter relevant to determining Indemnitee's rights to indemnification hereunder. If the person or persons so empowered to make a determination pursuant to Section 5 hereof shall have failed to make the requested determination within the period provided for in Section 5, a determination that Indemnitee is entitled to indemnification shall be deemed to have been made.

(c) The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Corporation or the Corporation itself shall not be imputed to Indemnitee for purposes of determining any rights under this Agreement.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Corporation, other than records or books of account prepared by or under the direct supervision of Indemnitee, including financial statements, or on information supplied to Indemnitee by the officers of the Corporation in the course of their duties, or on the advice of legal counsel for the Corporation or the Board or counsel selected by any committee of the Board or on information or records given or reports made to the Corporation by an independent certified public accountant or by an appraiser, investment banker, compensation consultant, or other expert selected with reasonable care by the Corporation or the Board or any committee of the Board. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct. Whether or not the foregoing provisions of this Section are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation.

5. Procedure for Determination of Entitlement to Indemnification.

(a) Whenever Indemnitee believes that Indemnitee is entitled to indemnification pursuant to this Agreement, Indemnitee shall submit a written request for indemnification to the Corporation. Any request for indemnification shall include sufficient documentation or information reasonably available to Indemnitee for the determination of entitlement to indemnification. In any event, Indemnitee shall submit Indemnitee's claim for indemnification within a reasonable time, not to exceed five (5) years after any judgment, order, settlement, dismissal, arbitration award, conviction, acceptance of a plea of nolo contendere or its equivalent, or final determination, whichever is the later date for which Indemnitee requests indemnification. The Secretary or other appropriate officer shall, promptly upon receipt of Indemnitee's request for indemnification, advise the Board of Directors in writing that Indemnitee has made such request. Determination of Indemnitee's entitlement to indemnification shall be made not later than sixty (60) days after the Corporation's receipt of Indemnitee's written request for such indemnification, provided that any request for indemnification for Liabilities, other than amounts paid in settlement, shall have been made after a determination thereof in a Proceeding. If it is so determined that the Indemnitee is entitled to indemnification, and Indemnitee has already paid the Liabilities, reimbursement to the Indemnitee shall be made within ten (10) days after such determination; otherwise, the Corporation shall pay the Liabilities on behalf of Indemnitee if and when Indemnitee becomes legally obligated to make payment.

(b) The Corporation shall be entitled to select the forum in which Indemnitee's entitlement to indemnification will be heard; *provided*, *however*, that if there is a Change in Control of the Corporation, Independent Legal Counsel (as hereinafter defined) shall determine whether Indemnitee is entitled to indemnification. The forum shall be any one of the following:

(i) a majority vote of Disinterested Directors (as hereinafter defined), even though less than a quorum;

(ii) by a committee of Disinterested Directors designated by majority vote of Disinterested Directors, even though less than a quorum;

(iii) Independent Legal Counsel, whose determination shall be made in a written opinion; or

(iv) the stockholders of the Corporation.

6. Specific Limitations on Indemnification. Notwithstanding anything in this Agreement to the contrary, the Corporation shall not be obligated under this Agreement to make any payment to Indemnitee with respect to any Proceeding:

(a) To the extent that payment is actually made to Indemnitee under any insurance policy, or is made to Indemnitee by the Corporation or an affiliate otherwise than pursuant to this Agreement. Notwithstanding the availability of such insurance, Indemnitee also may claim indemnification from the Corporation pursuant to this Agreement by assigning to the Corporation any claims under such insurance to the extent Indemnitee is paid by the Corporation;

(b) Provided there has been no Change in Control, for Liabilities in connection with Proceedings settled without the Corporation's consent, which consent, however, shall not be unreasonably withheld;

(c) For an accounting of profits made from the purchase or sale by Indemnitee of securities of the Corporation within the meaning of section 16(b) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), or similar provisions of any state statutory or common law, provided, however, that the Indemnitee shall be entitled to the advancement of expenses unless the Corporation reasonably determines that Indemnitee has violated such section 16(b) and must disgorge profits;

(d) To the extent it would be otherwise prohibited by law, if so established by a judgment or other final adjudication adverse to Indemnitee, including any indemnification of Indemnitee for Liabilities arising directly from Indemnitee's fraudulent or dishonest conduct (provided that this limitation on indemnification shall not apply to any advancement of Expenses under Section 3 of this Agreement); or

(e) In connection with a Proceeding commenced by Indemnitee (other than a Proceeding commenced by Indemnitee to enforce Indemnitee's rights under this Agreement) unless the commencement of such Proceeding was authorized by the Board of Directors.

7. Fees and Expenses of Independent Legal Counsel. The Corporation agrees to pay the reasonable fees and expenses of Independent Legal Counsel should such Independent Legal Counsel be retained to make a determination of Indemnitee's entitlement to indemnification pursuant to Section 5(b) of this Agreement, and to fully indemnify such Independent Legal Counsel against any and all expenses and losses incurred by any of them arising out of or relating to this Agreement or their engagement pursuant hereto.

8. Rights and Remedies of Indemnitee.

(a) In the event that (i) a determination pursuant to Section 5 hereof is made that Indemnitee is not entitled to indemnification, (ii) advances of Expenses are not made pursuant to this Agreement, (iii) payment has not been timely made following a determination of entitlement to indemnification pursuant to this Agreement, or (iv) Indemnitee otherwise seeks enforcement of this Agreement, Indemnitee shall be entitled to a final adjudication in the Court of Chancery of the State of Delaware of the remedy sought. Alternatively, unless court approval is required by law for the indemnification sought by Indemnitee, Indemnitee at Indemnitee's option may seek an award in arbitration to be conducted by a single arbitrator pursuant to the commercial arbitration rules of the American Arbitration Association now in effect, which award is to be made within ninety (90) days following the filing of the demand for arbitration. The Corporation shall not oppose Indemnitee's right to seek any such adjudication or arbitration award. In any such proceeding or arbitration Indemnitee shall be presumed to be entitled to indemnification and advancement of Expenses under this Agreement and the Corporation shall have the burden of proof to overcome that presumption.

(b) In the event that a determination that Indemnitee is not entitled to indemnification, in whole or in part, has been made pursuant to Section 5 hereof, the decision in the judicial proceeding or arbitration provided in paragraph (a) of this Section 8 shall be made *de novo* and Indemnitee shall not be prejudiced by reason of a determination that Indemnitee is not entitled to indemnification.

(c) If a determination that Indemnitee is entitled to indemnification has been made pursuant to Section 5 hereof, or is deemed to have been made pursuant to Section 4 hereof or otherwise pursuant to the terms of this Agreement, the Corporation shall be bound by such determination.

(d) The Corporation shall be precluded from asserting that the procedures and presumptions of this Agreement are not valid, binding and enforceable. The Corporation shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Agreement and is precluded from making any assertion to the contrary.

(e) Expenses reasonably incurred by Indemnitee in connection with Indemnitee's request for indemnification under, seeking enforcement of or to recover damages for breach of this Agreement shall be advanced by the Corporation when and as incurred by Indemnitee irrespective of any Final Adverse Determination that Indemnitee is not entitled to indemnification.

(f) If the Indemnitee is the subject of or is implicated in any investigation, whether formal or informal, the Corporation shall provide to the Indemnitee any information it provides to any third party concerning the investigation, provided, that by executing this Agreement, Indemnitee agrees to use such information solely in connection with the defense of such investigation and if Indemnitee is no longer serving as a Director or employed by the Corporation, Indemnitee shall at the Corporation's request execute a confidentiality agreement substantially in the form of the confidentiality agreement in effect while such Indemnitee was a Director or employed by the Corporation.

9. Contribution.

(a) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Corporation, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Corporation and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Corporation (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

(b) Whether or not the indemnification provided in Section 2 of this Agreement is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Corporation is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Corporation shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Corporation hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Corporation shall not enter into any settlement or any action, suit or proceeding in which the Corporation is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(c) No person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not found guilty of such fraudulent misrepresentation.

10. Maintenance of Insurance. The Corporation represents that it presently has in place certain directors' and officers' liability insurance policies covering the directors and officers of the Corporation and the directors and officers of the subsidiaries of the Corporation. Subject only to the provisions within this Section 10, the Corporation agrees that so long as Indemnitee shall have consented to serve or shall continue to serve as a director or officer of the Corporation or as a director, manager or officer of a subsidiary of the Corporation, or one or more of such positions, or as an Agent of the Corporation, and thereafter so long as Indemnitee shall be subject to any possible Proceeding (such periods being hereinafter sometimes referred to as the

“***Indemnification Period***”), the Corporation will use all reasonable efforts to maintain in effect for the benefit of Indemnitee one or more valid, binding and enforceable policies of directors’ and officers’ liability insurance from established and reputable insurers, providing, in all respects, coverage both in scope and amount which is no less favorable than that presently provided. Notwithstanding the foregoing, the Corporation shall not be required to maintain said policies of directors’ and officers’ liability insurance during any time period if during such period such insurance is not reasonably available or if it is determined in good faith by the then directors of the Corporation either that:

(i) The premium cost of maintaining such insurance is substantially disproportionate to the amount of coverage provided thereunder; or

(ii) The protection provided by such insurance is so limited by exclusions, deductions or otherwise that there is insufficient benefit to warrant the cost of maintaining such insurance.

Anything in this Agreement to the contrary notwithstanding, to the extent that and for so long as the Corporation shall choose to continue to maintain any policies of directors’ and officers’ liability insurance during the Indemnification Period, the Corporation shall maintain similar and equivalent insurance for the benefit of Indemnitee during the Indemnification Period (unless such insurance shall be less favorable to Indemnitee than the Corporation’s existing policies).

If the Corporation has in effect policies of directors’ and officers’ liability insurance at the time that Indemnitee notifies the Corporation of the commencement of any Proceeding, the Corporation shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies. In the event of a Change in Control or the Corporation’s or becoming insolvent, including being placed into receivership or entering the federal bankruptcy process, the Corporation shall maintain in force any directors’ and officers’ liability insurance policies then maintained by the Corporation in providing insurance in respect of Indemnitee, for a period of six (6) years thereafter (a “***Tail Policy***”). Such coverage shall be with the incumbent insurance carriers using the policies that were in place at the time of the change of control event (unless the incumbent carriers will not offer such policies, in which case the Tail Policy shall be substantially comparable in scope and amount as the expiring policies, shall be placed by the Corporation’s existing broker, and the insurance carriers for the Tail Policy shall have an AM Best rating that is the same or better than the AM Best ratings of the expiring policies, or unless otherwise determined by a majority of the then-sitting directors).

11. Modification, Waiver, Termination and Cancellation. No supplement, modification, termination, cancellation 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.

12. Subrogation and Set Off.

(a) In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, 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 Corporation effectively to bring suit to enforce such rights.

(b) The Corporation's obligation to indemnify, hold harmless, exonerate or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Corporation as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other entity shall be reduced by any amount Indemnitee has actually received as indemnification, hold harmless or exoneration payments or advancement of expenses from such entity. Notwithstanding any other provision of this Agreement to the contrary, (i) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification, hold harmless, exoneration, advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Corporation's satisfaction and performance of all its obligations under this Agreement, and (ii) the Corporation shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, hold harmless, exoneration, contribution or insurance coverage rights against any person or entity other than the Corporation.

13. Notice by Indemnitee and Defense of Claim. Indemnitee shall promptly notify the Corporation in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any matter, whether civil, criminal, administrative or investigative which may result in the right to indemnification or the advancement of Expenses, but the omission so to notify the Corporation will not relieve it from any liability that it may have to Indemnitee if such omission does not prejudice the Corporation's rights. If such omission does prejudice the Corporation's rights, the Corporation will be relieved from liability only to the extent of such prejudice. Notwithstanding the foregoing, such omission will not relieve the Corporation from any liability that it may have to Indemnitee otherwise than under this Agreement. With respect to any Proceeding as to which Indemnitee notifies the Corporation of the commencement thereof:

(a) The Corporation will be entitled to participate therein at its own expense; and

(b) The Corporation jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee;

provided, *however*, that the Corporation shall not be entitled to assume the defense of any Proceeding if there has been a Change in Control or if Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Corporation and Indemnitee with respect to such Proceeding. After notice from the Corporation to Indemnitee of its election to assume the defense thereof, the Corporation will not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless:

(i) the employment of counsel by Indemnitee has been authorized by the Corporation;

(ii) Indemnitee shall have reasonably concluded that counsel engaged by the Corporation may not adequately represent Indemnitee due to, among other things, actual or potential differing interests; or

(iii) the Corporation shall not in fact have employed counsel to assume the defense in such Proceeding or shall not in fact have assumed such defense and be acting in connection therewith with reasonable diligence; in each of which cases the fees and expenses of such counsel shall be at the expense of the Corporation. Notwithstanding anything in this Agreement to the contrary, the Indemnitee shall have the right to employ Indemnitee's own counsel in connection with any such Proceeding, at the expense of the Corporation, if such counsel serves in a review and observer capacity and does not otherwise materially control or participate in the defense of such Proceeding and provided that the Indemnitee must select such counsel from three potential counsel proposed by the Corporation.

(c) The Corporation shall not settle any Proceeding in any manner that would impose any penalty or limitation on Indemnitee without Indemnitee's written consent; *provided*, *however*, that Indemnitee will not unreasonably withhold his or her consent to any proposed settlement. The Corporation shall promptly notify Indemnitee once the Corporation has received an offer or intends to make an offer to settle any such Proceeding and the Company shall provide Indemnitee as much time as reasonably practicable to consider such offer. The Corporation may not exhaust the amount of its directors' and officers' liability insurance pursuant to a settlement agreement unless the settlement provides for a full and final release of all claims asserted against Indemnitee.

14. <u>Notices</u>. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, to the address set forth below Indemnitee's signature on the signature page hereof.

(b) If to the Corporation, to:

Textainer Group Holdings Limited
Century House
16 Par-la-Ville Road
Hamilton HM 08 Bermuda
Attn: Secretary

or to such other address as may have been furnished to Indemnitee by the Corporation or to the Corporation by Indemnitee, as the case may be.

15. Nonexclusivity. The rights of Indemnitee hereunder shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under applicable law, the Corporation's Certificate of Incorporation or bylaws, or any agreements, vote of stockholders, resolution of the Board of Directors or otherwise, and to the extent that during the Indemnification Period the rights of the then existing directors and officers are more favorable to such directors or officers than the rights currently provided to Indemnitee thereunder or under this Agreement, Indemnitee shall be entitled to the full benefits of such more favorable rights.

16. Indemnification and Advancement Rights Primary. The Corporation hereby acknowledges that Indemnitee has or may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more parties other than the Corporation or an affiliate of the Corporation (collectively, the "***Secondary Indemnitors***"). The Corporation hereby acknowledges and the Corporation and Indemnitee hereby agree: (i) that the Corporation is the indemnitor of first resort; i.e., its obligations to Indemnitee are primary and any obligation of the Secondary Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary; (ii) that the Corporation shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation and/or Bylaws of the Corporation (or any other agreement between the Corporation and Indemnitee), without regard to any rights Indemnitee may have against the Secondary Indemnitors; and (iii) that the Corporation irrevocably waives, relinquishes and releases the Secondary Indemnitors from any and all claims against the Secondary Indemnitors that the Corporation may have for contribution, subrogation or any other recovery of any kind in respect thereof. The Corporation further agrees that no advancement or payment by the Secondary Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Corporation shall affect the foregoing and the Secondary Indemnitors shall have a right of contribution and/or subrogation to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Corporation.

The Corporation and Indemnitee agree that the Secondary Indemnitors are express third party beneficiaries of the terms of this provision.

17. Certain Definitions.

(a) "***Agent***" shall mean any person who is, is deemed to be, or was, or who has consented to serve as, a director, officer, employee, agent, fiduciary, joint venturer, partner, manager or other official of the Corporation or a subsidiary or an affiliate of the Corporation, or any other entity (including without limitation, an employee benefit plan), in each case either at the request of, for the convenience of, or otherwise to benefit the Corporation or a subsidiary of the Corporation. Any person who is or was serving as a director, officer, employee or agent of a subsidiary of the Corporation shall be deemed to be serving, or have served, at the request of the Corporation.

(b) "***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), other than Trencor Limited and its affiliates (including trusts it or its affiliates are beneficiaries of) and other than a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or a corporation owned directly or indirectly by the stockholders of the Corporation in substantially the same proportions as their ownership of shares of the Corporation, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Corporation representing 20% or more of the total voting power represented by the Corporation's then outstanding voting securities, or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Corporation and any new director whose election by the Board of Directors or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still 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 stockholders of the Corporation approve an amalgamation, scheme of arrangement, merger or consolidation of the Corporation with any other corporation, other than an amalgamation, scheme of arrangement, merger or consolidation which would result in the voting securities of the Corporation 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 Corporation or such surviving entity outstanding immediately after such amalgamation, scheme of arrangement, merger or consolidation, or (iv) the stockholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of (in one transaction or a series of transactions) all or substantially all the Corporation's assets.

(c) "***Disinterested Director***" shall mean a director of the Corporation who is not or was not a party to the Proceeding in respect of which indemnification is being sought by Indemnitee.

(d) "***Expenses***" shall include all direct and indirect costs (including, without limitation, attorneys' fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, the premium, security for, and other costs relating to any costs bond, supersedes bond, or other appeal bond or its equivalent, all other disbursements or out-of-pocket expenses and reasonable compensation for time spent by Indemnitee for which Indemnitee is otherwise not compensated by the Corporation or any third party) actually and reasonably incurred in connection with either the investigation, defense, settlement or appeal of a Proceeding or establishing or enforcing a right to indemnification under this Agreement, applicable law or otherwise; *provided*, *however*, that "Expenses" shall not include any Liabilities.

(e) "***Final Adverse Determination***" shall mean that a determination that Indemnitee is not entitled to indemnification shall have been made pursuant to Section 5 hereof and either (1) a final adjudication in the courts of the State of Delaware from which there is no further right of appeal or decision of an arbitrator pursuant to Section 8(a) hereof shall have denied Indemnitee's right to indemnification hereunder, or (2) Indemnitee shall have failed to file a complaint in a Delaware court or seek an arbitrator's award pursuant to Section 8(a) for a period of one hundred twenty (120) days after the determination made pursuant to Section 5 hereof.

(f) "***Independent Legal Counsel***" shall mean a law firm or a member of a firm or law professor selected by the Corporation and approved by Indemnitee (which approval shall not be unreasonably withheld) or, if there has been a Change in Control, selected by Indemnitee and approved by the Corporation (which approval shall not be unreasonably withheld), that neither is presently nor in the past five (5) years has been retained to represent: (i) the Corporation or any of its subsidiaries or affiliates, or Indemnitee or any corporation of which Indemnitee was or is a director, officer, employee or agent, or any subsidiary or affiliate of such a corporation, in any material matter, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Legal 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 Corporation or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.

(g) "***Liabilities***" shall mean liabilities of any type whatsoever including, but not limited to, any judgments, fines, Employee Retirement Income Security Act excise taxes and penalties, any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, penalties and amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties or amounts paid in settlement) of any Proceeding.

(h) "***Proceeding***" shall mean any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding whether civil, criminal, administrative, investigative, formal or informal including any such investigation or proceeding instituted by or on behalf of the Corporation or its Board of Directors so long as there is a reasonable likelihood the results of such investigation or proceeding will be reported to a governmental agency, as reasonably determined by the Corporation, in which Indemnitee was, is or will be involved as a party, as a witness or otherwise, that is associated with Indemnitee's being an Agent of the Corporation irregardless of whether the Indemnitee or the Corporation is a party to the proceeding in question.

18. Binding Effect; Duration and Scope of Agreement. This Agreement shall be binding upon the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Corporation), spouses, heirs and personal and legal representatives. The Corporation shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part, of the business and/or assets of the Corporation, by written agreement expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

This Agreement shall be deemed to be effective as of the commencement date of the Indemnitee's service as an officer or director of the Corporation and shall continue in effect during the Indemnification Period, regardless of whether Indemnitee continues to serve as an Agent.

19. Severability. If any provision or provisions of this Agreement (or any portion thereof) 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 shall not in any way be affected or impaired thereby; and

(b) to the fullest extent legally possible, the provisions of this Agreement shall be construed so as to give effect to the intent of any provision held invalid, illegal or unenforceable.

20. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, as applied to contracts between Delaware residents entered into and to be performed entirely within the State of Delaware, without regard to conflict of laws rules.

21. Consent to Jurisdiction. The Corporation and Indemnitee each irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action or proceeding that arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state courts of the State of Delaware.

22. Entire Agreement. This Agreement represents the entire agreement between the parties hereto, and there are no other agreements, contracts or understandings between the parties hereto with respect to the subject matter of this Agreement, except as specifically referred to herein or as provided in Section 15 hereof.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by a duly authorized officer and Indemnitee has executed this Agreement as of the date first above written.

TEXTAINER GROUP HOLDINGS LIMITED,
a Bermuda corporation

By ______________________________

Its ______________________________

INDEMNITEE

Address ______________________________

____

____

EXHIBIT 4.17

OMNIBUS AMENDMENT, CONSENT AND WAIVER
TO RELATED DOCUMENTS

THIS OMNIBUS AMENDMENT, CONSENT AND WAIVER, dated as of June 10, 2011 (this "***Amendment***"), by and among TEXTAINER MARINE CONTAINERS LIMITED, a company organized and existing under the laws of Bermuda (" ***Issuer***"), WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Indenture Trustee under the Indenture referred to below (the " ***Indenture Trustee***"), TEXTAINER LIMITED, a company organized and existing under the laws of Bermuda (" ***TL***"), TEXTAINER EQUIPMENT MANAGEMENT LIMITED, a company organized and existing under the laws of Bermuda ("***TEML***") and ABN AMRO Bank N.V., a *Naamloze Vennootschap*, as successor in interest to Fortis Bank (Nederland) N.V. ("***ABN***"), is made to the Indenture and the Contribution and Sale Agreement (each as defined below).

WITNESSETH:

WHEREAS, the Issuer and the Indenture Trustee have previously entered into the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, including by Amendment Number 1, dated as of June 3, 2005, Amendment Number 2, dated as of June 8, 2006, Amendment Number 3, dated as of July 2, 2008, Amendments Number 4 and 5, dated as of June 29, 2010, the "***Indenture***");

WHEREAS, TL, ABN and Issuer are parties to the Second Amended & Restated Contribution and Sale Agreement, dated as of June 8, 2006 (as amended, restated, modified or otherwise supplemented from time to time, the " ***Contribution and Sale Agreement***");

WHEREAS, the Issuer, the Indenture Trustee and ABN are parties to the Amended and Restated Manager Transfer Facilitator Agreement, dated as of May 26, 2005 (the "***Manager Transfer Facilitator Agreement***");

WHEREAS, the Issuer and TEML, are parties to the Fourth Amended & Restated Management Agreement, dated as of June 29, 2010 (the "***Management Agreement***");

WHEREAS, the Issuer and the Indenture Trustee are parties to the Series 2005-1 Supplement, dated as of May 26, 2005 (the " ***Series 2005-1 Supplement***");

WHEREAS, the Issuer and the Indenture Trustee are parties to the Series 2010-1 Supplement, dated as of June 29, 2010 (the " ***Series 2010-1 Supplement***");

WHEREAS, Issuer desires to consummate either (i) the transactions described in **Exhibit A** hereto (the "***Sale Transaction***"), (ii) the transactions described in **Exhibit B** hereto (the "***Spinoff Transaction***") or (iii) transactions consisting of a combination of the Sale Transaction and the Spinoff Transaction (the "***Combination Transaction***"), only one of which will ultimately be consummated (the Sale Transaction, the Spinoff Transaction or the Combination Transaction, whichever is ultimately consummated, being the " ***Transaction***"), each of which is subject to certain restrictions set forth in certain of the Related Documents; and

WHEREAS, the parties hereto desire to (i) amend certain provisions of the Indenture and the Contribution and Sale Agreement in order to reflect and permit the Transaction and (ii) consent to, and waive certain provisions of the Related Documents that would otherwise restrict Issuer's ability to consummate, the Transaction;

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 (or if not defined therein, as defined in the applicable other Related Document).

SECTION 2. Full Force and Effect. Other than as specifically modified hereby, the Related Documents shall remain in full force and effect in accordance with the terms and provisions thereof and are hereby ratified and confirmed by the parties hereto. This Amendment is effective only for the specific purpose for which it is given and shall not be deemed a consent, waiver, amendment or other modification of any other term or condition set forth in the Related Documents.

SECTION 3. Amendments to the Indenture. Pursuant to Section 1002 of the Indenture, the Indenture is hereby amended as follows:

(a) Clause (ii) of the Granting Clause in the Indenture is hereby amended by adding immediately after "the Counterparty Collateral Account": ", any Pre-Funding Account".

(b) Section 101 is hereby amended as follows:

(i) The definition of "Asset Base" is hereby amended and restated in its entirety to read as follows:

"*Asset Base*: Either or both (as the context may require) of a Senior Asset Base or a Subordinate Asset Base."

(ii) The definition of "Asset Base Deficiency" is hereby amended and restated in its entirety to read as follows:

"*Asset Base Deficiency*: The condition that exists on any Payment Date, after giving effect to the payment of (i) all Supplemental Principal Payment Amounts then due and payable for each Series of Senior Notes on such Payment Date (to the extent that there is cash available to make such payments), if the sum of the then unpaid principal balances of all Series of Senior Notes exceeds the Senior Asset Base, or (ii) all Subordinate Supplemental Principal Payment Amounts then due and payable for each Series of Subordinate Notes on such Payment Date (to the extent that there is cash available to make such payments), if the sum of the then unpaid principal balances of all Series of Subordinate Notes exceeds the Subordinate Asset Base."

(iii) The definition of "Eligible Container" is hereby amended as follows:

(A) Clause (i) is hereby amended and restated in its entirety to read as follows:

"(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 and refrigerated Containers) then owned by the Issuer shall not exceed an amount equal to fifteen percent (15%) of the Aggregate Net Book Value on such date;

(B) Clause (xxiii) is hereby amended by deleting the word "and" where it appears at the end thereof, and clause (xxiv) is hereby amended by replacing "." at the end thereof with:

"; and

(xxv) Maximum Concentration of Refrigerated Containers. The sum of the Net Book Values of all refrigerated Containers then owned by the Issuer shall not exceed an amount equal to fifty percent (50%) of the Aggregate Net Book Value on such date."

(iv) The definition of "Existing Commitment" is hereby amended and restated in its entirety as follows:

"*Existing Commitment*: With respect to any Series (A) of Warehouse Notes (i) prior to its Conversion Date, the aggregate Initial Commitment with respect to such Series of Notes Outstanding, 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 (ii) after its Conversion Date, the then unpaid principal balance of the Notes of such Series and (B) of Term Notes, the then unpaid principal balance of the Notes of such Series."

(v) The definition of "Rated Institutional Person" is hereby deleted in its entirety;

(vi) The definition of "Rating Agency Condition" is hereby amended and restated in its entirety as follows:

"*Rating Agency Condition*: (i) With respect to (A) the issuance of an additional Series, (B) any Change in Control of the Manager, (C) any waiver of an Event of Default or Manager Default or (D) any other action expressly specified in any Related Document as requiring the affirmative approval or consent of each Rating Agency, means a confirmation issued in writing by each Rating Agency that has issued an outstanding rating with respect to any Series of Notes then Outstanding that the rating(s) on such existing Series will not be downgraded or withdrawn as the result of the issuance of such additional Series, Change of Control, waiver or other action and (ii) with respect to any other action, means that each Rating Agency that has issued an outstanding rating with respect to any Series of Notes then Outstanding shall have been given ten (10) Business Days (or such shorter period as is practicable or acceptable to such Rating Agency) prior notice thereof and, within such notice period, such Rating Agency shall not have notified the Seller, the Indenture Trustee or Issuer in writing that such action will result in a downgrade, qualification or withdrawal of any such outstanding rating."

(vii) The definition of "Restricted Cash Amount" is hereby amended by replacing the words "(i) the Restricted Cash Multiplier in effect on such Payment Date" with "(i) nine (9)" and adding the following as a proviso immediately after the end of such definition and prior to the period:

"; *provided*, *however*, that, on any Payment Date on or after the Conversion Date for any Series of Warehouse Notes, if there is an incremental increase in the weighted average of the annual rates of interest in clause (iii) above resulting from such Conversion Date, then any resulting increase in the required amount of the Restricted Cash Amount shall be deposited or maintained in the Restricted Cash Account, in equal amounts, over the course of three (3) consecutive Payment Dates (commencing on such Payment Date)."

(viii) The definition of "Restricted Cash Multiplier" is hereby deleted in its entirety.

(ix) The definition of "Seller(s)" is hereby amended and restated in its entirety as follows:

"*Seller*: Textainer Limited, a company organized and existing under the laws of Bermuda."

(x) The definition of "Supplemental Principal Payment Amount" is hereby amended and restated in its entirety as follows:

"*Supplemental Principal Payment Amount*: With respect to any Series of Senior Notes on any Payment Date, an amount equal to the excess, if any, of (x) the then unpaid principal balance of such Senior Notes (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Senior Notes on such Payment Date), over (y) the Senior Asset Base on such Payment Date."

(xi) The following new defined terms are hereby added to Section 101 in the appropriate alphabetical order:

"*Back-up Data Files*: This term shall have the meaning set forth in the Management Agreement."

"*Pre-Funding Account*: An account that is designated as a "Pre-Funding Account" for any Series of Notes in the Supplement for such Series, to be used solely to hold funds that will be used to acquire additional Containers from the Seller during a specified period of time following the issuance of such Series of Notes."

"*Senior Asset Base*: As of any date of determination, 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 such date of determination, (b) the amount on deposit in the Restricted Cash Account on such date of determination, after giving effect to all deposits to and withdrawals from the Restricted Cash Account on such date and (c) any amount on deposit in any Pre-Funding Account as of such date (and in the case of clause (c), solely as funded from an issuance of a Series of Notes)."

"*Senior Notes*: With respect to any Series of Notes, those Note(s) of such Series, if any, that are designated as "Senior Notes" in the related Supplement. Notwithstanding the foregoing, each of the Series 2005-1 Notes and the Series 2010-1 Notes shall be deemed to constitute "Senior Notes"."

"*Senior Series*: Any Series of Senior Notes issued pursuant to a Supplement.

"*Senior Warehouse Notes*: Any Series of Warehouse Notes that constitute Senior Notes."

"*Subordinate Advance Rate*: The advance rate percentage for a Series of Subordinate Notes, as set forth in the Supplement for such Series."

"*Subordinate Asset Base*: As of any date of determination, an amount equal to the excess (not less than zero) of (1) the sum of (a) an amount equal to the product of (i) the Subordinate Advance Rate and (ii) the Aggregate Net Book Value, determined as of such date of determination, (b) the amount on deposit in the Restricted Cash Account on such date of determination, after giving effect to all deposits to and withdrawals from the Restricted Cash Account on such date and (c) any amount on deposit in any Pre-Funding Account as of such date, minus (2) the sum of the then unpaid principal balances on such date of determination of all Series of Senior Notes then Outstanding, such then unpaid principal balances to be determined after giving effect to (i) all advances of principal made by the Noteholders of Senior Notes on such date and (ii) principal payments actually paid in respect of Senior Notes by the Issuer to the Noteholders thereof on such date."

"*Subordinate Notes*: With respect to any Series of Notes, those Note(s), if any, that are designated as "Subordinate Notes" in the related Supplement."

"*Subordinate Series*: Any Series of Subordinate Notes issued pursuant to a Supplement.

"*Subordinate Supplemental Principal Payment Amount*: With respect to any Series of Subordinate Notes on any Payment Date, an amount equal to the excess, if any, of (x) the then unpaid principal balance of such Subordinate Notes (after giving effect to all payments of Minimum Principal Payment Amounts and Scheduled Principal Payment Amounts actually paid on such Subordinate Notes on such Payment Date), over (y) the Subordinate Asset Base on such Payment Date.

(c) Section 302(c)(I) is hereby amended as follows:

(i) Clause (1) is hereby amended by replacing "(not to exceed $20,000 annually") with the following:

"(not to exceed $20,000 annually for each Series of Notes then Outstanding at any time Wells Fargo Bank, National Association, is acting as Indenture Trustee)"

(ii) Clause (7) is hereby amended and restated in its entirety as follows:

"(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Senior 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 of Senior Notes, and (B) to each Series Enhancer with respect to Senior Notes, any Reimbursement Amounts then due and payable in respect of Interest Payments for such Senior Notes 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 with respect to such Senior Notes (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);"

(iii) Current clause (8) is hereby sequentially re-numbered as new clause (9); current clause (12) is hereby sequentially re-numbered as new clause (13); and current clauses (14) through (18) are hereby sequentially re-numbered as new clauses (19) through (23).

(iv) The following language below is hereby added as new clause (8):

> "(8) to each Series Account for each Series of Subordinate Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series of Subordinate Notes;"

(v) The following language below is hereby added as new clause (14):

> "(14) To each Series Account for each Series of Senior 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 Fee, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;"

(vi) Clauses (10), (11) and (12) are hereby amended and restated in their entirety as follows:

> "(10) To the Series Account for each Series of Senior 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;
>
> (11) To the Series Account for each Series of Senior 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;
>
> (12) To the Series Account for each Series of Senior Notes in accordance with the provisions of Section 302(e) hereof, an amount equal to the Supplemental Principal Payment Amount then due and payable;"

(vii) The following language below is hereby added as new clauses (15), (16), (17) and (18):

> "(15) To the Series Account for each Series of Subordinate 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;
>
> (16) To the Series Account for each Series of Subordinate 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;

(17) To the Series Account for each Series of Subordinate Notes in accordance with the provisions of Section 302(e) hereof, an amount equal to the Subordinate Supplemental Principal Payment Amount then due and payable;

(18) To each Series Account for each Series of Subordinate 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 Fee, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;"

(d) Section 302(c)(II) is hereby amended as follows:

(i) Clause (1) is hereby amended by replacing "(not to exceed $20,000 annually") with the following:

"(not to exceed $20,000 annually for each Series of Notes then Outstanding at any time Wells Fargo Bank, National Association, is acting as Indenture Trustee)"

(ii) Clause (7) is hereby amended and restated in its entirety as follows:

"(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Senior 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 of Senior Notes, and (B) to each Series Enhancer with respect to Senior Notes, any Reimbursement Amounts then due and payable in respect of Interest Payments for such Senior Notes 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 with respect to such Senior Notes (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);"

(iii) Current clause (8) is hereby sequentially re-numbered as new clause (9); current clause (12) is hereby sequentially re-numbered as new clause (13); and current clauses (14) through (18) are hereby sequentially re-numbered as new clauses (19) through (23).

(iv) The following language below is hereby added as new clause (8):

"(8) To each Series Account for each Series of Subordinate Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series of Subordinate Notes;"

(v) The following language below is hereby added as new clause (14):

"(14) To each Series Account for each Series of Senior 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 Fee, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;"

(vi) Clauses (10), (11) and (12) are hereby amended and restated in their entirety as follows:

"(10) To the Series Account for each Series of Senior Notes then Outstanding and subject to the provisions of Section 302(d) hereof, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(11) To the Series Account for each Series of Senior Notes then Outstanding and subject to the provisions of Section 302(d) hereof, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(12) To the Series Account for each Series of Senior Notes then Outstanding (other than the Series Account for any Series of Senior 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 Senior Notes then Outstanding are paid in full (including Reimbursement Amounts payable in respect thereof to the Series Enhancer);"

(vii) The following language below is hereby added as new clauses (15), (16), (17) and (18):

"(15) To the Series Account for each Series of Subordinate Notes then Outstanding and subject to the provisions of Section 302(d) hereof, an amount equal to the Minimum Principal Payment Amounts then due and payable for such Series;

(16) To the Series Account for each Series of Subordinate Notes then Outstanding and subject to the provisions of Section 302(d) hereof, an amount equal to the Scheduled Principal Payment Amounts then due and payable for such Series;

(17) To the Series Account for each Series of Subordinate Notes then Outstanding (other than the Series Account for any Series of Subordinate 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 Subordinate Notes then Outstanding are paid in;

(18) To each Series Account for each Series of Subordinate 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 Fee, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;"

(e) Section 302(c)(III) is hereby amended as follows:

(i) Clause (1) is hereby amended by replacing "(not to exceed $20,000 annually") with the following:

"(not to exceed $20,000 annually for each Series of Notes then Outstanding at any time Wells Fargo Bank, National Association, is acting as Indenture Trustee)"

(ii) Current clauses (11) through (15) are hereby sequentially re-numbered as new clauses (14) through (18).

(iii) Clauses (7) through (13) are hereby amended and restated in their entirety as follows:

"(7) In payment of the following amounts on a *pro rata* basis: (A) to each Series Account for each Series of Senior 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 of Senior Notes, and (B) to each Series Enhancer with respect to Senior Notes, any Reimbursement Amounts then due and payable in respect of Interest Payments for such Senior Notes 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 with respect to such Senior Notes (including interest thereon at the rate specified in the Insurance Agreement or the related Supplement);

(8) To each Series Account for each Series of Subordinate Notes then Outstanding, an amount equal to the Interest Payments then due and payable for such Series of Subordinate Notes;

(9) 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 for each Series of Senior Notes Outstanding, the then unpaid principal balance of such Series (*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 Senior 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);

(10) To each Series Account for each Series of Senior 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 Fee, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;

(11) 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 (9)(A) above);

(12) All remaining Available Distribution Amount, to each Series Account for each Series of Subordinate Notes Outstanding, the then unpaid principal balance of such Series (*pro rata* based on the amounts unpaid on the date on which such Event of Default first occurs);

(13) To each Series Account for each Series of Subordinate 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 Fee, Default Interest, increased costs, taxes and indemnity payments identified in the related Supplement;"

(iv) Section 302(e) is hereby amended and restated in its entirety to read as follows:

(I) On each Payment Date, any Supplemental Principal Payment Amount then due and owing shall be applied first to each Senior 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 such Warehouse Notes have been paid in full, and then to all Senior Series of Term Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of each such Senior Series of Term Notes. Notwithstanding the foregoing, if sufficient funds are not available to allow the Issuer to prepay the principal balance of the Senior Series of Warehouse Notes on such Payment Date in an amount equal to the Asset Base Deficiency with respect to the Senior Asset Base (if any), then the amount of any Supplemental Principal Payment Amount to be actually paid on such Payment Date shall be allocated among all Series of Senior Notes then Outstanding (including the Term Notes) on a *pro rata* basis, in proportion to the then unpaid principal balance of such Notes; and

(II) On each Payment Date, any Subordinate Supplemental Principal Payment Amount then due and owing shall be applied first to each Subordinate 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 such Warehouse Notes have been paid in full, and then to all Subordinate Series of Term Notes then Outstanding on a *pro rata* basis, in proportion to the then unpaid principal balance of each such Subordinate Series of Term Notes. Notwithstanding the foregoing, if sufficient funds are not available to allow the Issuer to prepay the principal balance of the Subordinate Series of Warehouse Notes on such Payment Date in an amount equal to the Asset Base Deficiency with respect to the Subordinate Asset Base (if any), then the amount of any Subordinate Supplemental Principal Payment Amount to be actually paid on such Payment Date shall be allocated among all Series of Subordinate Notes then Outstanding (including the Term Notes) on a *pro rata* basis, in proportion to the then unpaid principal balance of such Notes.

(f) Section 503 is hereby amended and restated in its entirety to read as follows:

"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 (i) more than sixty-six and two-thirds percent (66 2/3%) of the sum of the Existing Commitments of all Senior Series then Outstanding and (ii) at least two Series of Senior Notes, 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 of Senior Notes 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."

(g) Section 612(d) is hereby amended and restated in its entirety to read as follows:

"(d) All of the authorized and issued shares of the Issuer (other than the Class C Shares) shall at all times collectively be owned by Textainer Limited and/or its Affiliates."

(h) Section 616 is hereby amended by deleting the phrase “as in effect on the date on which this Indenture is executed” from the first sentence thereof.

(i) Section 627(b) is hereby amended by adding immediately after “Aggregate Principal Balance” in the eighth line thereof, the following:

“(excluding, in such calculation, the unpaid principal balance of any Note of any Series upon which interest is paid at a fixed rate pursuant to the terms of the related Supplement)”

(j) Section 632 is hereby deleted in its entirety.

(k) Section 702(a) is hereby amended and restated in its entirety as follows:

“(a) Mandatory Prepayments. Unless otherwise specified in a Supplement for a Senior Series of Notes, the Issuer shall be required to prepay the then unpaid principal balance of all, or a portion, of one or more Senior Series of Notes then Outstanding if, on any Payment Date, the then unpaid principal balance of all Senior Series of Notes exceeds the Senior Asset Base. Unless otherwise specified in a Supplement for a Subordinate Series of Notes, the Issuer shall be required to prepay the then unpaid principal balance of all, or a portion of, one or more Subordinate Series of Notes then Outstanding if, on any Payment Date, the then unpaid principal balance of all Subordinate Series of Notes exceeds the Subordinate Asset Base. Such Prepayment shall be in the amount of the applicable 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 Senior Series or Subordinate Series, as the case may be, 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 such Warehouse Notes have been paid in full, and then to all Senior Series or Subordinate Series, as the case may be, 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 Senior Series of Warehouse Notes or the Subordinate Series of Warehouse Notes, as the case may be, on such Payment Date in an amount equal to the applicable Asset Base Deficiency, then the amount of any such Supplemental Principal Payment Amount or Subordinate Supplemental Principal Payment Amount, as the case may be, to be actually paid on such Payment Date shall be applied among the Warehouse Notes and the Term Notes in accordance with Section 302(e) hereof.”

(l) Section 801(x)(B) is hereby amended and restated in its entirety as follows:

“(B) 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) an amount equal to the then current balance of the Restricted Cash Account and any Pre-Funding Account;”

(m) The third line of Section 1001(a) is hereby amended by replacing the words "clauses (i) through (ix)" with the words "clauses (i) through (viii)".

(n) Section 1001(a)(vii) is hereby amended by adding "or" at the end thereof; Section 1001(a)(viii) is hereby amended by replacing "; or" at the end thereof with "."; and Section 1001(a)(ix) is hereby deleted in its entirety.

(o) Section 1201 is hereby amended as follows:

(i) Clause (3) is hereby amended and restated in its entirety as follows:

"If on any Payment Date an Asset Base Deficiency with respect to the Senior Notes exists, and such condition remains unremedied for a period of ten (10) consecutive Business Days without having been cured;"

(ii) Clause (9) is hereby amended by deleting all language therein preceding ";" and replacing it with "[reserved]".

(p) Exhibit F is hereby amended by replacing the definitions of "AR" and "ANPB," where they appear in both parts (A) and (B), with the following:

"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 of all Eligible Containers;"

"ANPB = as of any date of determination, an amount equal to the sum of the unpaid principal balance of the Notes of all Series then Outstanding (excluding all Notes upon which interest is paid at a fixed rate pursuant to the terms of the related Supplement)".

SECTION 4. <u>Amendment to the Contribution and Sale Agreement</u>. Pursuant to Section 7.01 of the Contribution and Sale Agreement, the Contribution and Sale Agreement is hereby amended by removing ABN as a party thereto and each reference to ABN as a Seller therein is hereby deleted, as of the date first above written.

SECTION 5. <u>Amendments to the Management Agreement</u>. Pursuant to Section 21.8 of the Management Agreement, the Management Agreement is hereby amended as follows:

(a) Section 1 is hereby amended by inserting the following new defined terms in the appropriate alphabetical order:

"***Back-up Data Files***" shall have the meaning set forth in **Section 7.17** hereof."

"***Consolidated Net Income***" means for any Person, as of any date of determination, for any Measurement Period, on a consolidated basis, the net income (or loss) of such Person for such Measurement Period; *provided, however,* that Consolidated Net Income shall exclude (a) extraordinary gains and extraordinary losses for such Measurement Period, and (b) any unrealized adjustments, whether positive or negative, to such net income (or loss) arising from the implementation of Statement of Financial Accounting Standards No. 133 issued by the Financial Accounting Standards Board with respect to any interest rate hedge arrangement entered into by such Person for non-speculative purposes in order to mitigate interest rate exposure."

"***Equity Interests***" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interest in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination."

"***Measurement Period***" means, at any date of determination for any Person, the most recently completed four fiscal quarters of such Person.

(b) The following new Section 3.7 is hereby added:

"**Back-up Management Agreement**.

(a) The Manager shall provide the Manager Transfer Facilitator with prompt written notice of the occurrence (but in any event such notice shall be delivered no later than five (5) Business Days after the Manager shall have received notice, or become aware of, any such occurrence) of any of the following events (each, a "***Back-up Manager Event***"):

(i) The Leverage Ratio of TGH as of the last day of any fiscal quarter shall be in excess of 3.3 to 1.00; or

(ii) The Consolidated Tangible Net Worth of TGH at any time shall be less than an amount equal to the sum of (i) $268,068,000, (ii) an amount equal to 35% of the Consolidated Net Income of TGH earned in each full fiscal quarter ending after December 31, 2007 (with no deduction for a net loss in any such fiscal quarter) and (iii) an amount equal to 100% of the aggregate increases in Consolidated Tangible Net Worth of TGH after the date hereof by reason of the issuance and sale of Equity Interests of TGH or any of its Subsidiaries (other than issuances to TGH or a wholly-owned Subsidiary thereof), including upon any conversion of debt securities of TGH into such Equity Interests.

(b) The Manager shall cooperate with the Manager Transfer Facilitator in performing its duties under Section 3(f) of the Manager Transfer Facilitator Agreement and shall negotiate in good faith to implement a Back-up Manager Agreement. The Manager will work with the Back-up Manager (as defined in the Manager Transfer Facilitator Agreement) to map and test data systems such that the Back-up Manager will be able to function as the Replacement Manager in accordance with **Section 11.3** hereof; *provided, however*, such mapping shall be blind mapping with no customer or fleet data provided unless a Manager Default shall have occurred and then be continuing."

(c) Section 7.8 is hereby amended by inserting, immediately following the phrase "relating to the Managed Containers" in the fourth line thereof, the phrase "(including without limitation the Back-up Data Files)", and by adding the following to the end of the second sentence thereof:

"(and, during the continuation of any of a Manager Default, the Manager shall pay the reasonable and documented costs and expenses incurred by such Person(s) in connection therewith)."

(d) The following is hereby added as a new Section 7.17:

"7.17 **Back-up Data Files**. On or prior to each Determination Date, Manager will deliver to Manager Transfer Facilitator an electronic copy of the following information, with respect to each of the Managed Containers as of the last day of the immediately preceding month (the " Back-up Data Files"): (i) the Container Identification Number, the equipment type, the date of manufacture and the Original Equipment Cost and (ii) (A) if then on-lease, the name of the lessee, the number of the related Lease, the expiration date of such Lease, the type of Lease, the Lease rate and buyout amount (if any) or (B) if then off-lease, the name and location of the depot in which stored."

(e) Section 11.1(j) is hereby amended by replacing "[INTENTIONALLY OMITTED] with the following:

"(j) the Manager shall fail to deliver to the Manager Transfer Facilitator the Back-up Data Files within three (3) Business Day after when due pursuant to Section 7.17 hereof;"

SECTION 6. Amendments to the Manager Transfer Facilitator Agreement. Pursuant to Section 14 of the Manager Transfer Facilitator Agreement, Section 3 is hereby amended by adding the following as new clause (f) immediately after the end of clause (e):

"(f) **Back-up Manager**. Upon receiving written notice from the Manager that a Back-up Manager Event (as defined in the Management Agreement) has occurred, the Manager Transfer Facilitator shall solicit at least three (3) bids from prospective managers to act as a back-up manager to the Manager. The Requisite Global Majority, in consultation with the Manager Transfer Facilitator, shall select the back-up manager (the "***Back-up Manager***") from among the competing bidders. The Manager Transfer Facilitator shall, at the direction of the Requisite Global Majority, negotiate the terms and conditions of a back-up management agreement to be executed by the Back-up Manager; *provided, however*, the final terms and conditions of any such back-up management agreement must be approved by the Requisite Global Majority."

SECTION 7. **Amendments to Series 2005-1 Supplement**. Pursuant to Section 705 of the Series 2005-1 Supplement, the Series 2005-1 Supplement is hereby amended as follows

(a) Section 101 is hereby amended by amending and restating in its entirety the definition of "Initial Commitment" to read as follows:

> ""**Initial Commitment**" means (i) on the Closing Date, Five Hundred Eighty Million Dollars ($580,000,000.00) and (ii) at any date of determination thereafter, the then Aggregate Series 2005-1 Note Principal Balance."

(b) Article 5 is hereby amended by adding the following as new Section 502:

> "Section 502. Conditions to Issuance of Series of Subordinate Notes. If, at the time of any proposed issuance of any Series of Subordinate Notes, no Series Enhancer Default has occurred and is continuing, the Indenture Trustee shall not authenticate such Series of Subordinate Notes without the prior written consent of the Series Enhancer."

SECTION 8. **Amendment to Series 2010-1 Supplement**. Pursuant to Section 705 of the Series 2010-1 Supplement, the Series 2010-1 Supplement is hereby amended by adding the following as new Section 503:

> "Section 503. Conditions to Issuance of Series of Subordinate Notes. The Indenture Trustee shall not authenticate any proposed Series of Subordinate Notes without the prior written consent of all of the Holders.

SECTION 9. **Consent to the Transaction**. (a) For all purposes of all Related Documents, the Indenture Trustee (based on the consent of each of the Noteholders that has signed this Amendment) and each of the Persons that has signed a signature page to this Amendment, hereby (i) consents to the consummation of the Transaction and (ii) agrees that the consummation of the Transaction, in and of itself, will not constitute (or be deemed to constitute) any Conversion Event, Early Amortization Event, Event of Default or Manager Default, or other breach of any provision contained in any Related Document, and hereby waives any such event, default or breach solely to the extent resulting from the consummation of the Transaction; *provided, however*, that any indebtedness to be incurred and/or equity capital to be raised in connection with the Spinoff Transaction as described in **Exhibit B** hereto shall not be provided by the Issuer. The waiver set forth in this Amendment is effective only for the specific purpose for which it is given and shall not be deemed a consent, waiver, amendment or other modification of any other term or condition set forth in any other Related Documents. For ease of reference, the Indenture has been amended and restated in the form attached hereto as **Exhibit C**; *provided that* **Exhibit C** is provided for illustrative purposes only and shall not constitute a Related Document, and that only this Amendment (without giving effect to **Exhibit C**) shall be binding upon the parties hereto.

(b) The Indenture Trustee (based on the consent of each of the Noteholders that has signed this Amendment) and each of the Persons that has signed a signature page to this Amendment, hereby agrees that, if the Transaction shall consist of the Spinoff Transaction or Combination Transaction, notwithstanding Section 302 of the Indenture, the prepayment of the Aggregate Outstanding Obligations, in part but not in whole, under the Indenture pursuant to the Transaction may be accomplished on such date (regardless of whether such date is a Payment Date), in such amount (including any accrued interest and other amounts required by Article VII of the Indenture) and in respect of such Series of Notes and Interest Rate Hedge Agreements as is designated by the Issuer in a written notice to the Indenture Trustee on the date of such prepayment (or, if such written notice received after 2:00 p.m. (New York time), then on the Business Day prior to the date of such prepayment).

(c) With respect to the Series 2010-1 Notes, each of the Series 2010-1 Noteholders hereby agrees that, with respect to any Interest Accrual Period commencing on or after May 15, 2011 and prior to the consummation of the Transaction, the LIBOR Rate may be determined by the Indenture Trustee in accordance with the terms in the definition of "LIBOR Rate" on a Business Day other than the first day of an Interest Accrual Period, and in such case, the related Interest Accrual Period may be a shorter period than one month, commencing on the date that the LIBOR Rate is reset and ending on the proposed date of the consummation of such Transaction.

SECTION 10. Representations and Warranties.

(a) The Issuer represents and warrants as follows:

(i) Each of the representations and warranties set forth in the Indenture and the Related Documents is true and correct in all respects 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 representations and warranties expressly relates to earlier dates.

(ii) 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.

(iii) 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 is a party or by which any of them or their property is or may be bound or (2) violate (A) any provision of law, statute, rule or regulation, or certificate or organizational documents or other constitutive documents of it, or (B) any order of any Governmental Authority.

(iv) 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).

(v) Except as waived pursuant to **Section 9** of this Amendment, 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 and is continuing.

SECTION 11. Effectiveness of Amendment.

(a) **Sections 3** through **9** of this Amendment shall become effective, as of the date first written above, upon satisfaction of the following conditions:

(i) This Amendment shall have been duly executed and delivered by the parties hereto;

(ii) The Indenture Trustee shall have received the Opinion of Counsel with respect to this Amendment contemplated by Section 1003 of the Indenture;

(iii) The Issuer shall have provided to the Rating Agencies, each Interest Rate Hedge Provider and each Series Enhancer a copy of this Amendment and a written notice setting forth in general terms the substance of this Amendment;

(iv) The Rating Agency Condition shall have been satisfied; and

(v) Solely with respect to **Section 3(b)(v)** and **Section 3(h)** of this Amendment, upon the consummation of the Transaction.

(b) Upon its effectiveness, this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Upon the effectiveness of this Amendment, (i) (x) **Sections 3** and **9** of this Amendment shall be a part of the Indenture and (y) 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, (ii) (x) **Sections 4** and **9** of this Amendment shall be a part of the Contribution and Sale Agreement, and (y) each reference in the Contribution and Sale Agreement to "this Agreement" and "hereof", "hereunder" or words of like import, and each reference in any other document to the Contribution and Sale Agreement shall mean and be a reference to the Contribution and Sale Agreement as amended or modified hereby, (iii) (x) **Sections 5** and **9** of this Amendment shall be a part of the Management Agreement, and (y) each reference in the Management Agreement to "this Agreement" and "hereof", "hereunder" or words of like import, and each reference in any other document to the Management Agreement shall mean and be a reference to the Management Agreement as amended or modified hereby, (iv) (x) **Sections 6** and **9** of this Amendment shall be a part of the Manager Transfer Facilitator Agreement, and (y) each reference in the Manager Transfer Facilitator Agreement to "this Agreement" and "hereof", "hereunder" or words of like import, and each reference in any other document to the Manager

Transfer Facilitator Agreement shall mean and be a reference to the Manager Transfer Facilitator Agreement as amended or modified hereby, (v) (x) **Sections 7** and **9** of this Amendment shall be a part of the Series 2005-1 Supplement, and (y) each reference in such Supplement to “this Agreement” and “hereof”, “hereunder” or words of like import, and each reference in any other document to such Supplement shall mean and be a reference to such Supplement as amended or modified hereby and (vi) (x) **Sections 8** and **9** of this Amendment shall be a part of the Series 2010-1 Supplement, and (y) each reference in such Supplement to “this Agreement” and “hereof”, “hereunder” or words of like import, and each reference in any other document to such Supplement shall mean and be a reference to such Supplement as amended or modified hereby.

(d) Each party hereto agrees and acknowledges that this Amendment constitutes a “Related Document” under the Indenture.

SECTION 12. 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 or an electronic file (PDF) counterpart shall be effective as an original.

SECTION 13. 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 14. 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 15. 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 Omnibus Amendment, Consent and Waiver 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,
as Issuer

By Continental Management Limited, its
Assistant Secretary

By /S/ CHRISTOPHER C. MORRIS
Name:
Title: DIRECTOR

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Indenture Trustee

By /S/ KRISTIN L. PUTTIN
Name:
Title: VICE PRESIDENT

TEXTAINER LIMITED, as Seller

By Continental Management Limited, its Assistant
Secretary

By /S/ CHRISTOPHER C. MORRIS
Name:
Title: DIRECTOR

TEXTAINER EQUIPMENT MANAGEMENT
LIMITED, as Manager

By Continental Management Limited, its Assistant
Secretary

By /S/ CHRISTOPHER C. MORRIS
Name:
Title: DIRECTOR

SOLELY WITH RESPECT TO (I)
SECTION 4 FOR PURPOSES OF
REMOVING THE UNDERSIGNED AS A
PARTY TO THE CONTRIBUTION AND
SALE AGREEMENT AND (II) THE
SECTION 6 AMENDMENTS AS A
PARTY TO THE MANAGER TRANSFER
FACILITATOR AGREEMENT:

ABN AMRO BANK N.V.

By /S/ R.A.V. HOEFNAGELS

Name:

Title:

The undersigned hereby consents and agrees to the foregoing Amendment:

AMBAC ASSURANCE CORPORATION,
as Series Enhancer for the Series 2005-1 Notes, Control Party for the Series 2005-1 Notes and as Insurer

By /S/ ANTHONY NOCERA
Name:
Title: FIRST VICE PRESIDENT

The undersigned hereby consents and agrees to the foregoing Amendment:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Series 2010-1 Noteholder

By /S/ JERRI A. KALLAM

Name:

Title: DIRECTOR

FORTIS BANK SA/NV, CAYMAN ISLANDS BRANCH, as a Series 2010-1 Noteholder

By /S/ ERIC CHILTON
Name:
Title: MANAGING DIRECTOR

By /S/ SIRIAM CHANDRASEKARAN
Name:
Title: VICE PRESIDENT

ING BANK N.V., as a Series 2010-1 Noteholder

By /S/ BEN DIJKUIZEN
Name:
Title: DIRECTOR

By /S/ JULES OSCAR E. KOLLMANN
Name:
Title: MANAGING DIRECTOR

BANK OF AMERICA, N.A., as a Series 2010-1 Noteholder

By /S/ BRENDAN FEENEY
Name:
Title: VICE PRESIDENT

SUNTRUST BANK, as a Series 2010-1 Noteholder

By /S/ JOSEPH FRANKE

Name:

Title: SENIOR VICE PRESIDENT

ABN AMRO BANK N.V., as a Series 2010-1 Noteholder

By /S/ R.A.V. HOEFNAGELS

Name:

Title:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a Series 2010-1 Noteholder

By /S/ KIM M. CUOZZO
Name:
Title: AUTHORIZED SIGNATORY

By /S/ FRED MASTROMARINO
Name:
Title: AUTHORIZED SIGNATORY

UNICREDIT BANK AG, as a Series 2010-1 Noteholder

By /S/ TORSTEN HEISE

Name:

Title: ASSOCIATE DIRECTOR

DVB BANK S.E., as a Series 2010-1 Noteholder

By /S/ DOINA VAN TOOREN-ROTARI
Name:
Title: SENIOR VICE PRESIDENT

By /S/ I. MANHEMIUS
Name:
Title: VICE PRESIDENT

The undersigned hereby consents and agrees to the foregoing Amendment:

HSH NORDBANK, NEW YORK BRANCH, as Interest Rate Hedge Provider

By /S/ FRANCIS BALLARD, JR.
Name:
Title: SENIOR VICE PRESIDENT

By /S/ WOLFGANG ARBACZEWSKI
Name:
Title: SENIOR VICE PRESIDENT

WELLS FARGO BANK, N.A., as Interest Rate Hedge Provider

By /S/ JOHN MIECHKOWSKI
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD,
as Interest Rate Hedge Provider

By /S/ KAZUHIRO KAWAHARA

Name:

Title: MANAGING DIRECTOR

FORTIS BANK SA/NV, CAYMAN ISLANDS
BRANCH, as Interest Rate Hedge Provider

By /S/ ERIC CHILTON
Name:
Title: MANAGING DIRECTOR

By /S/ SIRIAM CHANDRASEKARAN
Name:
Title: VICE PRESIDENT

ING BANK N.V., as Interest Rate Hedge Provider

By /S/ JULES OSCAR E. KOLLMANN
Name:
Title: MANAGING DIRECTOR

By /S/ HUGO KANTERS
Name:
Title: DIRECTOR

CREDIT SUISSE INTERNATIONAL, as Interest Rate Hedge Provider

By /S/ BIK KWAN CHUNG

Name:
Title: AUTHORIZED SIGNATORY

By /S/ SHUI WONG

Name:
Title: AUTHORIZED SIGNATORY

EXHIBIT 4.18

AMENDMENT NUMBER 7 TO SECOND AMENDED AND RESTATED INDENTURE,
AMENDMENT 2 TO SERIES 2005-1 SUPPLEMENT AND SERIES 2010-1 SUPPLEMENTS AND
AMENDMENT 1 TO SERIES 2011-1 SUPPLEMENT

THIS AMENDMENT, dated as of February 3, 2012 (this "Amendment"), 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"), is made to the Indenture (as defined below).

WITNESSETH:

WHEREAS, the Issuer and the Indenture Trustee have previously entered into the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof, including by Amendment Number 1, dated as of June 3, 2005, Amendment Number 2, dated as of June 8, 2006, and Amendment Number 3, dated as of July 2, 2008, Amendments Number 4 and 5, each dated as of June 29, 2010, and the Omnibus Amendment and Waiver, dated as of June 10, 2011, the "Indenture");

WHEREAS, pursuant to the Indenture, the Issuer and the Indenture Trustee have previously entered into the Series 2005-1 Supplement (the " ***2005 Supplement***"), between Issuer and Indenture Trustee, the Series 2010-1 Supplement (the " ***2010 Supplement***"), between Issuer and Indenture Trustee, and the Series 2011-1 Supplement (the "***2011 Supplement***" and, together with the 2005 Supplement and the 2010 Supplement, the " ***Supplements***"), between Issuer and Indenture Trustee.

WHEREAS, the parties desire to amend the Indenture in order to pledge additional property to the Indenture Trustee and to subject such property to the Lien 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. The following terms used in this Amendment shall have the meanings set forth below:

"Aggregate Available Amount": As of any date of determination, an amount equal to the sum of the then maximum amount available for drawings under all Letters of Credit then in effect.

"Cash Collateral Account": The Eligible Account established pursuant to Section 3(a).

"Closing Date": February 3, 2012.

"Deposit Percentage": As of any Payment Date, one of the following percentages:

(1) For the period commencing on February 1, 2012 and ending on (and including) June 29, 2012, one of the following:

(A) if the cumulative amount of funds deposited into the Cash Collateral Account on or prior to such Payment Date is not more than Twenty Five Million Dollars ($25,000,000) (or such other amount as the Issuer and Letter of Credit Provider shall mutually agree), seventy-five percent (75%) (or some other amount which the Issuer and Letter of Credit Provider shall mutually agree); or

(B) at all times not covered by clause (A) of this paragraph (1), zero percent (0%); and

(2) For the period commencing on June 30, 2012, one of the following:

(A) if the cumulative amount of funds deposited into the Cash Collateral Account on or prior to such Payment Date is not more than One Hundred Million Dollars ($100,000,000) (or such higher amount as the Issuer shall agree) and there has not been a Successful Syndication, one hundred percent (100%) (or some lower amount that the Letter of Credit Provider shall agree);

(B) if the cumulative amount of funds deposited into the Cash Collateral Account on or prior to such Payment Date is not more than One Hundred Million Dollars ($100,000,000) (or such higher amount that the Issuer shall agree) and there has been a Successful Syndication, seventy-five percent (75%) (or some lower amount that the Letter of Credit Provider shall agree); or

(C) at all times not covered by clauses (A) or (B) of this paragraph (2), zero percent (0%).

"Downgraded Letter of Credit Provider": This term shall have the meaning set forth in Section 3(h).

"Effective Date": The first date on which all of the conditions precedent set forth in Section 5 of this Amendment have been satisfied.

"Eligible Bank": A banking, financial or similar institution capable of issuing an Eligible Letter of Credit the long-term debt rating of which is "A-" or better from S&P or such other banking, financial or similar institution that satisfies the Rating Agency Condition.

"Eligible Letter of Credit": Any irrevocable, transferable, unconditional standby letter of credit (a) issued by an Eligible Bank for the benefit of the Indenture Trustee, (b) having a stated expiration date of not earlier than one year after its issuance date or permitting drawing thereon prior to non-renewal, (c) that may be drawn upon at the principal offices of the Eligible Bank as the same shall be designated from time to time by notice to the Indenture Trustee pursuant to the terms of such letter of credit, (d) which is payable in Dollars in immediately available funds in an amount of not less than the available drawing amount, (e) that may be transferred by the Indenture Trustee, without a fee payable by the Indenture Trustee and without the consent of the related Letter of Credit Provider, to any replacement Indenture Trustee appointed in accordance with the terms of the Indenture, and (f) that otherwise contains terms and conditions that will satisfy the Rating Agency Condition on the issuance date of such letter of credit.

"Final Maturity Time": With respect to any obligations of the Issuer to any Letter of Credit Provider in its capacity as Letter of Credit Provider, the latest to occur of (i) the first time at which no Note of any Series was Outstanding, (ii) the first time at which all amounts owing to each Series Enhancer (other than such Letter of Credit Provider) pursuant to the terms of the Indenture have been paid in full and (iii) the first time, occurring after the date on which all of such Letter of Credit Provider's Letters of Credit shall have expired, on which the Aggregate Outstanding Obligations, other than those owing to such Letter of Credit Provider, have been paid in full.

"Interest Shortfall Payment": This term shall have the meaning set forth in Section 3(d).

"L/C Cash Account": An Eligible Account to be established by the Issuer in the name of the Indenture Trustee upon the occurrence of either of the events specified in paragraphs (g) or (h) of Section 3 of this Amendment.

"Letter of Credit": Any irrevocable, transferable, unconditional standby letter of credit issued for the benefit of the Indenture Trustee in accordance with the terms of this Amendment.

"Letter of Credit Expiration Date": For any Letter of Credit, the expiration date set forth in such Letter of Credit, as such date may be extended in accordance with the terms of such Letter of Credit.

"Letter of Credit Provider": The issuing bank of a Letter of Credit.

"Letter of Credit Required Amount": For any date of determination, an amount equal to excess (if any) of (i) One Hundred Million Dollars ($100,000,000), or such higher amount as the Issuer and the Letter of Credit Providers shall agree, minus (ii) an amount equal to the sum (without duplication) of (x) the cumulative amount of all cash deposited into the Cash Collateral Account since the Closing Date and (y) the cumulative amount of all draws paid under all Letters of Credit.

"LOC Pro Rata Share": With respect to any Letter of Credit, a fraction (stated as percentage) the numerator of which is the maximum available amount of such Letter of Credit and the denominator of which is the then Aggregate Available Amount.

"Principal Shortfall Payment": This term shall have the meaning set forth in Section 3(d).

"Reimbursement Agreement": An agreement between the Issuer and a Letter of Credit Provider with respect to certain terms and conditions under which a letter of credit is issued, including fees payable by the Issuer and the reimbursement obligations of the Issuer.

"Shortfall Payment": This term shall have the meaning set forth in Section 3(d).

"Successful Syndication": The Letter of Credit issued by Wells Fargo Bank, National Association as Letter of Credit Provider has been syndicated such that the remaining commitment of Wells Fargo Bank, National Association thereunder is equal to or less than one-third of the total face amount of such Letter of Credit.

"Termination Date": The earlier to occur of (i) the date on which the Series 2010-1 Notes are repaid in full and the commitments of all Series 2010-1 Noteholder(s) have been terminated, and (ii) the date on which the Rating Agency Condition has been satisfied for the return of the Letters of Credit and the release of cash on deposit in, and Eligible Investments credited to, the Cash Collateral Account and, if applicable, the L/C Cash Account.

Other 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. Additional Collateral. Pursuant to Section 1001 of the Indenture, the Issuer hereby pledges to the Indenture Trustee the additional property described in this Section 3 and subjects such additional property to the Lien of the Indenture.

(a) Establishment of Cash Collateral Account. The Issuer shall establish and maintain an Eligible Account which shall be designated as the Cash Collateral Account. Such account shall initially be in the name of the Indenture Trustee and be located at the Corporate Trust Office of the Indenture Trustee.

(b) Delivery of Letter of Credit and Pledge of Cash Collateral Account. In order to secure and provide for the repayment and payment of the Issuer's obligations with respect to the Series 2005-1 Notes, the Series 2010-1 Notes, the Series 2011-1 Notes and any additional Series of Notes issued pursuant to the Indenture, if the Termination Date shall not have occurred, the Issuer shall deliver to the Indenture Trustee, for the benefit of the Series 2005-1 Noteholders, the Series 2010-1 Noteholders, the Series 2011-1 Noteholders and the Noteholders under any additional Series of Notes issued pursuant to the Indenture, by not later than the Business Day immediately following the Conversion Date of the Series 2010-1 Notes, one or more Eligible Letters of Credit having an initial Aggregate Available Amount equal to the initial Letter of Credit Required Amount. In addition, the Issuer hereby grants to the Indenture Trustee, for the benefit of the Series 2005-1 Noteholders, the Series 2010-1 Noteholders, the Series 2011-1 Noteholders and the Noteholders under any additional Series of Notes issued pursuant to the Indenture, a security interest in and assigns, pledges, grants, transfers and sets over to the Indenture Trustee, for the benefit of the Series 2005-1 Noteholders, the Series 2010-1 Noteholders, the Series 2011-1 Noteholders and the Noteholders under any additional Series of Notes issued pursuant to the Indenture, all of the Issuer's right, title and interest (whether now or hereafter existing or acquired) in the Cash Collateral Account, the L/C Cash Account, all Eligible Investments and Security Entitlements credited thereto and all proceeds of the foregoing.

(c) Deposits to the Cash Collateral Account. The Issuer hereby directs the Indenture Trustee, based on the Manager Report, to remit all amounts payable to the Issuer pursuant to clauses (I)(23), (II)(23) and (III)(18) of Section 302(c) of the Indenture as follows: first, to each Letter of Credit Provider, on a pro rata basis, all amounts owing to such Letter of Credit Provider pursuant to the terms of the related Reimbursement Agreement (or any commitment letter executed by the Issuer in connection therewith), and second, to the Cash Collateral Account, the Deposit Percentage of all such remaining amounts. Such direction shall be irrevocable until the later to occur of (i) the Termination Date and (ii) the date on which no amounts remain unpaid with respect to any Letter of Credit or Reimbursement Agreement. In Issuer's discretion, Issuer may, from time to time, fund the Cash Collateral Account with amounts from contributions to Issuer's capital.

(d) Drawings on the Cash Collateral Account. On the second Business Day preceding each Payment Date occurring on or after the Conversion Date of the Series 2010-1 Notes, the Indenture Trustee shall, based on the Manager Report delivered on the immediately preceding Determination Date, withdraw from the Cash Collateral Account an amount equal to the lesser of:

(x) the amount of cash and Eligible Investments on deposit in the Cash Collateral Account, and

(y) an amount (the "Shortfall Payment") equal to the sum of:

(1) an amount (the "Interest Shortfall Payment") equal to the sum of all unpaid Interest Payments on the Series 2005-1 Notes, the Series 2010-1 Notes and the Series 2011-1 Notes, determined after giving effect to withdrawals from the Restricted Cash Account on the immediately following Payment Date; and

(2) an amount (the "Principal Shortfall Payment") equal to the sum of:

(a) the amount by which the Aggregate Principal Balance (determined after giving effect to all other principal payments actually paid on the immediately following Payment Date) exceeds an amount equal to the sum of the Minimum Targeted Principal Balances on such Payment Date for each of the Series 2005-1 Notes, the Series 2010-1 Notes and the Series 2011-1 Notes; and

(b) the amount by which the Aggregate Principal Balance (determined after giving effect to all other principal payments actually paid on such date including pursuant to clause (a) above) exceeds an amount equal to the sum of the Scheduled Targeted Principal Balances on such Payment Date for each of the Series 2005-1 Notes, the Series 2010-1 Notes and the Series 2011-1 Notes.

The Indenture Trustee shall hold any drawings on the Cash Collateral Account as attorney-in-fact for each affected Noteholder. Any drawings in respect of an Interest Shortfall Payment shall be paid, on the Payment Date, on a pro rata basis (determined based on relative amount of unpaid Interest Payments) to each affected Noteholder. Any drawings in respect of a Principal Shortfall Payment shall be allocated among the affected Noteholders in accordance with the allocation rules for principal payments set forth in Section 302(d) of the Indenture and paid to such Noteholders on the Payment Date.

(e) Release of Funds from Cash Collateral Account. On the Termination Date, any remaining funds and Eligible Investments in the Cash Collateral Account shall be remitted first, to the Letter of Credit Providers to the extent of any unreimbursed drawings, fees and other amounts under the related Reimbursement Agreement and second, to the Issuer or its designee.

(f) Drawings on Letters of Credit. On the Business Day preceding each Payment Date occurring on or after the Conversion Date of the Series 2010-1 Notes, the Indenture Trustee shall, based on the Manager Report delivered on the immediately preceding Determination Date, submit a draw request on the Letter of Credit in an amount equal to the lesser of:

(x) the Aggregate Available Amount; and

(y) the amount of any remaining Shortfall Payment, determined after giving effect to the payment of amounts from the Cash Collateral Account pursuant to paragraph (d) above.

The Indenture Trustee shall receive the proceeds of all drawings on the Letters of Credit as attorney-in-fact for each affected Noteholder. The making of any drawing under the Letter of Credit does not relieve the Issuer of any obligation under (i) the Indenture, except to the extent that proceeds are paid to the Noteholders, or (ii) any Reimbursement Agreement. Any drawings in respect of an Interest Shortfall Payment shall be paid on a pro rata basis (determined based on relative amount of unpaid Interest Payments) to each affected Noteholder. Any drawings in respect of a Principal Shortfall Payment shall be allocated among the affected Noteholders in accordance with the allocation rules for principal payments set forth in Section 302(d) of the Indenture.

If there is more than one Letter of Credit on the date of any draw on the Letters of Credit pursuant to the terms of this Amendment or if the L/C Cash Account has been funded in accordance with the terms of this Amendment, the Indenture Trustee shall draw on each Letter of Credit and/or L/C Cash Account in an amount equal to the LOC Pro Rata Share of the related Letter of Credit Provider.

(g) Letter of Credit Expiration Date.

If prior to the date which is ten (10) days prior to the then scheduled Letter of Credit Expiration Date of a Letter of Credit, the Aggregate Available Amount, calculated to exclude the amount available to be drawn under such Letter of Credit but taking into account any substitute Letter of Credit which has been obtained from an Eligible Bank in respect of such expiring Letter of Credit, would be less than the Letter of Credit Required Amount, then the Manager shall notify the Indenture Trustee in writing no later than two Business Days prior to such Letter of Credit Expiration Date of (x) the excess, if any, of the Letter of Credit Required Amount over the Aggregate Available Amount, calculated as set forth above, and (y) the amount available to be drawn on such expiring Letter of Credit on such date. Upon receipt of such notice by the Indenture Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Indenture Trustee shall, by 12:00 p.m. (New York City time) on such Business Day (or, in the case of any notice given to the Indenture Trustee after 10:00 a.m. (New York City time), by 12:00 p.m. (New York City time) on the next following Business Day), draw of the expiring Letter of Credit an amount equal to the lesser of the amounts set forth in clauses (x) and (y) above. The proceeds of any such drawing shall be deposited in the L/C Cash Account.

(h) Downgrade of a Letter of Credit Provider. The Issuer shall, or shall cause the Manager to, notify the Indenture Trustee in writing within one Business Day of becoming aware that the long-term senior unsecured debt credit rating of any Letter of Credit Provider has fallen below "A-" as determined by S&P (each, a "Downgraded Letter of Credit Provider"). The Downgraded Letter of Credit Provider shall have 30 days to deliver to the Indenture Trustee a replacement Eligible Letter of Credit from an Eligible Bank having an available drawing amount at least equal to the available drawing amount under the Letter of Credit provided by the Downgraded Letter of Credit Provider. If the Downgraded Letter of Credit Provider fails to provide such replacement letter of credit within such timeframe, the Issuer or the Manager shall notify the Indenture Trustee of (i) the excess, if any, of the Letter of Credit Required Amount over the Aggregate Available Amount (calculated excluding the available amount under the Letter of Credit issued by such Downgraded Letter of Credit Provider) on such date and (ii) the amount available to be drawn on the affected Letter of Credit on such date. Upon receipt of such notice by the Indenture Trustee on or prior to 10:00 a.m. (New York City time) on any Business Day, the Indenture Trustee shall, by 12:00 p.m. (New York City time) on such Business Day (or, in the case of any notice given to the Indenture Trustee after 10:00 a.m. (New York City time), by 12:00 p.m. (New York City time) on the next following Business Day), draw on such Letter of Credit in an amount equal to the lesser of the amounts in clause (i) and clause (ii) of the immediately preceding sentence on such Business Day. The proceeds of any such drawing shall be deposited in the L/C Cash Account.

(i) Termination of L/C Cash Account; Return of Letter of Credit. On the Termination Date, the Indenture Trustee, acting in accordance with the written instructions of the Manager, after the prior payment of all amounts owing to the Series 2005-1 Noteholders, the Series 2010-1 Noteholders, the Series 2011-1 Noteholders and the Noteholders under any additional Series of Notes issued pursuant to the Indenture and payable from the L/C Cash Account as provided herein, shall (x) surrender each Letter of Credit to the corresponding Letter of Credit Provider and (y) withdraw from the L/C Cash Account all amounts on deposit therein and shall pay such amounts: first, to the Letter of Credit Providers to the extent of any unreimbursed drawings, fees and other amounts under the related Reimbursement Agreement, for application in accordance with the provisions of the related Reimbursement Agreement, and, second to the Issuer any remaining amount.

(j) Rights under Indenture. The Letters of Credit delivered to the Indenture Trustee pursuant to the terms of this Amendment are intended to constitute an Enhancement Agreement and a Related Document and each Letter of Credit Provider is a Series Enhancer, as such terms are used in the Indenture. In addition, each Supplement is hereby amended to provide that the Letter of Credit Providers constitute Series Enhancers for the Notes issued pursuant to such Supplement. Notwithstanding the foregoing, prior to the Final Maturity Time, no Letter of Credit Provider, acting in such capacity, shall have any of the rights of a Control Party or Series Enhancer under any of the Related Documents, other than (i) as the beneficiary of the Liens granted pursuant to the granting clause of the Indenture and (ii) the right to receive payments as described in Sections 3(c), 3(e) and 3(i). For purposes of clarification, prior to the Final Maturity Time, (A) no Letter of Credit Provider will be entitled to reimbursement for (x) fees or interest payable to such Letter of Credit Provider from amounts otherwise payable to a Series Enhancer pursuant to clause I(7)(B), II(5)(B) or (III)(5)(B) of Section 302(c) of the Indenture, or (y) reimbursement for drawings on the amounts otherwise payable to a Series Enhancer pursuant to clause I(14), II(12) or III(7) of Section 302(c) of the Indenture; and (B) neither any payment by Letter of Credit Provider under a Letter of Credit, nor any breach of any obligation owing by or on behalf of Issuer to any Letter of Credit Provider in its capacity as Letter of Credit Provider, will result in (x) an Event of Default or (y) an Early Amortization Event. On and after the Final Maturity Time, each Letter of Credit Provider shall have all rights of a Series Enhancer under all Related Documents.

SECTION 4. Representations and Warranties. The Issuer represents and warrants as follows:

(a) Each of the representations and warranties set forth in the Indenture is true and correct in all material respects 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 representations and warranties expressly relates to earlier dates.

(b) 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.

(c) 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 is a party or by which any of them or their property is or may be bound or (2) violate (A) any provision of law, statute, rule or regulation, or certificate or organizational documents or other constitutive documents of it, or (B) any order of any Governmental Authority.

(d) 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).

(e) 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 and is continuing.

SECTION 5. Effectiveness of Amendment.

(a) This Amendment shall become effective, as of the date first written above, upon satisfaction of the following conditions:

(i) This Amendment shall have been duly executed and delivered by the parties hereto;

(ii) The Requisite Global Majority and the Indenture Trustee shall have received the Opinion of Counsel with respect to this Amendment contemplated by Section 1001(a) of the Indenture;

(iii) The Indenture Trustee and Ambac Assurance Corporation shall have received the Opinion of Counsel with respect to this Amendment contemplated by Section 1003 of the Indenture;

(iv) The Issuer shall have provided to the Rating Agencies, each Interest Rate Hedge Provider and each Series Enhancer a written notice setting forth in general terms the substance of this Amendment; and

(v) Each Person that (prior to the effectiveness of this Amendment) constitutes a Series Enhancer shall have signed this Amendment.

(b) Upon its effectiveness, this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) Upon its effectiveness, (x) this Amendment shall be a part of the Indenture, and (y) 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.

(d) Each party hereto agrees and acknowledges that this Amendment constitutes a "Related Document" under the Indenture.

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 Continental Management Limited, its Assistant Secretary

By: /S/ CHRISTOPHER C. MORRIS
Name:
Title: DIRECTOR

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: /S/ JULIE TANNER FISCHER

Name:

Title: VICE PRESIDENT

AMBAC ASSURANCE CORPORATION,
as Series Enhancer for the Series 2005-1 Notes

By: /S/ DAVID G. GLEESON
Name:
Title: FIRST VICE PRESIDENT

Amendment Number 7 to Indenture, Amendment 2 to Series 2005-1 Supplement and Series 2010-1 Supplements and Amendment 1 to Series 2011-1 Supplement

Consented and Agreed as initial Letter of Credit Provider:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /S/ JERRI A. KALLAM

Name:

Title: DIRECTOR

EXHIBIT 4.21

TEXTAINER MARINE CONTAINERS LIMITED
Issuer

and

WELLS FARGO BANK, NATIONAL ASSOCIATION
Indenture Trustee

SERIES 2011-1 SUPPLEMENT

DATED AS OF JUNE 22, 2011

TO

SECOND AMENDED AND RESTATED INDENTURE

DATED AS OF MAY 26, 2005

SERIES 2011-1 NOTES

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SCHEDULES

SCHEDULE 1	Series 2011-1 Minimum Targeted Principal Balances and Series 2011-1 Scheduled Targeted Principal Balances by Payment Date

SERIES 2011-1 SUPPLEMENT, dated as of June [ ], 2011 (as amended, modified and supplemented from time to time in accordance with the terms hereof, this "Supplement"), between Textainer Marine Containers Limited, a Bermuda company (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 2011-1") 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.

"Accelerated Measurement Period" shall have the meaning set forth in **Section 205(c)** hereof.

"Aggregate Series 2011-1 Note Principal Balance" means, as of any date of determination, an amount equal to the sum of the Series 2011-1 Note Principal Balances of all Series 2011-1 Notes then Outstanding, which as of the Closing Date shall be Four Hundred Million Dollars ($400,000,000)].

"Closing Date" means June 22, 2011.

"Control Party" means, with respect to Series 2011-1 Notes, the holders representing more than fifty percent (50%) of the then unpaid principal balance of all Series 2011-1 Notes then Outstanding.

"Default Interest" means, for any Payment Date, the amount of incremental interest payable on the Series 2011-1 Notes in accordance with the provisions of **Section 203(b) hereof**.

"DTC" shall have the meaning set forth in **Section 207(b)(v)** hereof.

"Initial Commitment" means (i) on the Closing Date, Four Hundred Million Dollars ($400,000,000) and (ii) at any date of determination thereafter, the then Aggregate Series 2011-1 Note Principal Balance.

"Initial Purchasers" means Wells Fargo Securities, LLC, a limited liability company organized and existing under the laws of the State of Delaware, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, a corporation organized and existing under the laws of the State of Delaware.

"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.

"Institutional Accredited Investors" shall have the meaning set forth in **Section 3(b)** of the Series 2011-1 Note Purchase Agreement.

"Maximum Principal Withdrawal Amount" shall have the meaning set forth in the Indenture.

"Minimum Principal Payment Amount" means, for the Series 2011-1 Notes on any Payment Date, the excess, if any, of (x) the then Aggregate Series 2011-1 Note Principal Balance, over (y) the Minimum Targeted Principal Balance for the Series 2011-1 Notes for such Payment Date.

"Minimum Targeted Principal Balance" means for the Series 2011-1 Notes for each Payment Date, subject to **Section 205(c)**, the amount set forth opposite such Payment Date on Schedule 1 hereto under the column entitled "Minimum Targeted Principal Balance".

"Notes" means the Series 2011-1 Notes.

"144A Book-Entry Notes" means the 144A Book-Entry Notes substantially in the form of Exhibit A-1 hereto.

"**Omnibus Amendment**" means that certain Omnibus Amendment, dated as of June 10, 2011, between the Issuer, the Indenture Trustee and ABN), between the Issuer and the Indenture Trustee.

"Overdue Rate" means, for any date of determination, an interest rate per annum equal to the sum of (i) the interest rate otherwise in effect hereunder plus (ii) two percent (2.00%).

"**Permitted Non-U.S. Person**" means any Person (i) who is not a U.S. Person and (ii) to whom the offer and sale of the Series 2011-1 Notes may be made without registration under the Securities Act in reliance upon Regulation S.

“Permitted Payment Date Withdrawal” means, with respect to Series 2011-1, 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(b)** hereof.

“Qualified Institutional Buyers” shall have the meaning set forth in **Section 207(a)(i)** hereof.

“Regulation S” means Regulation S under the Securities Act.

“Regulation S Temporary Book-Entry Notes” means the Regulation S Temporary Book-Entry Notes substantially in the form of Exhibit A-2.

“Rule 144A” shall have the meaning set forth in **Section 207(a)(i)** hereof.

“Scheduled Principal Payment Amount” means, for the Series 2011-1 Notes for any Payment Date, the excess, if any, of (x) the then Aggregate Series 2011-1 Note Principal Balance (after giving effect to any payment of the Minimum Principal Payment Amount for the Series 2011-1 Notes actually paid on such Payment Date), over (y) the Scheduled Targeted Principal Balance for the Series 2011-1 Notes for such Payment Date.

“Scheduled Targeted Principal Balance” means, for the Series 2011-1 Notes for each Payment Date, subject to **Section 205(c)**, the amount set forth opposite such Payment Date on Schedule 1 hereto under the column entitled “Scheduled Targeted Principal Balance”.

“Series 2005-1 Related Documents” has the meaning set forth in the Series 2005-1 Supplement, dated as of May 26, 2005 (as amended, restated, supplemented or modified from time to time, including without limitation by the Omnibus Amendment), between the Issuer and the Indenture Trustee.

“Series 2010-1 Related Documents” has the meaning set forth in the Series 2010-1 Supplement, dated as of June 29, 2010 (as amended, restated, supplemented or modified from time to time, including without limitation by the Omnibus Amendment), between the Issuer and the Indenture Trustee.

“Series 2011-1” means the Series of Notes the terms of which are specified in this Supplement.

“Series 2011-1 Expected Final Payment Date” means the Payment Date occurring in June 2021.

“Series 2011-1 Legal Final Payment Date” means the Payment Date occurring in June 2026.

“Series 2011-1 Note” means any one of the notes issued pursuant to the terms of **Section 201(a)** hereof, 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. Each Series 2011-1 Note is designated as a “Senior Note” as defined in the Indenture.

"Series 2011-1 Note Interest Payment" means, for each Series 2011-1 Note on each Payment Date, the amount set forth in **Section 203(a)** hereof (exclusive of any Default Interest).

"Series 2011-1 Note Interest Rate" means, with respect to any Note, four and seven-tenths of one percent (4.70%) per annum.

"Series 2011-1 Note Principal Balance" means, with respect to each Series 2011-1 Note as of any date of determination, an amount equal to the excess of (x) the Series 2011-1 Note Principal Balance of such Series 2011-1 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 Holder of such Series 2011-1 Note subsequent to the Closing Date.

"Series 2011-1 Note Purchase Agreement" means the Series 2011-1 Note Purchase Agreement, dated as of June [__], 2011 (as amended, restated, supplemented or modified from time to time), among the Issuer, Textainer Limited, TGH and the Initial Purchasers.

"Series 2011-1 Noteholder" means, at any time of determination for the Series 2011-1 Notes, any Person in whose name a Series 2011-1 Note is registered in the Note Register.

"Series 2011-1 Related Documents" means any and all of the Indenture, this Supplement, the Series 2011-1 Notes, the Management Agreement, the Contribution and Sale Agreement, the Series 2011-1 Note Purchase Agreement, the Administration Agreement, the Manager Transfer Facilitator Agreement, each Interest Rate Hedge Agreement (upon execution thereof) 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 2011-1 Notes, as any of the foregoing may from time to time be amended, modified, supplemented or renewed; provided, the term "Series 2011-1 Related Documents" shall not include the Members Agreement.

"Series 2011-1 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 2011-1 Notes in accordance with such provision of the Indenture.

"Transferor" shall have the meaning set forth in **Section 207(b)(v)** hereof.

"Unrestricted Book-Entry Notes" means the Unrestricted Book-Entry Notes substantially in the form of Exhibit A-3.

"U.S. Person" has the meaning set forth in Regulation S.

(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 2011-1 Note Purchase Agreement.

(c) References in this Supplement and any other Series 2011-1 Related Document 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 applicable jurisdiction, such revised or successor section thereto.

ARTICLE II

Creation of the Series 2011-1 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 Fixed Rate Asset-Backed Notes, Series 2011-1". The Notes will be issued in the initial principal balance of $400,000,000 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 2011-1 Notes is June [__], 2011.

(b) The Payment Date with respect to the Series 2011-1 Notes shall be the fifteenth (15 th) calendar day of each month, commencing July 15, 2011 or, if such day is not a Business Day, the immediately following Business Day.

(c) Payments of principal on the Series 2011-1 Notes shall be payable from funds on deposit in the Series 2011-1 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 2011-1 Notes are classified as a "Term Note", as such term is used in the Indenture.

(e) The "Expected Final Maturity Date" for Series 2011-1, as such term is used in the Indenture, is the Payment Date occurring in June 2021.

(f) All of the Early Amortization Events set forth in Article XII of the Indenture are applicable to Series 2011-1.

(g) The "Related Documents" for Series 2011-1, as such term is used in the Indenture, shall be the Series 2011-1 Related Documents.

(h) The "Rating Agency" for Series 2011-1, as such term is used in the Indenture, shall be Standard & Poor's.

(i) 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 204 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 2011-1 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 2011-1 Notes to the Initial Purchasers in accordance with such written directions.

(b) In accordance with Section 202 of the Indenture, the Series 2011-1 Notes sold in reliance on Rule 144A shall be represented by one or more 144A Book-Entry Notes. Any Series 2011-1 Notes sold in reliance on Regulation S shall be represented by one or more Regulation S Book-Entry Notes. Any Series 2011-1 Notes sold to Institutional Accredited Investors or other Persons that are not Qualified Institutional Buyers or Permitted Non-U.S. Persons shall be represented by one or more Definitive Notes.

(c) The Series 2011-1 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 2011-1 Notes shall be issued in minimum denominations of $250,000 and in integral multiples in excess thereof.

Section 203. Interest Payments on the Series 2011-1 Notes.

(a) Interest on Series 2011-1 Notes. Interest on each Series 2011-1 Note shall (i) accrue during each Interest Accrual Period at the Series 2011-1 Note Interest Rate, (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, (iv) be calculated based on the then Series 2011-1 Note Principal Balance of such Series 2011-1 Note and (v) be payable from the Series 2011-1 Series Account in accordance with **Section 302** hereof (the amount of interest calculated pursuant to this sentence for any Series 2011-1 Note for any Payment Date being the "**Series 2011-1 Note Interest Payment**" with respect to such Series 2011-1 Note and Payment Date). 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 2011-1 Note Principal Balance of any Series 2011-1 Notes on the Series 2011-1 Legal Final Payment Date, or (ii) the Series 2011-1 Note Interest Payment on any Series 2011-1 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, 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 but not including the date of actual payment thereof (after as well as before judgment). Default Interest shall be payable at the times and subject to the priorities set forth in **Section 303** hereof.

(c) Maximum Interest Rate. In no event shall the interest charged with respect to a Series 2011-1 Note exceed the maximum amount permitted by Applicable Law. If at any time the interest rate charged with respect to the Series 2011-1 Notes exceeds the maximum rate permitted by Applicable Law, the rate of interest to accrue pursuant to this Supplement and such Series 2011-1 Note shall be limited to the maximum rate permitted by Applicable Law. If the total amount of interest paid or accrued on the Series 2011-1 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 2011-1 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 2011-1 Notes. The principal balance of the Series 2011-1 Notes shall be payable on each Payment Date from amounts on deposit in the Series 2011-1 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 2011-1 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 2011-1 Note together with all unpaid interest (including all Default Interest), indemnifications, fees, expenses, costs and other amounts payable by the Issuer to the Series 2011-1 Noteholders, the Indenture Trustee and any Interest Rate Hedge Provider 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 2011-1 Notes have been accelerated in accordance with the provisions of Section 802 of the Indenture and (y) the Series 2011-1 Legal Final Payment Date.

Section 205. Prepayment of Principal on the Series 2011-1 Notes.

(a) The Aggregate Series 2011-1 Note Principal Balance of the Series 2011-1 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 2011-1 Notes prior to the Payment Date occurring in June 2013. Nothing contained herein shall prohibit any allocation to the Series 2011-1 Noteholders of Supplemental Principal Payment Amounts in accordance with Section 702(a) of the Indenture on any Payment Date. 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 2011-1 Note Principal Balance, in a minimum amount of Two Hundred Fifty Thousand Dollars ($250,000), together with accrued interest thereon, to be applied to the Series 2011-1 Notes. The Issuer shall provide prior written notice of any Prepayment to the Indenture Trustee and the Series 2011-1 Noteholders. Any such Prepayment of the Aggregate Series 2011-1 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 2011-1 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 2011-1 Notes in accordance with this **Section 205(b)** or any provision of the Indenture, the Issuer shall simultaneously pay any termination, notional reduction, breakage or other fees or costs assessed by any Interest Rate Hedge Provider.

(c) In the event that the Issuer makes a Prepayment in accordance with the provisions of this **Section 205** of less than the Aggregate Series 2011-1 Note Principal Balance, the Issuer shall promptly (but in any event within five (5) Business Days after the date on which such Prepayment is made) thereafter recalculate the Minimum Targeted Principal Balance and Scheduled Targeted Principal Balance for each future Payment Date such that the Minimum Targeted Principal Balance and the Scheduled Targeted Principal Balance is reduced by an amount equal to the quotient of (i) the aggregate amount of the Prepayment divided by (ii) the number of remaining Payment Dates to and including (A) the Series 2011-1 Legal Final Payment Date (in the case of the Minimum Targeted Principal Balance) and (B) the Series 2011-1 Expected Final Payment Date (in the case of the Scheduled Targeted Principal Balance). In addition, if an Early Amortization Event has occurred and been subsequently cured and/or waived in accordance with the Series 2011-1 Related Documents (the period between such occurrence and such cure or waiver being the "Accelerated Measurement Period"), the Minimum Targeted Principal Balance and Scheduled Targeted Principal Balance for each Payment Date following such Accelerated Measurement Period shall be reduced, utilizing a similar methodology, by the amount of payments made pursuant to **Section 303(II)(4)** or **303(III)(2)**, as the case may be, during the Accelerated Measurement Period in excess of the amounts that would have been paid pursuant to **Sections 303(I)(2)** and **(3)** were such Accelerated Measurement Period not to have occurred.

Section 206. Payments of Principal and Interest. All payments of principal and interest on the Series 2011-1 Notes shall be paid to the Series 2011-1 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 2011-1 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 2011-1 Notes to the Initial Purchasers pursuant to the Series 2011-1 Note Purchase Agreement and deliver such Series 2011-1 Notes in accordance herewith and therewith. Thereafter, no Series 2011-1 Note may be sold, transferred or otherwise disposed of except in compliance with the provisions of the Indenture and except as follows:

(i) to Persons that take delivery of such Series 2011-1 Note in an amount of at least $250,000 and that the transferring Person reasonably believes are qualified institutional buyers as defined in Rule 144A ("Qualified Institutional Buyers") in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A promulgated thereunder ("Rule 144A");

(ii) to Permitted Non-U.S. Persons that take delivery of such Series 2011-1 Note in an amount of at least $250,000;

(iii) to Institutional Accredited Investors that take delivery of such Series 2011-1 Note in an amount of at least $250,000 and that deliver to the Indenture Trustee a letter substantially in the form of **Exhibit E** to this Supplement to the Indenture Trustee; or

(iv) to a Person that is taking delivery of such Series 2011-1 Note in an amount of at least $250,000 and that is otherwise exempt from the registration requirements of the Securities Act and from any applicable State law securities registration or qualification requirements, as confirmed in an Opinion of Counsel 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 2011-1 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 any Initial Purchaser) of the Series 2011-1 Notes (including any purchaser, other than any Initial Purchaser, of an interest in the Series 2011-1 Notes which are Book-Entry Notes) shall be deemed to have acknowledged and agreed as follows:

(i) It is (A) Qualified Institutional Buyer and is acquiring such Series 2011-1 Notes for its own institutional account or for the account or accounts of a Qualified Institutional Buyer or (B) purchasing such Series 2011-1 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 **Section 207(b)(v)** below or (C) not a U.S. Person and is acquiring such Series 2011-1 Notes outside of the United States.

(ii) It is purchasing one or more Series 2011-1 Notes in an amount of at least $250,000 and it understands that such Series 2011-1 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, each Initial Purchaser, the Manager and any successor Manager that (a) either (1) it is not, and is not acting on behalf of, a Plan or a governmental, church or non-U.S. plan which is subject to any federal, state, local, or non-U.S. law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, and no part of the assets to be used by it to purchase or hold the Series 2011-1 Notes or any interest therein constitutes the assets of any Plan or such a governmental, church, or non-U.S. plan; or (2) (A) the acquisition, holding, and disposition of any Series 2011-1 Note will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, or non-U.S. plan, a violation of any similar federal, state, local, or non-U.S. law) and (B) the Series 2011-1 Notes are rated investment grade or better and such Person believes that the Series 2011-1 Notes are properly treated as indebtedness without substantial equity features for purposes of Section 2510.3-101 of the regulations issued by the U.S. Department of Labor, and agrees to so treat the Series 2011-1 Notes; and (b) it will not sell or otherwise transfer the Series 2011-1 Notes or any interest therein otherwise than to a purchaser or transferee that represents and agrees with respect to its purchase, holding, and disposition of the Series 2011-1 Notes to the same effect as the purchaser's representation and agreement set forth in this **Section 207(b)(ii)**;

(iv) It understands that the Series 2011-1 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 2011-1 Notes, such Series 2011-1 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 2011-1 Notes in an amount of at least $250,000, and delivers to the Indenture Trustee a letter substantially in the form of **Exhibit E** to this Supplement or (B) to a Person that is taking delivery of such Series 2011-1 Notes pursuant to a transaction that is otherwise exempt from the registration requirements of the Securities Act and from any applicable state law securities registration or qualification requirements, 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 2011-1 Note shall bear a legend substantially to the following effect:

[For Book-Entry Notes Only: UNLESS THIS SERIES 2011-1 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 2011-1 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 2011-1 NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THE HOLDER HEREOF, BY PURCHASING THIS SERIES 2011-1 NOTE, AGREES THAT SUCH SERIES 2011-1 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 TAKES DELIVERY OF SUCH SERIES 2011-1 NOTE IN AN AMOUNT OF AT LEAST $250,000 AND 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 WITH SUCH SERIES 2011-1 NOTE IN AN AMOUNT OF AT LEAST $250,000 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 2011-1 NOTE IN AN AMOUNT OF AT LEAST $250,000 AND DELIVERS TO THE INDENTURE TRUSTEE A LETTER SUBSTANTIALLY IN THE FORM OF EXHIBIT E TO THE SUPPLEMENT OR (B) THAT IS TAKING DELIVERY OF SUCH SERIES 2011-1 NOTE IN AN AMOUNT OF AT LEAST $250,000 PURSUANT TO A TRANSACTION THAT IS OTHERWISE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND FROM ANY APPLICABLE STATE LAW SECURITIES REGISTRATION OR QUALIFICATION REQUIREMENTS, 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 2011-1 NOTE SHALL BE DEEMED TO REPRESENT AND WARRANT TO EACH INITIAL PURCHASER, THE ISSUER, THE INDENTURE TRUSTEE AND THE MANAGER THAT EITHER (1) IT IS NOT ACQUIRING THE SERIES 2011-1 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 2011-1 NOTE WILL NOT GIVE RISE TO A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406(a) OF ERISA OR SECTION 4975 OF THE CODE.

THIS SERIES 2011-1 NOTE IS NOT GUARANTEED OR INSURED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

(vi) Each Series 2011-1 Noteholder that is a Permitted Non-U.S. Person described in **Section 207(b)(i)(C)** understands that the Series 2011-1 Notes have not and will not be registered under the Securities Act, that any offers, sales or deliveries of the Series 2011-1 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 2011-1 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 Series 2011-1 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 2011-1 Notes sold to each Series 2011-1 Noteholder that is a Permitted Non-U.S. Person described in **Section 207(b)(i)(C)** 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 2011-1 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 2011-1 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 to the Indenture Trustee a letter substantially in the form of **Exhibit E** to this Supplement, or (ii) to a Person other than a Qualified Institutional Buyer, an Institutional Accredited Investor or a Permitted Non-U.S. Person, upon delivery of an Opinion of Counsel satisfactory to the Indenture Trustee and the applicable transferor, to the effect that the transferee is taking delivery of the Series 2011-1 Notes in a transaction that is otherwise exempt from the registration requirements of the Securities Act and from any applicable state law securities registration or qualification requirements.

(c) The applicable transferor and transferee shall execute and deliver, or in the case of a Note Owner, is deemed to have executed and delivered, to the Indenture Trustee documentation in substantially the forms of **Exhibit(s) B** through **F**, as appropriate, in connection with any transfer of Series 2011-1 Notes.

ARTICLE III

Series 2011-1 Series Account and
Allocation and Application of Amounts Therein

Section 301. Series 2011-1 Series Account. The Indenture Trustee shall establish on or prior to the Closing Date and maintain, so long as any Series 2011-1 Note is Outstanding, an Eligible Account which shall be designated as the Series 2011-1 Series Account, which account shall be held in the name of the Indenture Trustee (and with respect to any investments in such account, in its capacity as Securities Intermediary of the Indenture Trustee) for the benefit of the Series 2011-1 Noteholders, and shall be maintained in the State of Minnesota. In furtherance of the Grant set forth in the Indenture, the Issuer hereby Grants to the Indenture Trustee for the benefit of the Series 2011-1 Noteholders, among other things, a Lien on the Series 2011-1 Series Account. All deposits of funds by or for the benefit of the Series 2011-1 Noteholders from the Trust Account and the Restricted Cash Account shall be accumulated in, and withdrawn from, the Series 2011-1 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 2011-1 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 2011-1 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 2011-1 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 2011-1 Series Account will not be sufficient to make payment in full on the Series 2011-1 Legal Final Payment Date of the then Aggregate Series 2011-1 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 (w) the Aggregate Series 2011-1 Note Principal Balance, (x) the Permitted Principal Withdrawal, (y) the Maximum Principal Withdrawal Amount, as calculated for Series 2011-1 and (z) the amount then on deposit in the Restricted Cash Account.

(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, 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 2011-1 Note Interest Payment or the Aggregate Series 2011-1 Note Principal Balance, as the case may be.

Section 303. Distributions from Series 2011-1 Series Account . On each Payment Date, the Indenture Trustee shall distribute funds then on deposit in the Series 2011-1 Series Account in accordance with the provisions of **Section 303(I), (II)** or **(III)**.

(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 2011-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Series 2011-1 Note Interest Payment for each such Payment Date;

(2) To each Holder of a Series 2011-1 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 2011-1 Note on such Payment Date;

(3) To each Holder of a Series 2011-1 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 2011-1 Note on such Payment Date;

(4) To each Holder of a Series 2011-1 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 2011-1 Note on such Payment Date;

(5) To each Holder of a Series 2011-1 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 2011-1 Noteholders pursuant to the Series 2011-1 Related Documents; and

(6) To each Series 2011-1 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 2011-1 Related Documents; and

(7) To the Issuer, any remaining amounts then on deposit in the Series 2011-1 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 2011-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the Series 2011-1 Note Interest Payment for each such Payment Date;

(2) To each Holder of a Series 2011-1 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 2011-1 Note on such Payment Date;

(3) To each Holder of a Series 2011-1 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 2011-1 Note on such Payment Date;

(4) To each Holder of a Series 2011-1 Note on the immediately preceding Record Date, an amount equal to its *pro rata* portion of the then Aggregate Series 2011-1 Note Principal Balance until the Aggregate Series 2011-1 Note Principal Balance has been reduced to zero;

(5) To each Holder of a Series 2011-1 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 2011-1 Noteholders pursuant to the Series 2011-1 Related Documents; and

(6) To the Issuer, any remaining amounts then on deposit in the Series 2011-1 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 2011-1 Note on the immediately preceding Record Date an amount equal to its *pro rata* portion of the Series 2011-1 Note Interest Payment then due and payable for such Payment Date;

(2) To each Holder of a Series 2011-1 Note on the immediately preceding Record Date on a *pro rata* basis, an amount equal to the Aggregate Series 2011-1 Note Principal Balance until the Aggregate Series 2011-1 Note Principal Balance has been reduced to zero;

(3) To the following Persons on a *pro rata* basis, to each Holder of a Series 2011-1 Note on the immediately preceding Record Date, an amount equal to all taxes, increased costs, indemnities and other amounts (including Default Interest); and

(4) To the Issuer, any remaining amounts then on deposit in the Series 2011-1 Series Account.

Any amounts payable to a Series 2011-1 Noteholder shall be made by wire transfer of immediately available funds to the account that such Series 2011-1 Noteholder has designated to the Indenture Trustee in writing on or prior to the Business Day immediately preceding the Payment Date.

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 2011-1 Noteholders:

Section 401. Rule 144A. So long as any of the Series 2011-1 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, (i) provide to any Series 2011-1 Noteholder of such restricted securities, or to any prospective Series 2011-1 Noteholder of such restricted securities designated by a Series 2011-1 Noteholder, upon the request of such Series 2011-1 Noteholder or prospective Series 2011-1 Noteholder, any information required to be provided 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 Series 2011-1 Noteholder.

Section 402. Use of Proceeds. The proceeds from the issuance of the Series 2011-1 Notes shall be used as follows: (i) to pay the costs of issuance of the Series 2011-1 Notes and (ii) for other general corporate purposes, as contemplated in Section 624 of the Indenture.

Section 403. Perfection Requirements. The Issuer will not (a) change any of (i) its corporate name or (ii) the name under which it does business or (b) amend any provision of its certificate of formation or operating agreement or become organized under the laws of any other jurisdiction without the prior written consent of the Control Party.

Section 404. United States Federal Income Tax Election. The Issuer shall not make an election to be classified as an association taxable as a corporation pursuant to Section 301.7701-3 of the United States Treasury Regulations.

Section 405. OFAC Matters. The Issuer shall not in an manner which would violate the laws of the United States, other than pursuant to a license issued by OFAC (i) lease, or consent to any sublease of, any of the Containers to any Person that is a Prohibited Person or (ii) derive any of its assets or operating income from investments in or transactions with any such Prohibited Person. If the Issuer obtains knowledge that a Container is subleased to a Prohibited Person or located or used in a Prohibited Jurisdiction in a manner which would violate the laws of the United States (other than pursuant to a license issued by OFAC), then the Issuer shall, within ten (10) Business Days after obtaining knowledge thereof, remove such Container from the Asset Base for so long as such condition continues.

ARTICLE V

Conditions to Issuance

Section 501. Conditions to Issuance. The Indenture Trustee shall not authenticate the Series 2011-1 Notes unless (i) all conditions to the issuance and purchase of the Series 2011-1 Notes under the Series 2011-1 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 2011-1 Note Purchase Agreement shall have been satisfied.

ARTICLE VI

Representations and Warranties

To induce the Series 2011-1 Noteholders to purchase the Series 2011-1 Notes hereunder, the Issuer hereby represents and warrants as of the Closing Date to the Indenture Trustee for the benefit of the Series 2011-1 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 2011-1 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 2011-1 Related Documents. The execution, delivery and performance by Issuer of this Supplement and the other Series 2011-1 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 2011-1 Related Documents and the execution, delivery and payment of the Series 2011-1 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 2011-1 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 2011-1 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, 2010, there has been no Material Adverse Change in the financial condition of any of the Issuer, the Seller 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 Managed Containers described in Section 606(g) of the Indenture and Leases pursuant to Section 7.7 of the Management Agreement.

Section 607. No Agreements or Contracts. The Issuer is not a party to any contract or agreement (whether written or oral) other than the Series 2005-1 Related Documents, the Series 2010-1 Related Documents (as each such term is defined in the Supplement for such Series), the Related Documents 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 2011-1 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 2011-1 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 2011-1 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 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 2011-1 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 2011-1 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.

(a) The capital of the Issuer is adequate for the business and undertakings of the Issuer.

(b) Other than with respect to the transactions contemplated hereby and by the Series 2005-1 Related Documents, the Series 2010-1 Related Documents, the Series 2011-1 Related Documents and the Related Documents, the Issuer is not engaged in any business transactions with the Seller or the Manager, except as permitted by the Management Agreement, the Contribution and Sale Agreement and the Members Agreement.

(c) The bye-laws of the Issuer provide that the Issuer shall have four directors (three directors appointed by Textainer Limited, and one director appointed by TCG Fund I, L.P.), unless increased to five directors under certain circumstances described in the bye-laws (the " Special Matters"), including, but not limited to, those discussed below. In the event of a proposed 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, one of which must be an independent director from the Director Services Provider elected by an affirmative vote of a majority of the directors. Such independent director shall participate solely in the vote on the relevant Special Matter 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) 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) then issued and outstanding and Class B Shares (as defined in the Issuer's bye-laws) and (z) a resolution of the members representing at least ninety-nine percent (99%) of all Class C Shares (as defined in the Issuer's bye-laws) then issued and outstanding.

(d) The Issuer's funds and assets are not, and will not be, commingled with those of the Seller or the Manager, except as permitted by the Management Agreement.

(e) The bye-laws of the Issuer require it to maintain correct and complete books and records of account, and Bermuda law requires it to maintain minutes of the meetings and other proceedings of its members.

(f) The Issuer is not insolvent under the Insolvency Law and will not be rendered insolvent by the transactions contemplated by the Series 2011-1 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. Title; Liens. On the Closing Date, the Issuer will have good, legal, and marketable title to each of its respective assets, and none of such assets is subject to any Lien, except for Permitted Encumbrances.

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 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 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 common 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 shares of the Issuer with voting rights at all times and, as of the Closing Date, 12,000 Class A Shares are outstanding and are owned in the following amounts: 9,000 by Textainer Limited, a Bermuda company, and 3,000 by TCG Fund I, L.P. The Class B Shares do not have voting rights (other than with respect to (i) the Special Matters (as defined in **Section 612(c)** and (ii) as required by law) 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) the Special Matters and (ii) as required by law). On the Closing Date, all of the Class C Shares are owned by AMACAR Investments LLC, a Delaware limited liability company.

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 Series 2011-1 Noteholders and any Interest Rate Hedge Provider, which security interest is prior to all other Liens (other than Permitted Encumbrances), and is enforceable as such as against creditors of and purchasers from the Issuer.

(b) The Managed 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 2011-1 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 Seller 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 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 Securities Entitlement in each of the Trust Account, the Restricted Cash Account and the Series 2011-1 Series Account.

(i) The Trust Account, the Restricted Cash Account and Series 2011-1 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 2011-1 Series Account) entering into any agreement in which it has agreed 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.

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.

Section 621. ERISA Lien. As of the Closing Date, the Issuer has not received notice that any Lien arising under ERISA has been filed against the assets of the Issuer.

Section 622. Survival of Representations and Warranties. So long as any of the Series 2011-1 Notes shall be Outstanding, the representations and warranties contained herein shall have a continuing effect as having been true when made.

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. 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: Executive 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: Executive 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: Executive Vice

President - Asset Management, and (c) in the case of Rating Agency, at the following address: Standard & Poor's Ratings Services, 55 Water Street, New York, NY 10041-0003, 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 Series 2011-1 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 Series 2011-1 Noteholder as shown in the Note Register or to the telephone and fax number furnished by such Series 2011-1 Noteholder. Notice shall be effective and deemed received (A) upon receipt, if sent by courier or U.S. mail, (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 hereof with respect to any Series shall terminate immediately if such Rating Agency no longer has a rating outstanding with respect to such Series.

Section 705. Amendments and Modifications. The terms of this 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 (except with respect to the matters set forth in Section 1001(a) of the Indenture, in the case of which any such waiver, modification or amendment shall be made subject to the terms of such Section 1001). Any amendment to or modification or waiver of any of the provisions of this Supplement shall be deemed a supplemental indenture subject to Sections 1001 or 1002 of the Indenture.

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.

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 SUPPLEMENT OR ANY OTHER SERIES 2011-1 RELATED DOCUMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT HEREOF OR THEREOF.

Section 708. Successors. This Supplement shall inure to the benefit of and be binding upon the Issuer, the Indenture Trustee and, by its acceptance of any Series 2011-1 Note or any legal or beneficial interest therein, each Series 2011-1 Noteholder and each Note Owner, and each of such Person's successors and assigns.

Section 709. Nonpetition Covenant. Each Series 2011-1 Noteholder by its acquisition of a Series 2011-1 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 the related Insurance Agreements have been paid in full.

Section 710. Recourse Against the Issuer. No recourse under or with respect to any obligation, covenant or agreement (including, without limitation, the payment of any fees or any other obligations) of the Issuer as contained in this Supplement or any other agreement, instrument or document entered into by the Issuer pursuant hereto or in connection herewith shall be had against any administrator of the Issuer or any incorporator, affiliate, shareholder, officer, employee, manager or director of the Issuer or of any such administrator, as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that the agreements of the Issuer contained in this Supplement and all of the other agreements, instruments and documents entered into by the Issuer pursuant hereto or in connection herewith are, in each case, solely the corporate obligations of the Issuer, and that no personal liability whatsoever shall attach to or be incurred by any administrator of the Issuer or any incorporator, shareholder, affiliate, officer, employee, manager or director of the Issuer or of any such administrator, as such, or any other of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in this Supplement or in any other such instruments, documents or agreements, or which are implied therefrom, and that any and all personal liability of every such administrator of the Issuer and each incorporator, shareholder, affiliate, officer, employee, manager or director of the Issuer or of any such administrator, as such, or any of them, for breaches by the Issuer of any such obligations, covenants or agreements, which liability may arise either at common law or at equity, by statute or constitution, or otherwise, is hereby expressly waived as a condition of and in consideration for the execution of this Supplement. The provisions of this **Section 710** shall survive the termination of this Supplement.

Section 711. Reports, Financial Statements and Other Information to Noteholders. The Indenture Trustee will make available promptly upon receipt thereof to the Series 2011-1 Noteholders via the Indenture Trustee's internet website at www.CTSLink.com the Equipment and Lease Report, the financial statements referred to in Section 7.2 of the Management Agreement, the Manager's Report, the Asset Base Report, and the annual insurance confirmation; *provided*, that, as a condition to access to the Indenture Trustee's website, the Indenture Trustee shall require each such Series 2011-1 Noteholder to execute the Indenture Trustee's standard form documentation, and upon such execution, each such Series 2011-1 Noteholder shall be deemed to have certified to the Indenture Trustee it (i) is a Series 2011-1 Noteholder, (ii) understands that such items contain material nonpublic information (within the meaning of U.S. Federal Securities laws), (iii) is requesting the information solely for use in evaluating such party's investment in the Series 2011-1 Notes and will keep such information strictly confidential (with such exceptions and restrictions to distribution of the information as are more fully set forth in the information request certification) and (iv) is not a Competitor.

Each time a Series 2011-1 Noteholder accesses the internet website, it will be deemed to have confirmed the representations and warranties made pursuant to the confirmation as of the date of such access. The Indenture Trustee will provide the Issuer with copies of such information request certification. Assistance in using the Indenture Trustee's website can be obtained by calling the Indenture Trustee's customer service desk at (866) 846-4526.

[Signature page follows.]

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/ DUDLEY R. COTTINGHAM

Name:

Title: SECRETARY

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Indenture Trustee

By: KRISTIN L. PUTTIN

Name:

Title: VICE PRESIDENT

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: Fixed Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2011-1 Supplement, dated as of June [__], 2011, 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: Fixed Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2011-1 Supplement, dated as of June [__], 2011, 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"), and used in Regulation S) 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: Fixed Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2011-1 Supplement, dated as of June [__], 2011, 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, and used in Regulation S).

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: Fixed Rate Asset Backed Notes (the "Offered Notes") issued pursuant to the Series 2011-1 Supplement, dated as of June [__], 2011, 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. [   ]) 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. [   ]) 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 Wells Fargo Securities, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as the Initial Purchasers.

[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 Fixed Rate Asset Backed Notes, Series 2011-1 (the " Notes") issued pursuant to the Series 2011-1 Supplement, dated as of June [__], 2011, 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 2011-1 Supplement, [Wells Fargo Securities, LLC, an indirect, wholly-owned subsidiary of Wells Fargo Corporation] [Merrill Lynch, Pierce, Fenner & Smith Incorporated], an indirect, wholly-owned subsidiary of Bank of America, N.A.] (collectively, the "Initial Purchasers"), 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. [ ]) (as defined in the Series 2011-1 Supplement) be exchanged for an equal principal amount represented by the 144A Book-Entry Note (CUSIP No. [ ]) to be held by you for our account.

Dated:

[Wells Fargo Securities, LLC] [Merrill Lynch, Pierce, Fenner & Smith Incorporated], as Initial Purchaser

By: ______________________________
Title:

EXHIBIT 4.27

CREDIT AGREEMENT

Dated as of August 5, 2011

Among

TW CONTAINER LEASING, LTD.,
as Borrower,

THE LENDERS FROM TIME TO TIME PARTY HERETO,
as Lenders,

and

WELLS FARGO SECURITIES LLC,
as Administrative Agent

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Exhibits

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CREDIT AGREEMENT

This CREDIT AGREEMENT is made as of August 5, 2011, by and among TW CONTAINER LEASING, LTD., an exempted company with limited liability organized under the laws of Bermuda (together with its successors and permitted assigns, the " Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and WELLS FARGO SECURITIES, LLC, a limited liability company organized under the laws of the State of Delaware, as administrative agent for the Lenders (together with its successors and permitted assigns, the " Administrative Agent").

RECITALS:

WHEREAS, subject to and upon the terms and conditions set forth herein, the Lenders are willing to make available to the Borrower the credit facility provided for herein; and

WHEREAS, the Borrower shall use the proceeds of the credit facility provided for herein in order to purchase one or more portfolios of Eligible Finance Leases;

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements set forth herein below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS AND RULES OF INTERPRETATION

1.1 Definitions . The following terms shall have the meanings set forth in this **Section 1.1** or elsewhere in the provisions of this Credit Agreement referred to below:

"Acquisition Fee". As defined in the Management Agreement.

"Administrative Agent". As defined in the caption to this Credit Agreement.

"Administrative Agent Fee". This term shall have the meaning set forth in the Administrative Agent Fee Letter.

"Administrative Agent Fee Letter". The Administrative Agent Fee Letter, dated as of the date hereof, between the Borrower and the Administrative Agent.

"Administrative Agent's Office". The Administrative Agent's office located at 301 South College Street, MAC 010153-082, Charlotte, North Carolina 28288, or at such other location as the Administrative Agent may designate from time to time.

"Administrative Questionnaire". An administrative questionnaire in a form supplied by the Administrative Agent.

"Advance Rate". As follows:

(a) for each Eligible Finance Lease, eighty five percent (85%); or

(b) for each Eligible Owner Container, eighty percent (80%).

"Affiliate". With respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Aggregate Commitments". An amount equal to the sum of the Commitments of all the Lenders.

"Aggregate Loan Principal Balance". As of any date of determination, an amount equal to the sum of the then unpaid principal balance of all Loans.

"Aggregate Net Book Value". As of any date of determination, an amount equal to the sum of the Net Book Values of all Eligible Owner Containers that are not then subject to a Finance Lease.

"Aggregate Net Investment Value". As of any date of determination, an amount equal to the sum of the then Net Investment Values of all Eligible Finance Leases then in effect.

"Aggregate Original Equipment Cost". As of any date of determination, an amount equal to the sum of the Original Equipment Cost of all Owner Containers then owned by the Borrower including Owner Containers then subject to a Finance Lease.

"Applicable Margin". With respect to each Loan for each Interest Period, one of the following:

(a) if (i) no Early Amortization Event is then continuing, or (ii) an Early Amortization Event of the type set forth in **clause (f)** or **clause (g)** of the definition of the term "Early Amortization Event" is then continuing, two and three-quarters of one percent (2.75%) *per annum*; and

(b) at all times not covered by **clause (a)**, three and three quarters of one percent (3.75%);

provided that, for purposes of this definition, each Early Amortization Event shall be deemed to be no longer continuing on the date on which the condition giving rise to such Early Amortization Event is no longer continuing and regardless of the absence of any waiver thereof).

Notwithstanding the foregoing, after the expiration or termination of the Revolving Credit Period, the Administrative Agent, acting at the direction of the Majority Lenders, shall, upon prior notice to the Borrower, have the right, exercisable on one or more occasions during the term of this Credit Agreement, to increase the Applicable Margin in order to reflect the current market pricing (as determined by the Majority Lenders) based on then existing market conditions for comparable transactions; provided, however, that the Applicable Margin shall not increase by more than one and one half of one percent (1.50%) above the Applicable Margin that would otherwise be in effect without giving effect to this clause. Thereafter, the Applicable Margin shall be equal to such increased Applicable Margin

"Applicable Pension Legislation". At any time, any pension or retirement benefits legislation (be it national, federal, provincial, territorial or otherwise) then applicable to the Borrower.

"Approved Fund". Any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages an Lender; *provided, however, that* the Borrower shall not constitute an Approved Fund.

"Approved Lease Form". A lease in the form attached as Exhibit F hereto.

"Asset Base". As of any date of determination, an amount equal to the sum (without duplication) of the following:

(a) the product of (i) the Advance Rate for Eligible Finance Leases (and the Owner Containers subject thereto), and (ii) an amount equal to the Aggregate Net Investment Value (measured as of such date of determination); plus

(b) subject to **clause (2)** of the next paragraph, the product of (i) the Advance Rate for Eligible Owner Containers, and (ii) the Aggregate Net Book Value (measured as of such date of determination); plus

(c) an amount equal to the cash and Eligible Investments then on deposit in the Cash Reserve Account.

For purposes of the foregoing calculation, the following guidelines shall apply:

(1) In connection with each calculation of the Asset Base, a specific Lease and a specific Owner Container may be included in only **clause (a)** or **clause (b)** but not both; and

(2) A Repossessed Owner Container will be included in **clause (b)** of the above-referenced calculation of Asset Base only once the Borrower (or the Manager on behalf of the Borrower) obtains possession of such Repossessed Owner Container.

"Asset Base Deficiency". As of any Payment Date, the condition that exists if (i) the Aggregate Loan Principal Balance (calculated after giving effect to all principal payments to be paid on such Payment Date) exceeds (ii) the Asset Base. If such term is used in a quantitative context, the amount of the Asset Base Deficiency shall be equal to the amount of such excess.

"Asset Base Report". As defined in the Management Agreement.

"Assignment and Acceptance". An assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by **Section 14.2**), and accepted by the Administrative Agent (acting at the direction of the Majority Lenders), in substantially the form of **Exhibit A** or any other form approved by the Administrative Agent (acting at the direction of the Majority Lenders).

"Authorized Officer". With respect to (i) delivering Loan Requests and similar notices, any person or persons that has or have been authorized by the Board of Directors of the Borrower to deliver such notices pursuant to this Credit Agreement and that has or have appropriate signature cards on file with the Administrative Agent, (ii) delivering financial information and officer's certificates pursuant to this Credit Agreement, any Senior Designated Officer of the Borrower, and (iii) any other matter in connection with this Credit Agreement or any other Loan Document, any officer (or a person or persons so designated by any two officers) of the Borrower.

"Available Distribution Amount". With respect to any Payment Date, means the sum (without duplication) of (i) all cash collected and applied by, or on behalf of, the Borrower in respect of all Owner Containers and all Leases of Owner Containers, minus any allocated Operating Expenses in respect of such Owner Containers and Leases (such difference, "Collections") received during the most recently ended Collection Period, less the amount of the Manager Fee and the Manager Fee Arrearage (if any) deducted by Manager prior to deposit of Collections into the Trust Account in accordance with this Agreement and the Management Agreement for the most recently ended Collection Period, (ii) all amounts received by the Borrower during the most recently ended Collection Period pursuant to any Interest Rate Hedging Agreement, (iii) the amount of all Manager Advances for such Payment Date, (iv) any earnings on Eligible Investments in the Trust Account, to the extent that such earnings were credited to such account during the most recently ended Collection Period, (v) any amounts transferred from the Cash Reserve Account, and (vi) other payments required by the Loan Documents to be deposited in the Trust Account.

"Bankruptcy Event". For any Person, any of the following events:

(a) a case or other proceeding shall be commenced, without the application or consent of such Person, in any court, seeking the liquidation, reorganization, debt arrangement, dissolution, winding up or composition or readjustment of debts of such Person, the appointment of a trustee, receiver, custodian, liquidator, assignee, sequestrator or the like for such Person or any substantial part of its assets, or any similar action with respect to such Person under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, and such case or proceeding shall continue undismissed, or unstayed and in effect, for a period of 60 days; or an order for relief in respect of such Person shall be entered in an involuntary case under the federal bankruptcy laws or other similar laws now or hereafter in effect; or

(b) such Person shall commence a voluntary case or other proceeding under any applicable bankruptcy, insolvency, reorganization, debt arrangement, dissolution or other similar law now or hereafter in effect, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestration or the like, for such Person or any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail to, or admit in writing its inability to, pay its debts generally as they become due.

"Bankruptcy Laws". Collectively, (a) the Federal Bankruptcy Code and (b) all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, Bermuda or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Base Rate". The higher of (a) the variable annual rate of interest so designated from time to time by Wells Fargo Bank, N.A. as its "prime rate", such rate being a reference rate and not necessarily representing the lowest or best rate being charged to any customer, and (b) one-half of one percent (0.5%) above the Federal Funds Effective Rate; provided, however, that in no event shall the Base Rate exceed an interest rate *per annum* equal to one percent (1%) above the Federal Funds Effective Rate then in effect. For the purposes of this definition, " Federal Funds Effective Rate" shall mean for any day, the rate *per annum* equal to 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 for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three (3) funds brokers of recognized standing selected by the Administrative Agent. Changes in the Base Rate resulting from any publicly announced changes in the Administrative Agent's "prime rate" shall take place immediately without notice or demand of any kind.

"Base Rate Loan". A Loan bearing interest calculated by reference to the Base Rate.

"Borrower". As defined in the caption to this Credit Agreement.

"Borrower Expenses". For any Collection Period, all out-of-pocket, reasonable costs and expenses of the Borrower payable to third parties during such Collection Period (including costs and expenses permitted to be paid to, or by, the Manager, in connection with the conduct of the Borrower's business), in each case determined on an accrual basis, including but not limited to the following:

(a) administrative expenses;

(b) accounting and audit expenses of the Borrower;

(c) premiums for liability, casualty, fidelity, directors and officers and other insurance;

(d) directors' fees and expenses;

(e) legal and other professional fees and expenses; and

(f) taxes (including personal or other property taxes and all sales, value added, use and similar taxes;

provided, however, that Borrower Expenses shall not include (1) Operating Expenses with respect to the Owner Containers paid by the Manager pursuant to the terms of the Management Agreement, (2) any Manager Fee, (3) overhead expenses of the Manager and other costs and expenses required to be paid by the Manager under the Management Agreement, (4) depreciation or amortization on the Owner Containers, (5) principal and interest payments on the Loans or (6) costs (exclusive of any Acquisition Fee) incurred by Borrower in connection with the Acquisition Function (as defined in the Management Agreement).

"Breakage Cost". For any Lender with respect to any Breakage Event, any costs actually incurred by such Lender in connection with such Breakage Event, which shall be calculated as the difference (as reasonably determined by such Lender and set forth in a certificate of such Lender delivered to the Borrower) of (a) such Lender's cost of obtaining funds for the LIBOR Rate Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such LIBOR Rate Loan, minus (b) the amount of interest realized by such Lender in redeploying the funds returned or not utilized by reason of such Breakage Event for such period (or, if such funds are not so redeployed, the amount of interest likely to have been realized in the eurodollar interbank market).

"Breakage Event". Any of (a) failure by the Borrower to repay any LIBOR Rate Loan as and when due and payable (including, without limitation, the prepayment of any LIBOR Rate Loan at any time other than the end of an Interest Period applicable thereto), (b) failure of the Borrower to borrow after the Borrower has given a Loan Request relating thereto in accordance with **Section 2.2**, for any reason other than failure of any Lender to make a Loan as and when requested in such Loan Request, (c) failure of the Borrower to prepay any Loan after the Borrower has given notice of such prepayment in accordance with **Section 4.2.2**, and (d) the conversion of a LIBOR Rate Loan to a Base Rate Loan at any time other than the end of an Interest Period applicable thereto, pursuant to **Section 5.5**.

"Business Day". One of the following: (i) for all purposes other than as covered by **clause (ii)** below, any day excluding Saturday, Sunday and any day which shall be in San Francisco, California, New York, New York or the city in which the Administrative Agent's Office is located, a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on or with respect to, LIBOR Rate Loans, any day which is a Business Day described in **clause (i)** above and which is also a day for trading by and between banks in U.S. dollar deposits in the Eurodollar interbank market.

"Capitalized Lease". Any Lease under which the Borrower is the lessee or obligor, the discounted remaining rental payment Obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

"Capital Stock". Any and all shares, interests, participations or other equivalents (however designated) of capital stock or shares of a corporation or company, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Cash Reserve Account". As defined in **Section 3.3**.

"Cash Reserve Amount". As of each Funding Date or any Payment Date, an amount equal to the product of (i) three (3), (ii) one-twelfth, (iii) an interest rate *per annum* equal to the sum of (x) the weighted average (determined based on then current notional balances) of the interest rates *per annum* payable by the Borrower under all Interest Rate Hedging Agreements then in effect, *plus* (y) the Applicable Margin then in effect, and (iv) the Aggregate Loan Principal Balance, calculated after giving effect to all advances of principal and principal payments made on such Funding Date or Payment Date.

"Casualty Loss". As defined in the Management Agreement.

"Casualty Proceeds". As defined in the Management Agreement.

"Change in Law". Any of the following:

(i) any change arising from the enactment or enforcement of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or any rules, regulations, interpretations, guidelines or directives promulgated thereunder by any Governmental Authority, or

(ii) the occurrence, after the date of this Credit Agreement, of any of the following: (x) the adoption or taking effect of any law, rule, regulation or treaty; (y) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority; or (z) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Closing Date". The date on which all conditions precedent set forth in **Section 10** have been fulfilled or waived.

"Code". The United States Internal Revenue Code of 1986, as amended from time to time (and any successor statute thereto), and the regulations promulgated and rulings issued thereunder. Section references to the Code are to the Code as in effect on the date hereof, and any subsequent provisions of the Code, amendments thereto or substituted therefrom.

"Collateral". All of the property, rights and interests of the Borrower that are or are intended to be subject to the Liens created by the Security Documents. Notwithstanding the foregoing, no account, instrument, chattel paper or other obligation or property of any kind due from, owed by, or belonging to, a Sanctioned Person and no Lease under which the Lessee is a Sanctioned Person, shall, in either instance, constitute Collateral.

"Collection Period". As defined in the Management Agreement.

"Commitment". With respect to each Lender, the amounts set forth on **Schedule 1** as the amounts of such Lender's commitment to make Loans to the Borrower pursuant to this Credit Agreement, as the same may be increased or reduced from time to time pursuant to the provisions hereof; or if such commitments are terminated pursuant to the provisions hereof, zero.

"Commitment Fee". This term shall have the meaning set forth in **Section 5.1.1**.

"Commitment Fee Percentage". One half of one percent (0.50%) *per annum*.

"Commitment Percentage". With respect to any Lender, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time. If the commitment of each Lender to make Loans has been terminated pursuant to this Credit Agreement or if the Aggregate Commitments have expired, then the Commitment Percentage of each Lender shall be determined based on the outstanding Loans owing to such Lender at such time. The initial Commitment Percentage of each Lender is set forth opposite the name of such Lender on **Schedule 1** hereto or on the Assignment and Acceptance pursuant to which such Lender becomes a party hereto, as applicable.

"Company". Any corporation, limited liability company, partnership or other business entity (or the adjectival form thereof, where appropriate).

"Competitor". Any Person, other than Borrower, TL or any Affiliate of TL, engaged in the container leasing business or any line of business in which Borrower is engaged; provided that in no event shall Wells Fargo Bank, National Association, or any Affiliate or Approved Fund thereof, be deemed to be a "Competitor".

“Consolidated” or “consolidated”. With reference to any term defined herein, shall mean that term as applied to the accounts of the applicable Person and its Subsidiaries, consolidated in accordance with GAAP.

“Container”. As defined in the Management Agreement.

“Container Sale Agreement”. Each agreement entered into from time to time for the sale of Containers by WFCC, TL or their respective Affiliates, as a seller, to Borrower, as buyer.

“Contingent Obligation”. As to any Person, means any obligation of such Person as a result of such Person being a general partner of any other Person, unless the underlying obligation is expressly made non-recourse as to such general partner, and any obligation of such Person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations (“ primary obligations”) of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (x) for the purchase or payment of any such primary obligation or (y) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities 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 (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the lesser of (x) the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith and (y) the stated amount of such Contingent Obligation.

“Control”. The possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Control Agreement”. The Blocked Account Agreement, dated as of August 5, 2011, by and among the Borrower, the Administrative Agent and HSBC Bank Canada, as depositary bank.

“Credit Agreement”. This Credit Agreement, including the Schedules and Exhibits hereto, as amended, supplemented or otherwise modified in accordance with the terms hereof.

“Credit Exposure”. With respect to any Person as of any date of determination, an amount equal to the sum of (i) the sum of the then Net Investment Values of all Eligible Finance Leases under which such Person or one of its Affiliates is the Lessee, and (ii) the sum of the then Net Book Values of all Owner Containers subject to an Operating Lease under which such Person or one of its Affiliates is the Lessee.

“Debt Service Coverage Ratio”. As of any date of determination, the ratio of (a) the remainder of (i) the aggregate amount of all Owner Proceeds deposited into the Trust Account for all Collection Periods during the most recently completed Measurement Period minus (ii) the aggregate amount of the Manager Fees, Administrative Agent Fees and Borrower Expenses for all Collection Periods during the most recently completed Measurement Period, to (b) the sum of (i) all interest, Commitment Fees and Periodic Hedge Payments payable by the Borrower (regardless of whether such amounts were actually paid) during such Measurement Period and (ii) the sum of all Hedge Termination Payments and all Scheduled Principal Payment Amounts payable by the Borrower (regardless of whether such amounts were actually paid) during such Measurement Period.

"Default". Any event that would, with the giving of notice or the lapse of time or both, constitute an "Event of Default".

"Defaulted Finance Lease". Any Finance Lease for which:

(a) a regularly scheduled rental payment or other material payment owing thereunder is more than ninety (90) days past due (measured from its contractual due date), unless such payment is covered by default insurance and a full recovery for such rental payment under such default insurance is obtained by, or on behalf of, Borrower within sixty (60) days following the date such payment became ninety (90) days past due; or

(b) an "event of default" thereunder, not dealt with in **clause (a)** (including the Lessee's insolvency), has occurred, and the Manager has repossessed the related Owner Containers or is otherwise exercising remedies in accordance with its normal procedures; or

(c) the Manager has otherwise determined that the remaining amounts owing by the Lessee under such Lease are expected to be uncollectible, or

(d) both of the following shall have occurred with respect to such Lease: (i) the Lessee is the subject of a Bankruptcy Event, and (ii) such Lessee is not current in the payment of rental or other payments owing by such Lessee thereunder within ninety (90) days subsequent to the commencement of such Bankruptcy Event.

"Defaulting Lender". Subject to **Section 15.13.2**, any Lender that, as determined by Administrative Agent, (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans, within two (2) Business Days of the date required to be funded by it hereunder, or (b) has notified the Borrower or Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations under this Credit Agreement or under other agreements generally in which it commits to extend credit (it being agreed that a failure or refusal by a Lender to honor funding requests as a result of a good faith dispute regarding the continuing obligation of such lender to provide requested funds under such other agreement shall not serve as the basis for classification of such Lender as a Defaulting Lender).

"Depreciation Policy". (i) For purposes of calculating the Asset Base, a depreciation policy under which Owner Containers are depreciated (x) in the case of a new Owner Container, using the straight-line method over a twelve (12) year useful life, to an estimated residual value of twenty-eight percent (28%) of the Original Equipment Cost of such new Owner Container, and (y) in the case of used Owner Containers, the remaining useful life thereof at the date of acquisition by the Borrower thereof (based upon a total useful life of 12 years) to an estimated residual value of twenty-eight percent (28%) of the Original Equipment Cost of Owner Containers that are then the same age as such used Owner Container and (ii) for purposes of preparing and maintaining the financial statements and financial records of the Borrower and all other purposes not addressed in clause (i), the depreciation policy of the Borrower, which may from time to time be revised by Borrower with the approval of Borrower's independent auditors. Notwithstanding the foregoing, if (A) the "Depreciation Policy" used under the TMCL Indenture for purposes of calculating the asset base thereunder is revised such that such "Depreciation Policy" can be revised by the "Issuer" or "Manager" thereunder with the approval of such issuer's or manager's independent auditors but without approval of the noteholders under the TMCL Indenture (the "**Revision**"), and (B) WFB or an Affiliate thereof, as a holder of notes issued pursuant to the TMCL Indenture, voted in favor of the Revision, then **clause (i)** of this definition automatically shall be deleted on the effective date of the Revision.

"Determination Date". The fourth (4th) Business Day prior to a Payment Date.

"Distribution". By any Person, (i) the declaration or payment of any dividend on or in respect of any shares of any class of Capital Stock of such Person, other than dividends payable solely in shares of Capital Stock of such Person; (ii) the purchase, redemption, defeasance, retirement or other acquisition of any shares of any class of Capital Stock of such Person, directly or indirectly through a Subsidiary of such Person or otherwise (including the setting apart of assets for a sinking or other analogous fund to be used for such purpose); (iii) the return of capital by such Person to its shareholders as such; or (iv) any other distribution on or in respect of any shares of any class of Capital Stock of a Person.

"Dollars" or "$". Dollars in lawful currency of the United States of America.

"Early Amortization Event". The occurrence of any of the following events or conditions:

(a) An Event of Default;

(b) A Manager Default;

(c) The Finance Lease Default Ratio (as set forth on the most recent Manager Report) exceeds twenty percent (20%);

(d) An Asset Base Deficiency exists on any Payment Date and such condition remains unremedied for a period of ten (10) consecutive Business Days without being cured;

(e) The Debt Service Coverage Ratio (as set forth on the most recent Manager Report) is less than 1.15 to 1.0;

(f) The Asset Base is less than $200,000,000 as of any Payment Date following the expiration or termination of the Revolving Credit Period;

(g) WFB and/or other direct or indirect Subsidiaries of WFB fail to own, in the aggregate, at least fifty one percent (51%) of the Capital Stock of the Borrower; and

(h) The total number of Eligible Lessees under Leases in respect of which Loans have been advanced is less than (i) three by August 31, 2012, (ii) six by August 31, 2013 and (iii) nine by August 31, 2014;

provided that, if an Early Amortization Event occurs, such Early Amortization Event shall be deemed to be continuing (regardless of whether such Early Amortization Event has been cured) until the date on which the Majority Lenders waive in writing such Early Amortization Event; *provided further that*:

(i) in the case of the Early Amortization Event of the type set forth in **clause (d)** above, such Early Amortization Event shall be deemed to be no longer continuing, regardless of the absence of any such waiver, beginning on the first Determination Date thereafter on which the Manager Report indicates that an Asset Base Deficiency no longer exists; *provided that* (A) the Revolving Credit Period has not expired or been terminated pursuant to **clause (a)** or **(b)** of the definition thereof and (B) fewer than six Payment Dates have occurred since the date on which such Early Amortization Event was initially reported on a Manager Report; and

(ii) in the case of the Early Amortization Event of the type set forth in **clause (e)** above, such Early Amortization Event shall be deemed to be no longer continuing, regardless of the absence of any such waiver, beginning on the first Determination Date thereafter on which such condition has not been continuing for at least two consecutive subsequent Payment Dates; *provided that* fewer than six Payment Dates have occurred since the date on which such condition was initially reported on a Manager Report.

The cure and/or waiver of any single type of Early Amortization Event shall not constitute a cure or waiver of any other type of Early Amortization Event then continuing.

"Eligible Assignee". Any of (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any other Person approved by (i) the Administrative Agent (such approval not to be unreasonably withheld or delayed), and (ii) the Borrower (such approval not to be unreasonably withheld or delayed); provided, however, that the Borrower will not have an approval right if a Default or an Event of Default is then continuing; provided that an "Eligible Assignee" shall not include (1) a Competitor, (2) the Borrower, (3) TL or any Affiliate of TL, (4) a natural person or (5) any Person then classified as a Defaulting Lender.

"Eligible Finance Lease". Any Finance Lease that as, of the Funding Date applicable thereto, meets all of the following characteristics:

(a) *Valid Contract.* Such Finance Lease is a legal, valid and binding full recourse payment obligation of the related Lessee, enforceable in accordance with its terms (except as may be limited by applicable insolvency, bankruptcy, moratorium, reorganization, or other similar laws affecting enforceability of creditors' rights generally and the availability of equitable remedies) and is in full force and effect, and such Finance Lease has not been satisfied, subordinated or rescinded;

(b) *No Violation.* The pledge of Borrower's right, title and interest in and to such Finance Lease and the related Owner Containers will not violate the terms or provisions of such Finance Lease or any other agreement to which the Borrower is a party or by which it is bound;

(c) *Partial Pledges*. No portion of such Finance Lease or the Owner Containers subject to such Finance Lease has been pledged by Borrower to a third party;

(d) *Good Title and First Lien*. The Borrower has good and marketable title to such Finance Lease and the Owner Containers subject thereto and the Administrative Agent shall have a first priority (subject only to Permitted Liens), perfected security interest in the Borrower's rights in such Finance Lease and the Owner Containers subject thereto;

(e) *Defaulted Leases*. Such Finance Lease is not a Defaulted Finance Lease;

(f) *Insolvency*. The Lessee under such Finance Lease is not subject to Bankruptcy Event;

(g) *Eligible Lessee*. The Lessee under such Finance Lease is an Eligible Lessee;

(h) *Lease Concentration Limits*. In the case of any Funding Date occurring after the date on which at least ten Persons become Lessees under Eligible Finance Leases, such Finance Lease satisfies all of the Lease Concentration Limits;

(i) *Permissible Equipment Types*. Each Owner Container that is subject to such Finance Lease is of an equipment type listed on **Schedule 5** hereto and, after giving effect to the acquisition by the Borrower of the Owner Containers that are subject to such Finance Lease, all Owner Containers are within the concentration limitations set forth on **Schedule 5** hereto;

(j) *Financing Statements*. All UCC financing statements (or documents of similar import) required to be filed against the related Lessee as of the Funding Date pursuant to the terms of the Management Agreement and the Security Documents shall have been so filed;

(k) *Purchase Price*. The Original Equipment Cost for such Owner Container did not exceed its Fair Market Value at the time of acquisition;

(l) *Manufacturer Specifications*. At the date of its manufacture, the container conformed to any applicable industry standards (including, without limitation, any applicable rules or regulations promulgated by the International Standards Organization or the Convention for Safe Owner Containers);

(m) *Manager Specifications*. The Owner Container conformed to the specifications used by the Manager in the ordinary course of its business at the time of its acquisition by the Borrower;

(n) *Origination*. Such Finance Lease was either (i) originated by the Manager, on behalf of the Borrower, in accordance with the terms of the Management Agreement, or (ii) acquired by the Borrower pursuant to the terms of a Container Sale Agreement; and

(o) *Terms of Such Finance Lease*.

(i) *Absolute Obligations*. The Lessee's obligation to pay rent under such Finance Lease is a "hell or high water" obligation that is, among other characteristics, absolute and not subject to any defenses, set-offs or counterclaims, and such Finance Lease has no rescission, reduction or recoupment provision during the non-cancelable term of such Finance Lease except as to disputed amounts and that, upon making of a casualty payment, the obligation of the related Lessee to make rental payments thereunder will be reduced accordingly;

(ii) *Taxes; Maintenance; Insurance*. Such Finance Lease (i) contains provisions (A) requiring the related Lessee to pay all sales, use, excise, rental, property or similar taxes imposed on or with respect to the Owner Container and (B) to assume all risk of loss or malfunction of the related Owner Container and (ii) requires the related Lessee, at its own expense, to maintain the Owner Container in good and workable order and to obtain and maintain liability insurance and physical damage insurance on the Owner Containers subject thereto (subject to Lessee's right to self-insure in accordance with Manager's credit and collection policy);

(iii) *Acceleration*. Such Finance Lease provides for the Lessor's right to accelerate all rental payments thereunder upon an "event of default" thereunder;

(iv) *Casualty Loss*. Such Finance Lease requires that in the event of a Casualty Loss, the related Lessee must take one of the following actions: (i) restore or repair the affected Owner Container to good repair, condition and working order; or (ii) make a lump sum payment in an amount that is not less than an amount equal to the sum of (x) all rental payments thereunder then due and owing, and (y) the net present value, calculated at a discount rate set forth in the Finance Lease, of all unpaid rental payments scheduled to become due thereunder;

(v) *Tenor*. The term of such Finance Lease (including any bargain renewal options) is not more than ten years;

(vi) *Subleasing*. Such Finance Lease shall prohibit the sublease of the related Owner Container without the prior consent of the Manager; and

(vii) *Rental Payment Frequency*. Rent under such Lease is payable no less frequently than quarterly.

"Eligible Investments". Book-entry securities, negotiable instruments or securities represented by instruments in bearer or registered form, which evidence:

(a) direct obligations of, and obligations fully guaranteed as to the full and timely payment by, the United States of America;

(b) demand deposits, time deposits or certificates of deposit of any depository institution or trust company incorporated under the laws of the United States of America or any State thereof and subject to supervision and examination by Federal or State banking or depository institution authorities; provided, however, that at the time of the investment or contractual commitment to invest therein, the commercial paper or other short-term unsecured debt obligations (other than such obligations the rating of which is based on the credit of a Person other than such depository institution or trust company) thereof shall be rated "A-1+" by S&P and "Prime 1" by Moody's;

(c) commercial paper that, at the time of the investment or contractual commitment to invest therein, is rated "A-1+" by S&P and "Prime 1" by Moody's;

(d) bankers' acceptances issued by any depository institution or trust company referred to in **clause (b)** above;

(e) repurchase obligations with respect to any security pursuant to a written agreement that is a direct obligation of, or fully guaranteed as to the full and timely payment by, the United States of America or any agency or instrumentality thereof the obligations of which are backed by the full faith and credit of the United States of America, in either case entered into with (i) a depository institution or trust company (acting as principal) described in **clause (b)** or (ii) a depository institution or trust company the deposits of which are insured by the Federal Deposit Insurance Corporation and whose commercial paper or other short-term unsecured debt obligations are rated "A-1+" by S&P and "Prime 1" by Moody's and whose long-term unsecured debt obligations are rated "AA" by S&P and "Aa3" by Moody's;

(f) money market mutual funds registered under the Investment Company Act having a rating, at the time of such investment, from each of S&P and Moody's in the highest investment category granted thereby; and

(g) any other investment as may be acceptable to the Administrative Agent (acting at the direction of the Majority Lenders), as evidenced by the Administrative Agent's prior written consent to that effect.

"Eligible Lessee". Any Person (other than any Sanctioned Person) that meets all of the applicable requirements set forth in **clauses (a)**, **(b)** and **(c)** below:

(a) in the case of any Person that is a prospective Lessee under a Finance Lease:

(1) For each of the first five (5) Lessees under Finance Leases as to which Loans are advanced, each of the following: (A) each Person, not addressed in **clause (B)** below, that has been approved by the Majority Lenders (in their sole discretion) to be a Lessee under a Finance Lease, and (B) so long as no Bankruptcy Event is continuing with respect to such Person, each of the following Persons, so long as the aggregate Credit Exposure related to such Person and its Affiliates (calculated after giving effect to the Finance Lease then under consideration) shall not exceed the Dollar amount set forth opposite the name of such Person on **Schedule 4** under the column entitled "Maximum Allowed Exposure" (as such amounts may be amended from time to time in a written instrument signed by each of the Borrower and the Administrative Agent, acting at the direction of the Majority Lenders);

(2) For each of the sixth through tenth, inclusive, Lessees under Finance Leases as to which Loans are advanced, each of the following: (A) each Person not addressed in **clause (B)** below, that has been approved by the Majority Lenders (in their sole discretion) to be a Lessee under a Finance Lease, and (B) so long as no Bankruptcy Event is continuing with respect to such Person, each of the Persons set forth in **clause (A)**, so long as the aggregate Credit Exposure related to such Person and its Affiliates (calculated after giving effect to the Finance Lease then under consideration) shall not exceed Thirty Five Million Dollars ($35,000,000);

(3) Once at least ten Persons described in the foregoing **clauses (a)(1)** and **(a)(2)** have become Lessees under Finance Leases as to which Loans are advanced, any Person engaged in the shipping industry so long as (A) no Bankruptcy Event is continuing with respect to such Person on the Funding Date for the related Finance Lease, and (B) the consummation of the Finance Lease then under consideration complies with all of the Lease Concentration Limits.

(b) in the case of any Person that is a prospective Lessee under a Finance Lease, the Administrative Agent has received with respect to such Person all of the credit underwriting information set forth on **Schedule 2** hereto and such information shall be satisfactory to the Administrative Agent (in its sole discretion); and

(c) the Administrative Agent has received with respect to such Person the information set forth on **Schedule 3** to the Management Agreement and the Administrative Agent shall have determined, in its sole discretion, that such Person satisfies the Administrative Agent's and WFBNA's compliance requirements related to OFAC and any other statutes, regulations, rules, orders and other applicable restrictions imposed by any applicable Governmental Authority.

"Eligible Owner Container". As of any date of determination, any Owner Container that is not then subject to a Finance Lease that complies with all of the following:

(a) *Manufacturer Specifications*. At the date of its manufacture, the container conformed to any applicable industry standards (including without limitation any applicable rules or regulations promulgated by the ISO or CSC);

(b) *Manager Specifications*. The Owner Container conformed to the specifications used by the Manager in the ordinary course of its business at the time of its acquisition by the Borrower;

(c) *Eligible Finance Lease*. Such Owner Container was, on the Funding Date applicable to such Owner Container, subject to (i) an Eligible Finance Lease or (ii) a lease that satisfies all criteria of being an Eligible Finance Lease;

(d) *Registration*. Each Owner Container's registration mark (four letter prefix) has been registered in the name of the Lessee and/or the Manager in the official register of the Bureau International des Owner Containers (Paris);

(e) *Compliance with Law*. Each Lease of such Owner Container complied in all material respects at the time it was originated with all legal requirements of the jurisdiction in which it was originated;

(f) *Casualty Loss*. Such Owner Container is not the subject of a Casualty Loss;

(g) *Liens*. Such Owner Container is free and clear of all Liens other than Permitted Liens;

(h) *Purchase Price*. The Original Equipment Cost for such Owner Container did not exceed its Fair Market Value at the time of acquisition;

(i) *No Sanctioned Person or Sanctioned Country*. Such Owner Container is then (i) not on lease to a Sanctioned Person, and (ii) (A) not subleased to or used by a Sanctioned Person or (B) not located, operated or used in a Sanctioned Country unless otherwise authorized pursuant to OFAC Sanctions or by a license granted by OFAC; and

(j) *Lease Concentration Limits*. If such Container is then subject to an Operating Lease, (i) such Operating Lease complies with all of the Lease Concentration Limits, (ii) the Lessee under such Operating Lease is an Eligible Lessee and (iii) rent under such Lease is payable no less frequently than quarterly.

"Environmental Law". Any applicable local, state, federal, or other laws in the United States of America, or any other laws relating to the environment or natural resources or the regulation of releases or threatened releases of Hazardous Substances into ambient air, water, or land, or otherwise relating to the manufacture, processing, generation, distribution, use, treatment, storage, disposal, cleanup, transport or handling of Hazardous Substances, and all rules, orders and regulations currently promulgated thereunder.

"Environmental Claim". Any and all administrative, regulatory or judicial actions, suits, orders, claims or proceedings against the Borrower under any Environmental Law or any permit issued to the Borrower under any such Environmental Law (for purposes of this definition, " Claims"), including, without limitation, (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"ERISA". The Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Credit Agreement and any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

"ERISA Event". Means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the incurrence by the Borrower of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Borrower from any Plan or Multiemployer Plan; (c) the receipt by the Borrower from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (d) the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 307 of ERISA; (e) the receipt by the Borrower of any notice, or the receipt by any Multiemployer Plan from the Borrower of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; or (f) the occurrence of a nonexempt "prohibited transaction" with respect to which the Borrower is a "disqualified person" (within the meaning of Section 4975 of the Code).

"Expense Payment Account". As defined in **Section 3.5**.

"Event of Default". This term shall have the meaning set forth in **Section 12.1**.

"Executive Order". This term shall have the meaning set forth in **Section 7.20**.

"Fair Market Value". With respect to any asset (including any Owner Container) to be purchased or sold by, or on behalf of, the Borrower, shall mean the price at which a willing buyer, not an Affiliate of the seller, and a willing seller who does not have to sell, would agree to purchase and sell such asset, as determined in good faith by, or on behalf of, the Borrower.

"Federal Bankruptcy Code". Title 11, United States Code as in effect from time to time (and any successor thereto).

"Fees". Collectively, the Administrative Agent Fee and the Commitment Fee.

"Finance Lease". Any Lease that (x) is classified as a "direct financing lease" pursuant to GAAP and (y) provides the Lessee thereunder with the right or option to (i) purchase the Owner Containers subject thereto at the expiration of such lease or (ii) extend the term of such lease for an additional period, and, in either such instance, such Lease satisfies the criteria for classification as a capital lease pursuant to GAAP, including statement of Financial Accounting Standards No. 13 as amended.

"Finance Lease Default Ratio". With respect to each Collection Period, a fraction (expressed as a percentage), (a) the numerator of which is an amount equal to the sum of the Original Equipment Cost of all Owner Containers subject to all Finance Leases currently in effect that have been classified as a Defaulted Finance Lease during such Collection Period or a prior Collection Period, and (b) the denominator of which is an amount equal to the Aggregate Original Equipment Cost of all Owner Containers.

"Finance Lease Proceeds Account". As defined in the Management Agreement.

"Floating Rate Lease". A Finance Lease pursuant to which the amount of rent payable by the related Lessee changes on a monthly basis based on a reference interest rate, such as LIBOR Rate or the prime rate.

"Fund". Any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funding Date". Each date on which a Loan is made to the Borrower pursuant to the terms of this Credit Agreement.

"GAAP". Generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board,, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority". Any foreign, federal, state, regional, local, municipal or other government, including any regulatory authority (including any self-regulatory authority claiming jurisdiction) or any bank examiner, or any department, commission, board, bureau, agency, public authority or instrumentality thereof, or any court or arbitrator.

"Guaranteed Pension Plan". Any employee pension benefit plan within the meaning of Section 3(2) of ERISA maintained or contributed to by the Borrower the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

"Hazardous Substances". Those substances or materials that are prohibited, limited or regulated by any Environmental Law.

"Hedge Termination Payment". Any payment due under an Interest Rate Hedging Agreement as a result of the termination of such Interest Rate Hedging Agreement for whatever reason.

"Hedging Agreement". Any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate futures contract, interest rate option agreement, interest rate exchange agreement, forward currency exchange agreement, forward rate currency agreement, forward commodity contract, commodity swap, commodity option or other similar agreement or arrangement to which the Borrower at that time is a party, designed to protect the Borrower against fluctuations in those interest rates, exchange rates, forward rates or commodity prices that normally arise in connection with the Borrower's ordinary course of business or as otherwise required to be entered into by the Borrower pursuant to, and in accordance with, the terms of this Credit Agreement.

"Indebtedness". As to any Person, without duplication, means (i) all indebtedness (including principal, interest, fees and charges) of such Person for borrowed money, (ii) all obligations of such Person in respect of letters of credit, bankers' acceptances, and bank guaranties issued for the account of such Person, (iii) all indebtedness of the types described in **clause (i)**, **(ii)**, **(iv)**, **(v)** or **(vi)** of this definition secured by any Lien on any property owned by such Person, whether or not such indebtedness has been assumed by such Person (provided that, if the Person has not assumed or otherwise become liable in respect of such indebtedness, such indebtedness shall be deemed to be in an amount equal to the lesser of (A) the outstanding amount of such Indebtedness and (B) the fair market value of the property to which such Lien relates as determined in good faith by such Person), (iv) the aggregate amount of all obligations of such Person under Capitalized Leases and Synthetic Leases, (v) all Contingent Obligations of such Person, (vi) as of any date of determination, all obligations under any interest rate hedging or under any similar type of agreement to the extent of the amount due if such agreement were to be terminated on such date of determination, and (vii) all obligations of such Person issued or assumed as the deferred purchase price of property or services, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are either (x) not overdue by 90 days or more or (y) being contested in good faith by appropriate proceedings promptly instituted and diligently conducted).

"Indemnified Party". This term shall have the meaning set forth in **Section 15.3**.

"Independent Accountant". KPMG or any other "Big 4" or other nationally or regionally recognized accounting firm that is reasonably acceptable to the Administrative Agent (acting at the direction of the Majority Lenders) and that is independent with respect to the Borrower within the meaning of the Securities Act of 1933, as amended, and the applicable published rules and regulations thereunder.

"Interest Period". With respect to all or any relevant portion of any Loan, (a) initially, the period commencing on the Funding Date of such Loan and ending on the close of business on the last day of the month in which such Funding Date occurs, and (b) thereafter, each period commencing the first day of each calendar month and ending on the last day of such calendar month; provided, that all of the foregoing provisions relating to Interest Periods are subject to the following:

(a) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a LIBOR Business Day, that Interest Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding LIBOR Business Day;

(b) if any Interest Period with respect to a Base Rate Loan would end on a day that is not a Business Day, that Interest Period shall end on the next succeeding Business Day;

(c) any Interest Period (except for the initial Interest Period with respect to any Loan) relating to any LIBOR Rate Loan that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last LIBOR Business Day of a calendar month; and

(d) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date.

"Interest Rate Hedge Counterparty". Each Person that is a counterparty to an Interest Rate Hedging Agreement with the Borrower.

“Interest Rate Hedging Agreement”. A Hedging Agreement with one or more Interest Rate Hedge Counterparties that protects the Borrower against fluctuations in interest rates.

“Investments”. Any direct or indirect advance, loan (other than advances to customers in the ordinary course of business that are recorded as accounts receivable on the balance sheet of the lender) or other extensions of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition for value of Capital Stock, Indebtedness or other similar instruments issued by any Person

“Lease”. Any lease for one or more Owner Containers entered into with a Lessee, which Lease may, if an Operating Lease, cover both Owner Containers and other marine or intermodal cargo containers in Manager’s fleet. Operating Leases may be in the name of Manager or in the name of a third-party lessor from whom Manager has acquired management rights.

“Lease Concentration Limits”. With respect to each Finance Lease and Operating Lease (as applicable), and subject to the proviso set forth below, each of the following limitations:

(a) *Maximum Concentration to a Single Lessee*. The sum of (i) the Net Book Values of all Owner Containers subject to an Operating Lease and (ii) the Net Investment Value of all Finance Leases, that are in aggregate with any single Lessee and its Affiliates shall not exceed an amount equal to the product of (A) either (x) fifteen percent (15%) for each Eligible Lessee with a Maximum Allowed Exposure of Thirty Five Million Dollars ($35,000,000) pursuant to **clause (a)(1)** of the definition of “Eligible Lessee”, or (y) ten percent (10%) at all other times and for all other Persons and (B) the sum of (1) then Aggregate Net Book Value and (2) then Aggregate Net Investment Value;

(b) *Maximum Concentration to U.S. Government*. In the case of Operating Leases only, the sum of the Net Book Values of all Owner Containers subject to Operating Leases under which the Lessee is the government of the United States of America or one of its agencies shall not exceed an amount equal to the product of (A) four percent (4%) and (B) an amount equal to the sum of (i) then Aggregate Net Book Value and (ii) then Aggregate Net Investment Value;

(c) *Maximum Concentration of Non-Monthly Rental Payments*. In the case of Operating Leases only, the sum of the Net Book Values of all Owner Containers subject to Operating Leases for which rentals are billed and payable less frequently than monthly shall not exceed an amount equal to the product of (A) ten percent (10%) and (B) the sum of (i) then Aggregate Net Book Value and (ii) then Aggregate Net Investment Value;

(d) *Maximum Concentration of Non-Intermodal Lessee*. In the case of Operating Leases only, the sum of the Net Book Values of all Owner Containers subject to Operating Leases under which the Lessee is a Person not engaged in the intermodal business shall not exceed an amount equal to the product of (A) ten percent (10%) and (B) the sum of (i) then Aggregate Net Book Value and (ii) then Aggregate Net Investment Value; and

(e) *Maximum Concentration of Non-US Dollars Leases*. In the case of Operating Leases only, the sum of the Net Book Values of all Owner Containers subject to Operating Leases under which rent is denominated in a currency other than U.S. Dollars shall not exceed an amount equal to the product of (A) one half of one percent (0.5%) and (B) the sum of (i) then Aggregate Net Book Value and (ii) then Aggregate Net Investment Value;

provided that, for purposes of clarification, the Lease Concentration Limits shall not apply at any time prior to the date on which at least ten Persons described in **clause (a)(1)** or **(a)(2)** of the definition of “Eligible Lessee” have become Lessees under Finance Leases as to which Loans have been advanced.

“Lender Affiliate”. With respect to any Lender, an Affiliate of such Lender.

“Lenders”. Wells Fargo Bank, National Association and the other lending institutions listed on **Schedule 1** hereto and any other Person who becomes an assignee of any rights and obligations of a Lender pursuant to **Section 14**.

“Lessee”. Any entity that leases one or more Owner Containers.

“LIBOR Business Day”. Any day on which commercial banks are open for international business (including dealings in Dollar deposits) in London or such other eurodollar interbank market as may be selected by the Administrative Agent (acting at the direction of the Majority Lenders).

“LIBOR Rate”. For any Interest Period with respect to a LIBOR Rate Loan, the rate of interest equal to (i) the rate determined by the Administrative Agent at which Dollar deposits for such Interest Period are offered based on information presented on Page LIBOR01 of the Reuters Service as of 11:00 a.m. London time on the second (2nd) LIBOR Business Day prior to the first day of such Interest Period, divided by (ii) a number equal to 1.00 minus the Mandatory Reserve Rate. If the rate described above does not appear on the Dow Jones Market Service on any applicable interest determination date, the LIBOR Rate shall be the rate (rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point), determined on the basis of the offered rates for deposits in Dollars for a period of time comparable to such LIBOR Rate Loan which are offered by four major banks in the London interbank market at approximately 11:00 a.m. London time, on the second (2nd) LIBOR Business Day prior to the first day of such Interest Period as selected by the Administrative Agent. The principal London office of each of the four major London banks will be requested to provide a quotation of its Dollar deposit offered rate. If at least two such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in Dollars to leading European banks for a period of time comparable to such Interest Period offered by major banks in New York City at approximately 11:00 a.m. New York City time, on the second LIBOR Business Day prior to the first day of such Interest Period. In the event that the Administrative Agent is unable to obtain any such quotation as provided above, it will be considered that the LIBOR Rate pursuant to a LIBOR Rate Loan cannot be determined.

“LIBOR Rate Loan”. A Loan bearing interest calculated by reference to the LIBOR Rate.

“Lien”. Any mortgage, pledge, hypothecation, assignment, deposit arrangement, security interest, encumbrance, lien (statutory or other), charge, preference, priority or other security agreement of any kind or nature whatsoever (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under the UCC or any similar recording or notice statute (other than any unauthorized notice filing for which there is not otherwise any underlying Lien or obligation), and any lease having substantially the same effect as the foregoing).

“Loan”. Any loan made or to be made by the Lenders to the Borrower pursuant to **Section 2.1**.

“Loan Documents”. This Credit Agreement, the Management Agreement, each Container Sale Agreement, any Interest Rate Hedging Agreement, the Revolving Credit Notes (if issued), the Administrative Agent Fee Letter and the Security Documents.

“Loan Request”. This term shall have the meaning set forth in **Section 2.2**.

“Majority Lenders”. As of any date of determination, one of the following:

(A) if any Loans are then outstanding or Commitments are then in effect, any single Lender or multiple Lenders collectively having more than sixty-six and two thirds of one percent (66 2/3%) of the sum of the portion of the Aggregate Commitments unfunded at such date plus the Aggregate Loan

Principal Balance or, if the Commitment of each Lender to make Loans has been terminated pursuant to **Section 12.2(b)**, any single or multiple Lenders collectively holding in the aggregate more than sixty six and two thirds of one percent (66 2/3%) of the Aggregate Loan Principal Balance; provided that the Commitment of, and the portion of the Aggregate Loan Principal Balance held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders; or

(B) at all times not addressed in clause (A), one or more Interest Rate Hedge Counterparties that would be owed more than fifty percent (50%) of the aggregate amount of all Hedge Termination Payments that would be payable on such date if all Interest Rate Hedging Agreements were terminated on such date of determination.

"Management Agreement". The Equipment Management Services Agreement, dated as of the date hereof, entered into by and between the Manager and the Borrower, as such agreement shall be amended, supplemented, or modified from time to time in accordance with its terms, which agreement shall be in the form attached as **Exhibit B** hereto and otherwise in form and substance satisfactory to the Administrative Agent and the Lenders.

"Manager". TEML, as manager under the Management Agreement.

"Manager Advances". This term shall have the meaning set forth in the Management Agreement.

"Manager Default". Any "Manager Event" as defined in the Management Agreement.

"Manager Fee". This term shall have the meaning set forth in the Management Agreement.

"Manager Fee Arrearage". For any Payment Date, an amount equal to any unpaid Manager Fee from all prior Collection Periods.

"Mandatory Reserve Rate". For any day with respect to a LIBOR Rate Loan, the maximum rate (expressed as a decimal) at which any bank subject thereto would be required to maintain reserves under any applicable regulatory authority (including without limitation any reserves required by (i) the regulations of the European Central Bank or (ii) Regulation D of the Board of Governors of the Federal Reserve System against "Eurocurrency Liabilities" (as that term is used in Regulation D) (or any successor or similar regulations relating to such reserve requirements), if such liabilities were outstanding). The Mandatory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in the Mandatory Reserve Rate.

"Margin Stock". The term shall have the meaning provided in Regulation U.

"Material Adverse Effect". With respect to any event or occurrence of whatever nature (including any adverse determination in any litigation, arbitration or governmental investigation or proceeding):

(a) a material adverse effect on the business, financial condition or operations of the Borrower; or

(b) a material adverse effect on the ability of the Borrower to perform any of its monetary obligations under any of the Loan Documents to which it is a party.

"Maturity Date". The earlier to occur of (i) the date on which the Obligations have been accelerated in accordance with **Section 12.2(a)** and (ii) the tenth anniversary of the expiration date or termination date of the Revolving Credit Period.

"Maximum Required Hedge Amount". As of any date of determination, an amount equal to the product of (a) one hundred five percent (105%) and (b) the Aggregate Loan Principal Balance as of such date of determination; *provided that*, for purposes of calculating the Maximum Required Hedge Amount, the Aggregate Loan Principal Balance shall be calculated without regard to Loans made to finance the origination or acquisition of Floating Rate Leases.

"Measurement Period". As of any date of determination, the most recently completed twelve (12) calendar months or, if shorter, the number of calendar months that elapsed since the Closing Date.

"Minimum Required Hedge Amount". As of any date of determination, an amount equal to the product of (a) ninety five percent (95%) and (b) the Aggregate Loan Principal Balance as of such date of determination; *provided that*, for purposes of calculating the Minimum Required Hedge Amount, the Aggregate Loan Principal Balance shall be calculated without regard to Loans made to finance the origination or acquisition of Floating Rate Leases.

"Moody's". Moody's Investor Service, Inc., or any successor thereto.

"Multiemployer Plan". Any multiemployer plan, as defined in Section 4001(a)(3) of ERISA with respect to which the Borrower shall have any liability.

"Net Book Value". With respect to any Owner Container (including any Repossessed Owner Container), the Original Equipment Cost less accumulated depreciation based on the Depreciation Policy for Owner Containers.

"Net Income". As of any date of determination, the net income (or loss) of the Borrower, as determined in accordance with GAAP, for the most recently completed Measurement Period.

"Net Investment Value". With respect to any Finance Lease, as of any date of determination, an amount equal to the "net investment in finance lease" with respect to such Finance Lease and reflected on the books and records of the Borrower and determined in accordance with GAAP; provided, however, that the Net Investment Value of a Finance Lease that is classified as a Defaulted Finance Lease shall be deemed to be zero.

"Non-Excluded Taxes". Any taxes other than:

(a) income taxes, branch profits taxes, franchise taxes or any other tax imposed on the net income of a Lender or the Administrative Agent under the laws of the jurisdiction (or any political subdivision of taxing authority thereof or therein) in which such Lender or the Administrative Agent is organized or in which the principal office or funding office of such Lender or the Administrative Agent is located or in which it is otherwise conducting business, but excluding any such taxes which would not have been imposed but for such Lender's or the Administrative Agent's participation in the transactions under this Credit Agreement;

(b) any deduction, withholding or other imposition of taxes that arises as a result of a present or former connection between a Lender or the Administrative Agent and the relevant jurisdiction imposing such tax, including carrying on business in, having a branch, agency or permanent establishment in, or being resident in such jurisdiction but excluding any such connection which arises solely as a result of such Lender or the Administrative Agent having executed, performed its obligations under or received payment under any of the Loan Documents or otherwise solely by virtue of the Loan Documents;

(c) any taxes imposed as a result of failure to comply with **Section 5.2.2(g)**; and

(d) any withholding tax imposed by a law in effect at the time a Lender becomes a party hereto (or designates a new lending office), with respect to any interest payment made by or on account of any obligation of the Borrower to such Lender, except to the extent that such Lender (or its assignor, if any) was entitled, at the time of the assignment (or designation of a new lending office), to receive additional amounts with respect to such withholding Tax pursuant to **Section 5.2.2**.

"Obligations". All of the following:

(i) all obligations, liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of Borrower at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), reimbursement obligations for fees, costs and indemnities) of Borrower to the Lenders, the Administrative Agent and the Collateral Agent, whether now existing or hereafter incurred under, arising out of, or in connection with, this Credit Agreement and the other Loan Documents (other than Interest Rate Hedging Agreements) and the due performance and compliance by Borrower with all of the terms, conditions and agreements contained in this Credit Agreement and in such other Loan Documents (other than Interest Rate Hedging Agreements); and

(ii) all obligations, liabilities and indebtedness (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of Borrower at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding) owing by Borrower to the Interest Rate Hedge Counterparties, whether now existing or hereafter incurred under, arising out of or in connection with any Interest Rate Hedging Agreement, whether such Interest Rate Hedging Agreement is now in existence or hereinafter arising, and the due performance and compliance by Borrower with all of the terms, conditions and agreements contained in each such Hedging Agreement.

"OFAC". The U.S. Department of the Treasury's Office of Foreign Assets Control.

"OFAC Sanctions". This term shall have the meaning set forth in **Section 7.20**.

"Operating Expenses". This term shall have the meaning set forth in the Management Agreement.

"Operating Lease". A Lease that is not a Finance Lease.

"Original Equipment Cost". With respect to any Owner Container, an amount equal to the sum of (a) the vendor's or manufacturer's invoice price plus (b) reasonable and customary inspection, transport, and initial positioning costs necessary to put such Owner Container in service, plus (c) the Acquisition Fee and other fees, provided the aggregate amount of fees described in this **clause (c)** shall not exceed 2.5% of the amount described in **clauses (a)** and **(b)**.

"Other Taxes". This term shall have the meaning set forth in **Section 5.2.2(b)**.

"Owner Container". As defined in the Management Agreement.

"Owner Proceeds". As defined in the Management Agreement.

"Participant". This term shall have the meaning set forth in **Section 14.4**.

"Payment Date". The 15th calendar day of each month or, if such day is not a Business Day, the immediately succeeding Business Day.

"PBGC". The Pension Benefit Guaranty Corporation established pursuant to Section 4002 of ERISA, or any successor thereto.

"Periodic Hedge Payment". Any payment under an Interest Rate Hedging Agreement other than a Hedge Termination Payment.

"Permitted Principal Withdrawal". On the Maturity Date, an amount equal to the lesser of (x) the excess of (i) the Aggregate Loan Principal Balance on such date, over (ii) the funds on deposit in the Trust Account on the Maturity Date available to make principal payments on the Loans in accordance with the priority of any payments set forth in **Section 3.2(a)(ix)** or **Section 3.2(b)(ix)(A)**, and (y) the amount then on deposit in the Cash Reserve Account.

"Permitted Interest Withdrawal". For any Payment Date, an amount equal to the lesser of:

(x) the excess of (i) all interest (other than any incremental interest payable pursuant to the provisions of **Section 5.8**) on all Loans payable on such Payment Date, over (ii) the funds on deposit in the Trust Account on such Payment Date available to make interest payments in accordance with the priority of payments set forth in **Section 3.2(a)(vi)** or **3.2(b)(vi)** hereof, and

(y) the amount of funds and Eligible Investments then on deposit in the Cash Reserve Account.

"Permitted Lien". Any Lien permitted under **Section 9.2**.

"Person". An individual, any partnership, a corporation, a joint venture, a trust, an unincorporated organization, or a government or any agency or political subdivision thereof.

"Plan". Any employee pension plan (other than a Multiemployer Plan) as defined in Section 3(35) of ERISA subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 307 of ERISA, and in respect of which the Borrower is an "employer" as defined in Section 3(5) of ERISA.

"Pledged Owner Container". This term shall have the meaning set forth in the Security Agreement.

"Receivable". With respect to any Lease as of any date of determination, any expected future rental or other (e.g., purchase option) payment with respect to such Lease which has not yet become due.

"Register". This term shall have the meaning set forth in **Section 14.3**.

"Related Parties". With respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

"Replacement Request". This term shall have the meaning set forth in **Section 12.1(f)**.

"Repossessed Owner Container". Any Owner Container that the Borrower (or the Manager on behalf of the Borrower) has repossessed pursuant to an exercise of remedies under a Defaulted Finance Lease.

"Restricted Payment". In relation to the Borrower, any (a) Distribution, (b) payment or prepayment by the Borrower of Indebtedness owing to the Borrower's shareholders (or other equity holders), or (c) cash payments under derivatives or other transactions with any financial institution, commodities or stock exchange or clearinghouse (a "Derivatives Counterparty") obligating the Borrower to make payments to such Derivatives Counterparty as a result of any change in market value of any Capital Stock of the Borrower. For purposes of clarification only, "Restricted Payments" shall not include any amounts owing by the Borrower to either TL or WFCC pursuant to the terms of a Container Sale Agreement.

“Returns”. This term shall have the meaning set forth in **Section 7.17**.

“Revolving Credit Period”. The period commencing on the Closing Date and ending on the earliest to occur of (a) the date that is the three year anniversary of the Closing Date, as such date may be extended from time to time in accordance with **Section 15.12**, (b) the date on which the Aggregate Commitments have been terminated pursuant to **Section 12.2(b)** and (c) the date on which an Early Amortization Event occurs. The cure of an Early Amortization Event will not result in an automatic reinstatement of the Revolving Credit Period.

“S&P”. Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

“Sales Proceeds”. As defined in the Management Agreement.

“Sanctioned Country”. A country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time.

“Sanctioned Person”. Any of the following currently or in the future: (i) an individual, entity, or vessel named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/eotffc/ofac/sdn/index.html, and any entity in which such individual, entity, or vessel owns, directly or indirectly, a fifty percent or greater interest, or (ii) (A) an agency or instrumentality of, or an entity owned or controlled by the government of a Sanctioned Country, (B) an entity located in or organized under the laws of a Sanctioned Country, or (C) a national or permanent resident of a Sanctioned Country, or a person located in a Sanctioned Country, to the extent such agency, instrumentality, entity, or person is subject to OFAC Sanctions.

“Scheduled Principal Payment Amount”. As follows:

(a) On any Payment Date (other than the Maturity Date) on which no Early Amortization Event is continuing, the amount (if any) by which (1) the Aggregate Loan Principal Balance on such date (determined prior to giving effect to any principal payments to be made on such Payment Date), exceeds (2) the Asset Base on such Payment Date; and

(b) on the Maturity Date, the Aggregate Loan Principal Balance on such date.

“Secured Party”. Each of the Administrative Agent, each Lender and each Interest Rate Hedge Counterparty.

“Security Agreement”. That certain Security Agreement in the form of **Exhibit C** hereto, dated as of the date hereof, by Borrower in favor of the Administrative Agent, for the benefit of the Secured Parties.

“Security Documents”. The Security Agreement, the Control Agreement and other instruments and documents executed or delivered pursuant to any Security Document.

“Senior Designated Officer”. With respect to any Person, the Chief Executive Officer, the President, the Chief Financial Officer or any Vice President of such Person.

“State”. Any state of the United States of America.

“Subsidiary”. With respect to any Person, shall mean and include any corporation, partnership, association, limited liability company, joint venture or other entity more than 50% of whose Voting Stock is at the time owned by such Person directly or indirectly through one or more Subsidiaries of such Person.

“Synthetic Lease”. Any lease of goods or other property, whether real or personal, (x) which is treated as an operating lease under GAAP and (y) in respect of which the Lessee retains or obtains ownership of the property so leased for U.S. Federal income tax purposes.

“TEML”. Textainer Equipment Management Limited, a Bermuda exempted company.

“Terminated Container”. As defined in the Management Agreement.

“TGH”. Textainer Group Holdings Limited, a Bermuda exempted company.

“TL”. Textainer Limited, a Bermuda exempted company.

“TMCL Indenture”. The Second Amended and Restated Indenture, dated as of May 26, 2005, between Textainer Marine Containers Limited, as Issuer, and Wells Fargo Bank, National Association, as indenture trustee, as such indenture may be amended, modified or supplemented from time to time in accordance with its terms.

“Trading With the Enemy Act”. This term shall have the meaning set forth in **Section 7.20**.

“Trust Account”. As defined in **Section 3.2**.

“TWCL Distribution Account”. As defined in **Section 3.6**.

“Type”. As to all or any portion of any Loan, its nature as a Base Rate Loan or a LIBOR Rate Loan. “

UCC”. The Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

“Voting Stock”. Stock or similar interests, of any class or classes (however designated), the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the corporation, association, trust or other business entity involved, whether or not the right to so vote exists by reason of the happening of a contingency.

“WFB”. Wells Fargo Bank, National Association and its successors and permitted assigns.

“WFCC”. Wells Fargo Container Corporation, an exempted company with limited liability organized under the laws of Bermuda.

“Withdrawal Liability”. Liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

1.2 Rules of Interpretation.

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Credit Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) The words “include”, “includes”, and “including” are not limiting.

(f) All terms not specifically defined in this Credit Agreement or in the Management Agreement, which terms are defined in the UCC as in effect in the State of New York, have the meanings assigned to them therein, with the terms “instrument” and “chattel paper” being that defined under Article 9 of the UCC.

(g) Reference to a particular “§” or Section refers to that section of this Credit Agreement unless otherwise indicated.

(h) The words “herein”, “hereof”, “hereunder” and words of like import shall refer to this Credit Agreement as a whole and not to any particular section or subdivision of this Credit Agreement.

(i) Unless otherwise expressly indicated, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(j) This Credit Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are, however, cumulative and are to be performed in accordance with the terms thereof.

(k) This Credit Agreement and the other Loan Documents are the result of negotiation among, and have been reviewed by counsel to, among others, the Administrative Agent, the Lenders and the Borrower and are the product of discussions and negotiations among all parties. Accordingly, this Credit Agreement and the other Loan Documents are not intended to be construed against the Administrative Agent or any of the Lenders merely on account of the Administrative Agent’s or any Lender’s involvement in the preparation of such documents.

1.3 Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in this Credit Agreement shall have such meanings when used in each Schedule and in each other Loan Document, notice and other communication delivered from time to time in connection with this Credit Agreement or any other Loan Document.

1.4 Accounting and Financial Determinations . (a) Unless otherwise specified, all accounting terms used herein or in any other Loan Document shall be interpreted, all accounting determinations and computations hereunder or thereunder shall be made, and all financial statements required to be delivered hereunder or thereunder shall be prepared in accordance with GAAP consistently applied.

(b) If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Majority Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Majority Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Credit Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) If the Borrower shall elect as of the end of any financial reporting period to prepare its financial statements in accordance with International Financial Reporting Standards (as published by the International Accounting Standards Board) (“ IFRS”) rather than GAAP, then, following delivery to the Administrative Agent the information required to be delivered for such financial reporting period, the parties hereto shall use their best efforts to amend (in a manner mutually satisfactory to the Administrative Agent, the Borrower and the Majority Lenders) the thresholds or methods of calculation required under the Credit Agreement and the other Loan Documents such that compliance therewith is neither more nor less burdensome (as determined by the Majority Lenders in their sole discretion) to Borrower as a result of such conversion to IFRS and, thereafter, all references in the Loan Documents to GAAP shall be deemed references to IFRS.

2. COMMITMENTS OF LENDER.

2.1 Commitments to Make Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Loan") to the Borrower from time to time, on any Business Day during the Revolving Credit Period; *provided, however, that* (x) the principal amount of each Loan shall not exceed an amount equal to the product of (1) the Advance Rate then in effect and (2) the Net Investment Value of the Finance Lease to be originated or acquired with the proceeds of such Loan, and (y) after giving effect to the requested Loan, the Aggregate Loan Principal Balance shall not exceed the lesser of (i) the Aggregate Commitments and (ii) the Asset Base, calculated (in the case of **clause (ii)**) after giving effect to the origination or acquisition of the Finance Lease to be originated or acquired with the proceeds of such Loan. Loans shall be LIBOR Rate Loans or, under the circumstances set forth in **Section 5.4** or **5.5**, a Base Rate Loan.

2.2 Requests for Loan. The Borrower shall give to the Administrative Agent written notice in the form of **Exhibit E** hereto (or telephonic notice confirmed in a writing in the form of **Exhibit D** hereto) of each Loan requested hereunder (a "Loan Request") no later than 3:00 p.m. (New York time) three (3) LIBOR Business Days prior to any proposed Funding Date. Each such Loan Request shall specify (i) the principal amount of the Loan requested, (ii) the proposed Funding Date of such Loan and (iii) the Interest Period for such Loan. The Administrative Agent shall promptly notify each of the Lenders of such Loan Request. Each Loan Request shall be irrevocable and binding on the Borrower and shall obligate the Borrower to accept the Loan requested from the Lenders on the proposed Funding Date. The Borrower shall not be permitted to request any Loan at any time when the Revolving Credit Period is not in effect; upon the expiration or termination of the Revolving Credit Period, any unfunded portion of the Commitments shall terminate, automatically and without notice or action of any kind.

2.3 Evidence of Loan. The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note substantially in the form of **Exhibit E** hereto, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, type, amount and maturity of its Loans and payments with respect thereto.

2.4 Termination or Reduction of Commitments. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 3:00 p.m. (New York time) three (3) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof, and (iii) the Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Aggregate Loan Principal Balance would exceed the Aggregate Commitments (unless the Borrower simultaneously (x) prepays the Loans in the amount necessary to cause the Aggregate Commitments to equal or exceed the Aggregate Loan Principal Balance, and (y) pays all amounts payable to any Interest Rate Hedge Counterparty related to such reduction). The Administrative Agent shall promptly notify the Lenders and each Interest Rate Hedge Counterparty of any such notice of termination or reduction of the Aggregate Commitments. Any reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Commitment Percentage. All Fees accrued until the effective date of any termination or reduction of the Aggregate Commitments shall be paid on the effective date of such termination or reduction.

2.5 **Funding by Lenders; Presumption by Administrative Agent** . Unless the Administrative Agent shall have received notice from a Lender prior to the proposed Funding Date that such Lender will not make available to the Administrative Agent such Lender's Commitment Percentage of such requested Loan, the Administrative Agent may assume that such Lender has made such amount available on such date in accordance with **Section 2.1**, and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its Commitment Percentage of the applicable requested Loan available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to, but excluding, the date of payment to the Administrative Agent, at, in the case of a payment to be made by such Lender, the greater of the Base Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender pays its Commitment Percentage of the applicable Loan to the Administrative Agent, then the amount so paid shall constitute such Lender's Commitment Percentage of the requested Loan.

2.6 **Failure to Satisfy Conditions Precedent**. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the provisions of this Credit Agreement, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Loan set forth in **Section 10** or **11** are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

2.7 **Obligations of Lenders Several**. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to this Credit Agreement are several and not joint. The failure of any Lender to make any Loan or to make any payment under this Credit Agreement on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date. No Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under this Credit Agreement and no Lender shall be required to fund more than its Commitment Percentage of any Loan.

2.8 **Revolving Credit Facility**. The credit facility evidenced by this Credit Agreement is a revolving credit facility. Accordingly, the Borrower will, subject to compliance with the terms of this Credit Agreement, have the right during the Revolving Credit Period to reborrow any amounts repaid to the Lenders in accordance with the terms of this Credit Agreement. Subsequent to the expiration or termination of the Revolving Credit Period, the credit facility evidenced by this Credit Agreement is a term facility and the Borrower will not be entitled to reborrow amounts repaid to the Lenders in accordance with this Credit Agreement.

3. TRUST ACCOUNT; CASH RESERVE ACCOUNT.

3.1 **Trust Account**.

(a) On or about the Closing Date, the Borrower shall establish a deposit account, in the name of the Borrower for the benefit of the Administrative Agent, in a jurisdiction outside of the United States and with a bank or trust company acceptable to the Borrower, the Administrative Agent and the Majority Lenders (the "Trust Account"). The Administrative Agent, for the benefit of the Secured Parties, shall at all times have a first priority Lien in the Trust Account and all funds and Eligible Investments therein.

(b) The Borrower shall instruct the Manager to deposit all Owner Proceeds (as defined in the Management Agreement) into the Trust Account, at the times and in the amounts required pursuant to the terms of the Management Agreement. Notwithstanding the foregoing, so long as no Manager Default is continuing, the Manager shall be permitted to withhold, from amounts otherwise required to be deposited into the Trust Account, the amount of any Manager Fee and Manager Fee Arrearage then due and payable.

3.2 **Disbursement of Funds From Trust Account**. On each Payment Date, after distribution of amounts from the Cash Reserve Account pursuant to **Section 3.3**, the Manager, based on the Manager Report, shall distribute funds on deposit in the Trust Account in an amount equal to the Available Distribution Amount. Such Available Distribution Amount shall be distributed to the following Persons in the following order of priority, with no payment being made toward any item unless and until all prior items have been fully satisfied:

(a) On each Payment Date on which no Early Amortization Event or Event of Default is continuing, to the following Persons and in the following order of priority:

(i) To the Manager, the Manager Fee and any Manager Fee Arrearage, in each case to the extent not previously withheld or withdrawn by, or distributed to, the Manager in accordance with the terms of the Loan Documents;

(ii) To the Administrative Agent, the Administrative Agent Fee then due and owing;

(iii) To the Manager, the amount of any unreimbursed Manager Advances;

(iv) To the Expense Payment Account, an amount equal to Borrower Expenses then due and payable or that are scheduled to be paid prior to the next succeeding Payment Date; *provided, however, that* the amount payable pursuant to this **clause (iv)** in any twelve month period shall not exceed the difference of (A) One Hundred Twenty Thousand Dollars ($120,000) minus (B) amounts paid pursuant to Section 5.4 of the Management Agreement;

(v) To each Interest Rate Hedge Counterparty, on a *pro rata* basis based on the amounts then owing pursuant to this **clause (v)**, the amount of any Periodic Hedge Payment (but not Hedge Termination Payments) then due and payable to it pursuant to the terms of any Interest Rate Hedging Agreement then in effect, together with any unpaid Periodic Hedge Payments from prior Payment Dates and any interest thereon as specified in such Interest Rate Hedging Agreement;

(vi) To the Lenders, on a *pro rata* basis based on the amounts then owing pursuant to this **clause (vi)**, all unpaid interest (other than any incremental interest owing pursuant to **Section 5.8**) then due and owing on all unpaid Loans;

(vii) To the Lenders, on a *pro rata* basis, any Commitment Fee then due and payable and any unpaid Commitment Fees from prior Payment Dates;

(viii) To the Cash Reserve Account, the amount (if any) necessary to restore the balance on deposit therein to the Cash Reserve Amount for such Payment Date;

(ix) To each Lender, on a *pro rata* basis (calculated based on the then unpaid principal balance of their respective unpaid Loans), an amount equal to its Commitment Percentage of the Scheduled Principal Payment Amount for such Payment Date;

(x) To each Interest Rate Hedge Counterparty, on a *pro rata* basis based on the amounts then owing pursuant to this **clause (x)**, the amount of any unpaid payments then due and payable (including Hedge Termination Payments) pursuant to the terms of any Interest Rate Hedging Agreement then in effect;

(xi) To each Lender, on a *pro rata* basis based on amounts then owing to each such Lender pursuant to this **clause (xi),** all taxes, increased costs, indemnification, expenses, incremental interest owing pursuant to **Section 5.8** hereof and any other amounts due and owing to such Lender pursuant to the terms of the Loan Documents;

(xii) To the Manager in the amount of any unpaid indemnification payments, expense reimbursements and all other amounts payable to the Manager pursuant to the terms of the Management Agreement;

(xiii) To the officers and directors of the Borrower, the amount of any unpaid indemnification payments or expense reimbursements then due and payable to them by the Borrower; and

(xiv) To the TWCL Distribution Account, any remaining Available Distribution Amount on deposit in the Trust Account after giving effect to the payments set forth in the foregoing **clauses (i)** through **(xiii)** of this **Section 3.2(a)**.

(b) On each Payment Date on which an Early Amortization Event is continuing but no Event of Default is continuing, to the following Persons and in the following order of priority:

(i) To the Manager, the Manager Fee and any Manager Fee Arrearage, in each case to the extent not previously withheld or withdrawn by, or distributed to, the Manager in accordance with the terms of the Loan Documents;

(ii) To the Administrative Agent, the Administrative Agent Fee then due and owing;

(iii) To the Manager, the amount of any unreimbursed Manager Advances;

(iv) To the Expense Payment Account, an amount equal to Borrower Expenses then due and payable or that are scheduled to be paid prior to the immediately succeeding Payment Date; *provided, however, that* the amount payable pursuant to this **clause (iv)** in any twelve month period shall not exceed the difference of (A) One Hundred Twenty Thousand Dollars ($120,000) minus (B) amounts paid pursuant to Section 5.4 of the Management Agreement;

(v) To each Interest Rate Hedge Counterparty, on a *pro rata* basis based on the amounts then owing pursuant to this **clause (v)**, the amount of any Periodic Hedge Payment (but not Hedge Termination Payments) then due and payable pursuant to the terms of any Interest Rate Hedging Agreement then in effect, together with any unpaid Periodic Hedge Payments from prior Payment Dates and any such amounts past due and any interest thereon;

(vi) To the Lenders, on a *pro rata* basis based on the amounts then owing pursuant to this **clause (vi)**, all unpaid interest (other than any incremental interest owing pursuant to **Section 5.8**) then due and owing on all unpaid Loans;

(vii) To the Lenders, on a *pro rata* basis, any Commitment Fee then due and payable and any unpaid Commitment Fees from prior Payment Dates;

(viii) To the Cash Reserve Account, the amount (if any) necessary to restore the balance on deposit therein to the Cash Reserve Amount for such Payment Date;

(ix) Each of the following on a *pro rata* basis in accordance with the amounts referenced in **clauses (A)** and **(B)**:

(A) To each Lender, on a *pro rata* basis (calculated based on the then unpaid principal balance of their respective Loans), an amount equal to its Commitment Percentage of the Aggregate Loan Principal Balance; and

(B) To each Interest Rate Hedge Counterparty, on a *pro rata* basis based on the amounts then owing pursuant to this **clause (ix)(B)**, the amount of any unpaid payments then due and payable (including Hedge Termination Payments) pursuant to the terms of any Interest Rate Hedging Agreement then in effect;

(x) To each Lender, on a *pro rata* basis based on amounts then owing to each such Lender pursuant to this **clause (x)**, all taxes, increased costs, indemnification, expenses, incremental interest owing pursuant to **Section 5.8** hereof, and any other amounts due and owing to such Lender pursuant to the terms of the Loan Documents;

(xi) To the Manager in the amount of any unpaid indemnification payments, expense reimbursements and all other amounts payable to the Manager pursuant to the Management Agreement; and

(xii) To the officers and directors of the Borrower, the amount of any unpaid indemnification payments or expense reimbursements then due and payable to them by the Borrower;

(xiii) To the TWCL Distribution Account, any remaining Available Distribution Amount on deposit in the Trust Account after giving effect to the payments set forth in **clauses (i)** through **(xii)** of this **Section 3.2(b)**.

(c) On each Payment Date on which an Event of Default is continuing, to such Persons, and in the order of priority, as set forth in **Section 12.4**.

3.3 Cash Reserve Account.

(a) On or about the Closing Date, the Borrower shall establish a deposit account, in the name of the Borrower for the benefit of the Administrative Agent, in a jurisdiction outside of the United States and with a bank or trust company acceptable to the Administrative Agent and the Majority Lenders (the "Cash Reserve Account"). The Administrative Agent, for the benefit of the Secured Parties, shall at all times have a first priority Lien in the Cash Reserve Account and all funds and Eligible Investments therein. The Borrower shall not establish any additional cash reserve account without prior written notice to, and the prior written consent of, the Administrative Agent in each instance.

(b) On each Funding Date, the Borrower will deposit, or cause to be deposited, into the Cash Reserve Account, funds in an amount necessary to restore the amount on deposit in the Cash Reserve Account to the Cash Reserve Amount. Amounts shall also be deposited in the Cash Reserve Account at the times and in the amounts set forth in **Section 3.2**.

(c) On each Payment Date, the Manager shall, in accordance with the Manager Report or, absent a Manager Report, pursuant to written instructions from the Majority Lenders, withdraw from the Cash Reserve Account and remit directly to each Lender its Commitment Percentage of an amount equal to the Permitted Interest Withdrawal. On the Maturity Date, the Manager shall, in accordance with the Manager Report or, absent a Manager Report, pursuant to instructions from the Majority Lenders, withdraw from the Cash Reserve Account and remit to each Lender its Commitment Percentage of the Permitted Principal Withdrawal for such date.

(d) On each Payment Date, prior to any distribution of Available Distribution Amount pursuant to **Section 3.2**, the Manager shall, in accordance with the Manager Report, or absent a Manager Report, pursuant to written instructions from the Majority Lenders, withdraw from the Cash Reserve Account and deposit in the Trust Account, the excess (if any) of (A) amounts then on deposit in the Cash Reserve Account (after giving effect to any withdrawals therefrom on such Payment Date) over (B) the Cash Reserve Amount. On the Maturity Date, any remaining funds in the Cash Reserve Account shall be deposited in the Trust Account and distributed in accordance with the provisions of **Section 3.2** of this Credit Agreement.

3.4 Investments.

(a) Funds at any time held in the Trust Account or the Cash Reserve Account shall be invested and reinvested in one or more Eligible Investments, as directed by (i) so long as no Event of Default is then continuing, the Borrower or its designee, or (ii) so long as an Event of Default has occurred and is continuing, the Administrative Agent or its designee.

(b) Each investment made pursuant to this **Section 3.4** on any date shall mature not later than the Business Day immediately preceding the Payment Date next succeeding the day such investment is made, except that any investment made on the day preceding a Payment Date shall mature on such Payment Date.

(c) Pursuant to the Security Agreement, all monies on deposit in the Trust Account and the Cash Reserve Account, together with any deposits or securities in which such moneys may be invested or reinvested, and any gains from such investments, constitute Collateral.

3.5 Expense Payment Account.

(a) On or about the Closing Date, the Borrower shall establish a deposit account, in the name of the Borrower for the benefit of the Administrative Agent, in a jurisdiction outside of the United States and with a bank or trust company acceptable to the Borrower, the Administrative Agent and the Majority Lenders (the "Expense Payment Account"). The Administrative Agent, for the benefit of the Secured Parties, shall at all times have a first priority Lien in the Expense Payment Account and all funds on deposit therein.

(b) So long as no Event of Default has occurred and is then continuing, the Borrower may withdraw funds from Expense Payment Account to the extent, but only to the extent, that such funds are used to pay Borrower Expenses that are then due and payable.

3.6 TWCL Distribution Account.

(a) On or prior to the Closing Date, the Borrower shall establish a deposit account, in the name of the Borrower, in a jurisdiction outside of the United States (the "TWCL Distribution Account"). The TWCL Distribution Account and amounts therein will not be subject to a Lien in favor of the Administrative Agent or any of the Secured Parties.

(b) Amounts on deposit in the TWCL Distribution Account shall be paid to, or otherwise made available for use by, the shareholders of the Borrower.

4. PROVISIONS APPLICABLE TO ALL LOANS.

4.1 Interest on Loans.

(a) Except as otherwise provided in **Section 5.8**, each Loan shall bear interest during each Interest Period relating to all, or any portion of, such Loan at the following rates:

(i) To the extent that all or any portion of a Loan bears interest during such Interest Period at the Base Rate, such Loan (or such portion thereof) shall bear interest during such Interest Period at the rate *per annum* equal to the sum of (i) the Applicable Margin and (ii) the Base Rate in effect from time to time.

(ii) To the extent that all or any portion of a Loan bears interest during such Interest Period at the LIBOR Rate, such Loan or such portion shall bear interest during such Interest Period at a rate *per annum* equal to the sum of (i) the LIBOR Rate and (ii) the Applicable Margin.

The Borrower promises to pay interest at the applicable interest rate set forth above on all Loans or any portion thereof outstanding during each Interest Period monthly in arrears on each Payment Date. Such interest shall be calculated in accordance with **Section 5.3**.

(b) In no event shall the interest charged with respect to a Loan exceed the maximum amount permitted by applicable law. If at any time the interest rate charged with respect to a Loan exceeds the maximum rate permitted by applicable law, the rate of interest to accrue pursuant to such Loan shall be limited to the maximum rate permitted by applicable law.

(c) No Interest Period relating to a Loan or any portion thereof shall extend beyond the Maturity Date.

4.2 Repayments and Prepayments of the Loans.

4.2.1 Repayment of Loans. On each Payment Date (other than the Maturity Date), the Aggregate Loan Principal Balance shall be payable in an amount equal to (i) if no Early Amortization Event is then continuing, the Scheduled Principal Payment Amount for such Payment Date, or (ii) if an Early Amortization Event is then continuing, the Aggregate Loan Principal Balance to the extent that funds are available for such purpose in accordance with the priority of payments set forth in **Section 3.2(b)(ix)(A)** on such Payment Date. The Aggregate Loan Principal Balance, and all accrued interest and other amounts owing on, or with respect to, the Loans shall be payable in full on the earlier to occur of (a) the Maturity Date and (b) the date on which the Loans and the other Obligations have been declared due and payable in accordance with the provisions of **Section 12.2(a)**.

4.2.2 Optional Prepayment of Loans. The Borrower shall have the right at any time to prepay one or more of the Loans on or before the Maturity Date, as a whole, or in part, upon delivery of written notice to the Administrative Agent not later than 1:00 p.m. (New York City time) on the Business Day prior to such prepayment, without premium or penalty, provided that (a) each partial prepayment shall be in the principal amount of $250,000 and multiples of $50,000 in excess thereof and (b) simultaneously with such prepayment, the Borrower shall pay to (i) each Lender, an amount equal to such Lender's Breakage Cost (if any) related to such prepayment, and (ii) each Interest Rate Hedge Counterparty, an amount equal to all amounts (including termination payments) payable (if any) pursuant to the terms of the related Interest Rate Hedging Agreement in connection with such prepayment. The Administrative Agent will promptly notify each Lender and each Interest Rate Hedge Counterparty of its receipt of each such notice, and of the amount of such Lender's Commitment Percentage of such prepayment. Any prepayment of principal of a Loan shall include all interest accrued to the date of prepayment.

4.2.3 **Application of Payments**. All payments of principal made pursuant to **Section 4.2.1** or **4.2.2** shall be applied to the Loans of the Lenders in accordance with their respective Commitment Percentages. Any principal payment received by a Lender pursuant to **Section 4.2.1** or **4.2.2** shall be applied to reduce the principal balance of all unpaid Loans owing to such Lender on a *pro rata* basis (based on the unpaid principal balance of each such Loan).

4.3 **Payments by Borrower; Presumptions by Administrative Agent**. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Base Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this **Section 4.3** shall be conclusive, absent manifest error.

4.4 **Sharing of Payments by Lenders**. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, or interest on, any of the Loans made by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or any accrued interest thereon greater than its Commitment Percentage thereof, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with their respective Commitment Percentages, provided that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this **Section 4.4** shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Credit Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower, TL or any Affiliate of TL (as to which the provisions of this **Section 4.4** shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

4.5 **Funding Source**. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

5. **CERTAIN GENERAL PROVISIONS**.

5.1 Fees.

5.1.1 Commitment Fee. The Borrower agrees to pay on each Payment Date during the Revolving Credit Period to the Administrative Agent, for the accounts of the Lenders in accordance with their respective Commitment Percentages, a commitment fee (the " Commitment Fee") calculated at the Commitment Fee Percentage on the average daily amount, during the most recently ended Collection Period, by which the Aggregate Commitment exceeds the Aggregate Loan Principal Balance; provided, however, that a Lender shall not be entitled to receive a Commitment Fee for such period as such Lender is classified as a Defaulting Lender. The Commitment Fee shall be payable in arrears on each Payment Date for the most recently ended Collection Period commencing on the first such date following the date hereof, with a final payment on the expiration or termination of the Revolving Credit Period.

5.1.2 Other Fees. The Borrower shall pay to the Administrative Agent and the Lenders the fees in the amounts and at the times specified in the Administrative Agent Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever. The Borrower shall also pay to the Administrative Agent and the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

5.2 Funds for Payments.

5.2.1 Payments to Administrative Agent . All payments of principal, interest, Fees and any other amounts due hereunder or under any of the other Loan Documents shall be made on the due date thereof to the Administrative Agent in Dollars, for the accounts of the Lenders and the Administrative Agent, at the Administrative Agent's Office or at such other place that the Administrative Agent may from time to time designate, in each case at or about 1:00 p.m. (New York time or other local time at the place of payment) and in immediately available funds.

5.2.2 No Offset, etc.

(a) Subject to **Section 5.2**, all payments by the Borrower hereunder and under any of the other Loan Documents shall be made without recoupment, setoff or counterclaim and free and clear of and without deduction for any taxes (including interest, penalties and additions to tax), levies, imposts, duties, charges, fees, deductions, withholdings, now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless the Borrower is compelled by law to make such deduction or withholding. If any Non-Excluded Taxes are imposed under applicable law upon the Borrower with respect to any amount payable by it hereunder or under any of the other Loan Documents, the Borrower will pay to the Administrative Agent, for the account of the Lenders or the Administrative Agent (as the case may be) in accordance with the priority of payments set forth in **Section 3.2(a)** or **3.2(b)** hereof, as applicable, such additional amount in Dollars as shall be necessary to enable the Lenders or the Administrative Agent to receive the same net amount which the Lenders or the Administrative Agent would have received on such due date had no such Non-Excluded Taxes been imposed upon the Borrower. The Borrower will deliver promptly to the Administrative Agent certificates or other valid vouchers for all taxes or other charges deducted from or paid with respect to payments made by the Borrower under such other Loan Document.

(b) In addition, the Borrower agrees to pay to the relevant Governmental Authority in accordance with applicable law (or to reimburse the Administrative Agent or Lender for amounts paid by such Person), any current or future stamp or documentary taxes, excise tax, charges or similar levies (including, without limitation, mortgage recording taxes, transfer taxes and similar fees) imposed by the United States or any taxing authority thereof or therein that arise from any payment made hereunder (" Other Taxes").

(c) Subject to **Section 5.2**, the Borrower agrees to indemnify the Lenders and the Administrative Agent for the full amount of Non-Excluded Taxes (including additional amounts with respect thereto) and Other Taxes paid by Lender or Administrative Agent, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto (other than amounts arising from the gross negligence or willful misconduct of the Lenders or the Administrative Agent, as the case may be), provided that the Lenders or the Administrative Agent, as the case may be, shall have provided the Borrower with evidence, reasonably satisfactory to the Borrower, of payment of Non-Excluded Taxes or Other Taxes, as the case may be.

(d) Any Lender or the Administrative Agent that becomes entitled to the payment of additional amounts pursuant to **Section 5.2.2(a)** or indemnification pursuant to **Section 5.2.2(c)**, shall use reasonable efforts (consistent with applicable law) to file any document reasonably requested by the Borrower or, with respect to a Lender, to change the jurisdiction of its applicable lending office if the making of such a filing or change of office, as the case may be, would avoid the need for or reduce the amount of any payment of such additional amounts that may thereafter accrue and would not, in the good faith determination of such Lender or the Administrative Agent, as applicable, be disadvantageous to it.

(e) If a Lender or the Administrative Agent receives any refund or credit with respect to taxes for which the Borrower has paid any additional amounts pursuant to **Section 5.2.2(a)**, then such Lender or the Administrative Agent, as applicable, shall promptly pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made under this Section) with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, however, that (i) the Borrower agrees to promptly return any amount paid to the Borrower pursuant to this **Section 5.2.2(e)** upon notice from such Lender or the Administrative Agent, as applicable, that such refund or any portion thereof is required to be repaid to the relevant taxing authority, (ii) nothing in this **Section 5.2.2(e)** shall require a Lender to disclose any confidential information to the Borrower (including, without limitation, its tax returns), and (iii) no Lender shall be required to pay any amounts pursuant to this **Section 5.2.2(e)** at any time while a Default or Event of Default exists (provided, that, upon the waiver or cure of any such Default or Event of Default, all such amounts that would otherwise be required to be paid pursuant to this **Section 5.2.2(e)** but for the effect of this **clause (iii)** shall be promptly so paid).

(f) If the Borrower determines in good faith that a reasonable basis exists for contesting any Non-Excluded Taxes for which additional amounts have been paid pursuant to **Section 5.2.2(a)**, the relevant Lender or Administrative Agent (to the extent such Person reasonably determines in good faith that it will not suffer any adverse effect as a result thereof) shall cooperate with the Borrower in challenging such Non-Excluded Taxes, at the Borrower's expense, if so requested by the Borrower in writing.

(g) Any Lender that is entitled to an exemption from, or reduction of, withholding tax with respect to payments made under this Credit Agreement or any other Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

5.3 Computations. All computations of interest on the Loans and of Fees shall be based on a 360-day year and paid for the actual number of days elapsed. Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension.

5.4 Inability to Determine LIBOR Rate. In the event, prior to the commencement of any Interest Period relating to any LIBOR Rate Loan, any Lender shall determine that (a) adequate and reasonable methods do not exist for ascertaining the LIBOR Rate that would otherwise determine the rate of interest to be applicable to any LIBOR Rate Loan during any Interest Period or (b) the LIBOR Rate determined, or to be determined, for such Interest Period will not adequately and fairly reflect the cost to such Lender of making or maintaining their LIBOR Rate Loans during such period, such Lender shall forthwith give notice of such determination (which shall be conclusive and binding on the Borrower) to the Borrower and the Administrative Agent. In such event (i) any Loan Request with respect to LIBOR Rate Loans shall be automatically withdrawn and shall be deemed a request for Base Rate Loans, (ii) each LIBOR Rate Loan will automatically, on the last day of the then current Interest Period relating thereto, become a Base Rate Loan, and (iii) the obligations of the Lenders to make LIBOR Rate Loans shall be suspended until the affected Lenders determine that the circumstances giving rise to such suspension no longer exist, whereupon the Administrative Agent shall so notify the Borrower and the Administrative Agent and each Base Rate Loan shall automatically convert to a LIBOR Rate Loan on the last day of the then current Interest Period.

5.5 Illegality. Notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or the interpretation or application thereof shall make it unlawful for any Lender to make or maintain LIBOR Rate Loans, such Lender shall forthwith give notice of such circumstances to the Borrower and the other Lenders and thereupon (a) the commitment of such Lender to make LIBOR Rate Loans shall forthwith be suspended and (b) such Lender's Loans then outstanding as LIBOR Rate Loans, if any, shall be converted automatically to Base Rate Loans on the last day of each Interest Period applicable to such LIBOR Rate Loans or within such earlier period as may be required by law. The Borrower hereby agrees promptly to pay within forty five (45) days following demand, to the applicable Lender, all Breakage Costs associated with such Breakage Event.

5.6 Additional Costs; Capital Adequacy.

5.6.1 Changes in Law. If any Change in Law, other than changes in the rate of tax on the overall net income of a Lender or taxes other than Non-Excluded Taxes, shall:

(a) impose, modify, increase or render applicable (other than to the extent specifically provided for elsewhere in this Credit Agreement, including without limitation, to the extent considered in the calculation of the LIBOR Rate) any special deposit, reserve, assessment, liquidity, capital adequacy, insurance charge or other similar requirements (whether or not having the force of law) against assets held by, or deposits in or for the account of, or loans by, or letters of credit issued by, or commitments of an office of any Lender, or

(b) impose on any Lender or the Administrative Agent any other conditions, requirements, cost or expense with respect to this Credit Agreement, the other Loan Documents, the LIBOR Rate Loans, such Lender's Commitment to make LIBOR Rate Loans, or any class of loans or commitments of which any of the LIBOR Rate Loans or such Lender's Commitment to make LIBOR Rate Loans forms a part,

and the result of any of the foregoing is:

(i) to increase the cost to any Lender of making, funding, issuing, renewing, extending or maintaining any of the LIBOR Rate Loans or such Lender's Commitment to make LIBOR Rate Loans, or

(ii) to reduce the amount of principal, interest, or other amount payable to such Lender or the Administrative Agent hereunder on account of such Lender's Commitment to make LIBOR Rate Loans, or any of the LIBOR Rate Loans, or

(iii) to require such Lender or the Administrative Agent to make any payment or to forego any interest or other sum payable hereunder in respect of any LIBOR Rate Loans, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by such Lender or the Administrative Agent from the Borrower hereunder in respect thereof,

then, subject to **Section 5.6.3**, Borrower shall pay, as set forth in **Section 5.6.4**, such additional amounts to compensate such Lender for such increased cost or such reduction.

5.6.2 **__Capital Adequacy__**. If, after the date hereof, any Lender or the Administrative Agent determines that any Change in Law has the effect of reducing the return on such Lender's Commitment to a level below that which such Lender or the Administrative Agent could have achieved but for such Change in Law (taking into consideration such Lender's or the Administrative Agent's then existing policies with respect to capital adequacy and assuming full utilization of such entity's capital) by any amount deemed by such Lender or the Administrative Agent (as the case may be) to be material, then such Lender or the Administrative Agent may notify the Borrower of such fact. To the extent that the amount of such reduction in the return on capital is not reflected in the Base Rate or LIBOR Rate, the Borrower agrees to pay, subject to **Section 5.6.3**, such Lender or the Administrative Agent (as the case may be), in accordance with **Section 5.6.4**, for the amount of such reduction.

5.6.3 **__Lookback; Nondiscrimination__**. Borrower shall only be liable for amounts in respect of increased costs or reduced returns for the period of up to ninety (90) days prior to the date on which such demand was made, and (y) such Lender shall have required similarly situated borrowers or obligors to pay similar amounts with respect to such increased costs or reduced returns.

5.6.4 **__Certificates for Reimbursement__**. A certificate of the applicable Lender claiming compensation under **Section 5.6.1** or **5.6.2** shall be sent to Borrower and shall be conclusive absent manifest error; provided that such certificate (i) sets forth in reasonable detail the amount or amounts payable to such Lender pursuant to **Section 5.6.1** or **5.6.2** (as applicable), (ii) explains the methodology used to determine such amount and (iii) states that such Lender has required similarly situated borrowers or obligors to pay similar amounts with respect to such increased costs or reduced returns. The Borrower shall pay to the applicable Lender the amount as due on any such certificate on the following Payment Date in accordance with the priority of payments set forth in **Section 3.2(a)** or **(b)**, as applicable.

5.7 **__Indemnity__**. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from and against any Breakage Costs arising out of, or related to, a Breakage Event.

5.8 **__Interest After Default__**. (a) Overdue principal and (to the extent permitted by applicable law) overdue interest on the Loans and all other overdue amounts payable hereunder or under any of the other Loan Documents shall bear interest compounded monthly and payable on demand at a rate *per annum* equal to two percent (2%) above the then applicable rate of interest under this Credit Agreement or the other Loan Documents until such amount shall be paid in full (after as well as before judgment).

(b) Without duplication of **Section 5.8(a),** during any period during which an Event of Default has occurred and is continuing, the principal amount of the Loans shall bear interest compounded monthly and payable on demand at a rate *per annum* equal to two percent (2%) above the rate of interest then applicable to the Loans until such amount shall be paid in full (after as well as before judgment).

6. **__COLLATERAL SECURITY__**.

6.1 **__Security of Borrower__**. Subject to the Security Documents, the Obligations are and shall continue to be secured by a first priority (subject only to Permitted Liens), perfected security interest in the Collateral specified in the Security Documents, whether now owned or hereafter acquired, pursuant to the terms of the Security Documents to which the Borrower is a party.

7. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lenders to enter into this Credit Agreement and to make the Loans as provided for herein, Borrower makes the following representations and warranties to the Administrative Agent and Lenders, all of which shall survive the execution and delivery of this Credit Agreement and the making of the Loans (with the occurrence of each Funding Date being deemed to constitute a representation and warranty that the matters specified in this **Section 7** are true and correct in all material respects on and as of such Funding Date, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date):

7.1 Company Status. Borrower (i) is a duly organized and validly existing Company in good standing (or its equivalent) under the laws of the jurisdiction of its organization except where the failure to be so duly organized, validly existing and in good standing, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect, (ii) has the Company power and authority to own its property and assets and to transact the business in which it is presently engaged, except where the failure to have such power and authority, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect and (iii) is duly qualified and is authorized to do business and is in good standing (or its equivalent) in all jurisdictions where it is required to be so qualified (or its equivalent) and where the failure to be so qualified, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

7.2 Company Power and Authority. Borrower has the Company power and authority to execute, deliver and carry out the terms and provisions of the Loan Documents to which it is a party and has taken all necessary Company action to authorize the execution, delivery and performance of the Loan Documents to which it is a party. Borrower has duly executed and delivered each Loan Document to which it is a party and each such Loan Document constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law).

7.3 No Violation. Neither the execution, delivery or performance by the Borrower of the Loan Documents to which it is a party, nor compliance by the Borrower with the terms and provisions thereof, nor the consummation of the transactions contemplated herein or therein, (i) will contravene any material provision of any applicable law, statute, rule or regulation, or any order, writ, injunction or decree of any court or governmental instrumentality, (ii) will conflict with or be inconsistent with or result in any breach of, any of the terms, covenants, conditions or provisions of, or constitute an "event of default" under, or (other than pursuant to the Security Documents) result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of the Borrower pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, credit agreement or any other agreement, contract or instrument to which the Borrower is a party or by which it or any of its material property or assets are bound or to which it may be subject, or (iii) will violate any provision of the certificate of incorporation, memorandum of association, bye-laws or equivalent organizational document, as the case may be, of the Borrower.

7.4 Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Borrower, threatened in writing (i) with respect to any Loan Document or (ii) with respect to any other matter, as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

7.5 Margin Regulations. No part of any Loan (or the proceeds thereof) will be used (i) to purchase or carry any Margin Stock in contravention of Regulation T, U or X of the Board of Governors of the Federal Reserve System as from to time in effect (or any successor to all or any portion thereof), or (ii) to extend credit for the purpose of purchasing or carrying any Margin Stock in contravention of such regulations.

7.6 Governmental Approvals. Except as may have been obtained or made on or prior to the date hereof, no order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by, any Governmental Authority, is required to authorize, in respect of the Borrower, or is required to be obtained by the Borrower in connection with (i) the execution, delivery and performance by the Borrower of any Loan Document or (ii) the legality, validity, binding effect or enforceability of any Loan Document with respect to the Borrower, in each case, except for (A) the filing or recordation of any Security Documents or (B) to the extent that the failure to make or obtain, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

7.7 Investment Company Act. Borrower is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

7.8 Activities of Borrower. The Borrower was formed as a company with limited liability on August 2, 2011. At all times since the date of its formation, the Borrower has not engaged in any activities or business other than entering into the Loan Documents.

7.9 True and Complete Disclosure. All factual information (taken as a whole) furnished by or on behalf of the Borrower in writing to the Administrative Agent or any Lender (including, without limitation, all information contained in the Loan Documents) for purposes of or in connection with this Credit Agreement is, and all other such factual information (taken as a whole) hereafter furnished by, or on behalf of, the Borrower in writing to the Administrative Agent or any Lender in connection with this Credit Agreement will be, true and accurate in all material respects on the date as of which such information is dated and not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided; provided, however, that (i) no representation is made regarding whether any Owner Container is subleased to or used by a Sanctioned Person, or located, operated or used in a Sanctioned Country, except to the extent of the knowledge of the Person making any such representation, and (ii) to the extent that any such information was based upon or constitutes a forecast or projection, Borrower represents only that it acted in good faith and utilized assumptions believed by the management of the Borrower to be reasonable at the time made in the preparation of such information (it being understood by the Administrative Agent and the Lenders that any financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered thereby may differ from the projected results set forth therein).

7.10 Solvency. On a pro forma basis after giving effect to all Obligations incurred, and to be incurred, and Liens created, and to be created, in connection with the Loan Documents, (x) the sum of the assets, at a fair valuation, of the Borrower will exceed its or its debts, (y) the Borrower has not incurred nor intended to, nor believes that it will, incur debts beyond its ability to pay such debts as such debts mature and (z) the Borrower will not have unreasonably small capital with which to conduct its business in the manner such business is now conducted. For purposes of this **Section 7.10**, "debt" means any liability on a claim, and "claim" means (i) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

7.11 Security Interests. Each of the Security Documents creates, as security for the Obligations, a valid and enforceable security interest in and Lien on all of the Collateral subject thereto, superior to and prior to the rights of all third Persons (other than pursuant to statutory priority rights), and subject to no other Liens except Permitted Liens. The Borrower has filed or caused to be filed all UCC financing statements (or documents of similar import) in the appropriate offices therefor (or has delivered to the Administrative Agent UCC financing statements (or documents of similar import) suitable for filing in such offices) and has taken all of the actions necessary in the United States and Bermuda to create perfected security interests in the Collateral which the Security Documents require the Borrower to create perfected security interests and which can be perfected by filing in the United States, Bermuda and the province of Ontario, Canada.

7.12 **ERISA**. (a) The Borrower is in compliance in all material respects with the applicable provisions of ERISA and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in any liability of the Borrower in excess of $250,000. The present value of all benefit liabilities under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation date applicable thereto, exceed by more than $250,000 the fair market value of the assets of such Plan, and the present value of all benefit liabilities of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the last annual valuation date applicable thereto, exceed by more than $250,000 the fair market value of the assets of all such underfunded Plans.

(b) The Borrower has not received notice that any Lien arising under ERISA has been filed against the assets of the Borrower.

7.13 **Subsidiaries**. The Borrower has no Subsidiaries.

7.14 **Compliance with Statutes; Agreements, etc** . The Borrower is in compliance with (i) all applicable statutes, regulations, rules and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business (including the origination of Finance Leases) and the ownership of its property (excluding applicable statutes, regulations, orders and restrictions relating to environmental standards and controls, which matters are covered under **Section 7.15**) and (ii) all contracts and agreements to which it is a party, except, in each case, such non-compliances as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

7.15 **Environmental Matters**. Except as would not reasonably be expected to result in, either individually or in the aggregate, a Material Adverse Effect: (i) the Borrower has complied with all applicable Environmental Laws and the requirements of any permits issued under such Environmental Laws and the Borrower is not liable for any penalties, fines or forfeitures for failure to comply with any of the foregoing; (ii) there are no pending Environmental Claims or, to the knowledge of any Senior Designated Officer of the Borrower, Environmental Claims threatened in writing against the Borrower or any property (real or personal) owned, leased or operated by the Borrower (including, to the knowledge of any Senior Designated Officer of the Borrower, any such claim arising out of the ownership, lease or operation by the Borrower of any property (real or personal) formerly owned, leased or operated by the Borrower but no longer owned, leased or operated by the Borrower); and (iii) to the knowledge of any Senior Designated Officer of the Borrower, there are no facts, circumstances, conditions or occurrences on or arising from any property (real or personal) owned, leased or operated by the Borrower (including any property (real or personal) formerly owned, leased or operated by the Borrower but no longer owned, leased or operated by the Borrower) or relating to the past or present operations of the Borrower that could reasonably be expected to form the basis of an Environmental Claim against the Borrower or any such property (real or personal).

7.16 **Labor Relations**. As of the date hereof, there are no strikes, lockouts or slowdowns against the Borrower pending, or to the knowledge of the Borrower, threatened. The hours worked by and payments made to employees of the Borrower have not been in violation of the Fair Labor Standards Act or any other applicable federal, state or local law dealing with such matters, except for such violations that would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

7.17 Tax Returns and Payments. Borrower has timely filed (including applicable extensions) with the appropriate taxing authority, all federal and other material returns, statements, forms and reports for taxes (the " Returns") required to be filed by or with respect to the income, properties or operations of the Borrower. The Returns accurately reflect in all material respects all liability for taxes of the Borrower for the periods covered thereby. The Borrower has paid all material taxes payable by them other than those contested in good faith and for which adequate reserves have been established in accordance with GAAP.

7.18 Existing Indebtedness. The Borrower has no Indebtedness other than the Indebtedness evidenced by this Credit Agreement and the other Loan Documents.

7.19 Insurance. Schedule 7.19 sets forth a summary of all insurance maintained by the Borrower on and as of the date hereof, with the amounts insured (and any deductibles) set forth therein.

7.20 OFAC Sanctions. None of the requesting or borrowing of any Loan or the use of the proceeds of such will violate any of the OFAC sanctions programs, laws, rules, and regulations of the Office of Foreign Assets Control of the United States Department of the Treasury (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, (the " OFAC Sanctions"). Furthermore, neither the Borrower nor any of its Affiliates (a) is or will become a Sanctioned Person; (b) is or will become a "blocked person" as described in the OFAC Sanctions; or (c) engages or will engage in any dealings or transactions, or be otherwise associated, with any such Sanctioned Person in violation of the OFAC Sanctions.

7.21 No Default. No Event of Default, Manager Default or Early Amortization Event has occurred and is continuing and no event has occurred that with the giving of notice or the passage of time or both would become an Event of Default, Manager Default or Early Amortization Event.

7.22 Use of Proceeds. The Borrower shall use the proceeds of each Loan as follows: (i) to fund the acquisition or origination of the Owner Container or Finance Lease to be acquired or originated with the proceeds of such Loan and (ii) for other general business purposes to the extent not prohibited to the terms of this Credit Agreement and the other Loan Documents.

7.23 Place of Business. The Borrower's sole "place of business" (within the meaning of 9-307 of the UCC) is located at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

7.24 Bank Accounts. The Borrower maintains the deposit accounts listed on **Schedule 7.24** (as such Schedule may be updated from time to time by Borrower upon written notice to Administrative Agent) hereto and no other deposit accounts.

7.25 Tax Election of the Borrower. None of the Borrower, TL or WFCC has elected, or agreed to elect, to treat the Borrower as an association taxable as a corporation for United States federal income tax purposes.

7.26 OFAC Compliance. The Borrower (i) conducts its operations as if it is a "U.S. Person" and a "Person Subject to the Jurisdiction of the United States", within the meaning of the OFAC Sanctions and (ii) does not derive any of its assets or revenues from investments in, or transactions with, Sanctioned Persons or Sanctioned Countries in violation of the OFAC Sanctions.

8. AFFIRMATIVE COVENANTS.

Borrower hereby covenants and agrees that, for so long as any Commitment remains outstanding, and until the Loans, together with interest, Fees and all other Obligations, are paid in full:

8.1 Information Covenants. Borrower will furnish, or will cause to be furnished, to the Administrative Agent for distribution to each Lender and each Interest Rate Hedge Counterparty:

(a) Quarterly Financial Statements. Within ninety (90) days after the close of the first three fiscal quarters in each fiscal year of the Borrower, the (i) consolidated balance sheets of the Borrower and its Consolidated Subsidiaries and the related statements of income for such fiscal quarter and for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter and the related statements of cash flows for the elapsed portion of the fiscal year ended with the last day of such fiscal quarter, all of which shall be certified by the chief financial officer or other Authorized Officer of the Borrower that they fairly present in all material respects in accordance with GAAP the financial condition of the Borrower as of the dates indicated and the results of their operations and/or changes in their cash flows for the periods indicated, subject to normal year-end audit adjustments and the absence of footnotes.

(b) Annual Financial Statements. No later than one hundred twenty (120) days after the end of each fiscal year of each of the Borrower, the consolidated balance sheet of the Borrower and its Consolidated Subsidiaries and the related consolidated statements of income and statement of cash flows for such fiscal year and, with respect to each fiscal year commencing after the completion of the first full fiscal year following the Closing Date, setting forth consolidated comparative figures for the preceding fiscal year (or, if shorter since inception), together with a certification by an Independent Accountant reasonably acceptable to the Administrative Agent (acting at the direction of the Majority Lenders) to the effect that such statements fairly present in all material respects the consolidated financial condition of the Borrower as of the dates indicated and the results of their operations and changes in financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years except as disclosed therein (which report shall be without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit).

(c) Officer's Certificates. At the time of the delivery of the financial statements of the Borrower provided for in **Sections 8.1(a)** and **(b)**, a certificate of the chief financial officer or other Authorized Officer of the Borrower to the effect that no Default, Early Amortization Event or Event of Default has occurred and is continuing or, if any Default, Early Amortization Event or Event of Default has occurred and is continuing, specifying the nature and extent thereof.

(d) Notice of Default, Event of Default or Litigation. Promptly, and in any event within five (5) Business Days after any Senior Designated Officer of the Borrower obtains knowledge thereof, notice of (i) the occurrence of any event which constitutes a Default, Early Amortization Event or an Event of Default, which notice shall specify the nature and period of existence thereof and what action the Borrower proposes to take with respect thereto, (ii) any litigation or proceeding pending or, to the knowledge of Senior Designated Officer of the Borrower, threatened in writing against the Borrower which, either individually or in the aggregate, would reasonably be expected to have, a Material Adverse Effect, or (iii) any governmental investigation pending or, to the knowledge of Senior Designated Officer of the Borrower, threatened in writing against the Borrower which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(e) Management Letters. At the request of the Administrative Agent (acting at the direction of the Majority Lenders), a copy of any "management letter" submitted to the Borrower by its independent accountants in connection with any annual, interim or special audit made by them of the financial statements of the Borrower and management's responses thereto.

(f) Owner Container Performance Reports and Pledged Owner Container Lists. (i) On each Determination Date and each Funding Date, an Asset Base Report, (ii) within thirty (30) days after the end of each fiscal quarter, an equipment and lease report setting forth (A) the identity of each Lessee of one or more Owner Containers, the number of units, the number of CEU, equipment type, Original Equipment Cost, Net Investment Value, remaining lease tenor, and per diem rate, and (B) a receivables aging schedule for all Lessees of one or more Owner Containers, and (iii) at the request of the Administrative Agent, but in any case no more than once per calendar quarter, an updated summary listing of all Owner Containers as of the last day of the preceding calendar quarter.

(g) Evidence of Payment. Evidence of payment in full of the purchase price of any Owner Container that is subject to a Finance Lease originated or acquired with the proceeds of a Loan;

(h) Manager Reports. As soon as practicable (but in any event within ten (10) Business Days) after receipt thereof, copies of all financial statements, reports and notices delivered by the Manager to the Borrower pursuant to the terms of the Management Agreement.

(i) Other Information. From time to time, such other information or documents (financial or otherwise) in the form utilized by the Borrower in its own operations with respect to the Borrower as the Administrative Agent or any Lender may reasonably request and which is reasonably available to the Borrower.

8.2 Books, Records and Inspections. Borrower shall permit the Administrative Agent, any Lender or any of its designated representatives:

(a) at the expense of the Borrower and at such reasonable times as the Administrative Agent or any Lender may reasonably request in writing (but limited, if no Default or Event of Default then exists, to once per year for the Administrative Agent and the Lenders collectively), to visit and inspect any of the properties of the Borrower, to examine and audit the books of account of the Borrower (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, the Borrower and its officers, and to conduct examinations and verifications (whether by internal commercial finance examiners or independent auditors) of all components included in the Asset Base; and

(b) if a Default or Event of Default then exists, at the expense of the Borrower at such reasonable times and as often as the Administrative Agent or any Lender reasonably requests, to visit and inspect any of the properties of the Borrower, to examine the books of account of the Borrower (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower with, and to be advised as to the same by, its and their officers, and to conduct examinations and verifications (whether by internal commercial finance examiners or independent auditors) of all components included in the Asset Base.

8.3 Maintenance of Office. The Borrower will maintain its sole "place of business" (within the meaning of 9-307 of the UCC) at the address set forth in **Section 7.23**.

8.4 Payment of Taxes. Borrower will pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, in each case on a timely basis, and all lawful claims which, if unpaid, could reasonably be expected to become a Lien upon any properties of the Borrower (other than a Permitted Lien); provided that the Borrower shall not be required to pay any such tax, assessment, charge, levy or claim which is immaterial or is being contested in good faith and by proper proceedings if it has maintained adequate reserves with respect thereto in accordance with GAAP.

8.5 Existence; Franchises. Except as otherwise permitted by **Section 9.5**, Borrower will do, or cause to be done, all things necessary to preserve and keep in full force and effect its existence and its rights, franchises, authorities to do business, licenses, permits, certifications, accreditations and patents; provided, however, that nothing in this **Section 8.5** shall (x) prevent the withdrawal by the Borrower of its qualification as a foreign Company in any jurisdiction where such withdrawal would not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (y) require the preservation of any such right, franchise, authorities to do business, license, permit, certification, accreditation or patent to the extent that the lapse thereof, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

8.6 Compliance with Statutes; etc. Borrower will comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its business and the ownership of its property, except for such instances of noncompliance as, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

8.7 End of Fiscal Years; Fiscal Quarters. Borrower will cause (i) each of its fiscal years to end on December 31 of each calendar year and (ii) each of its fiscal quarters to end on March 31, June 30, September 30 and December 31 of each year.

8.8 Further Assurances. Borrower will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Lenders from time to time such vouchers, invoices, schedules, confirmatory assignments, confirmatory conveyances, financing statements, transfer endorsements, confirmatory powers of attorney, certificates, reports and other assurances or confirmatory instruments and take such further steps relating to the Collateral as the Lenders may reasonably require.

8.9 Performance of Obligations. The Borrower will perform all of its obligations under the terms of each mortgage, deed of trust, indenture, loan agreement or credit agreement and each other agreement, contract or instrument by which it is bound, except such non-performances as, either individually or in the aggregate, would not reasonably be expected to cause a Material Adverse Effect.

8.10 Maintenance of Owner Containers. The Borrower will, or will cause the Manager to:

(a) keep, or require the related Lessee to keep, the Owner Containers in good repair and working order (reasonable wear and tear and causes beyond the Borrower's control excepted);

(b) at all times require the related Lessee to use the Owner Containers, in accordance with good operating practices and at all times comply with all loading limitations, handling procedures and operating instructions prescribed by the manufacturer;

(c) not knowingly permit the Lessees to use the Owner Containers for storage of transportation of hazardous substances or other unsuitable contents in violation of applicable United States environmental law; and

(d) require the related Lessee to comply with the International Convention for Safe Containers (CSC) in all material respects with respect to Owner Containers.

8.11 Insurance. The Borrower shall instruct the Manager to comply with, and monitor compliance by the Borrower with, the provisions of Section 8 (Insurance) of the Management Agreement. The Administrative Agent and each Lender reserves the right (but shall not have the obligation) to obtain (i) at Borrower's expense, insurance with respect to any or all of the risks required under the Management Agreement to be insured by the Manager on behalf of the Borrower if the Manager shall fail to obtain such coverage in the specified amounts, and (ii) at the Lenders' expense, additional insurance on its own behalf with respect to any or all of such risks (or any other risk). However, the Administrative Agent and the Lenders will notify the Borrower prior to obtaining any such insurance.

8.12 Interest Rate Hedging Agreements. The Borrower will maintain one or more Interest Rate Hedging Agreements that will obligate the Borrower or the applicable Interest Rate Hedge Counterparty to make a Periodic Hedge Payment on each Payment Date. Each Interest Rate Hedge Counterparty shall be, on the date on which the related Interest Rate Hedging Agreement is entered into, (i) a bank that has both (A) a long term unsecured debt rating of at least "A-" or better from S&P and "A3" or better from

Moody's and (B) a short term unsecured debt rating of "A-2" or better from S&P are rated and "P-2" or better from Moody's, or (ii) a bank or other financial institution that is otherwise acceptable to the Majority Lenders. Any Periodic Hedge Payment or Hedge Termination Payment shall be deposited by, or on behalf of, the Borrower directly into the Trust Account and shall be distributed in accordance with **Section 3.2**. The Borrower shall maintain Interest Rate Hedging Agreements with respect to a notional principal amount that is at least the Minimum Required Hedge Amount and not more than the Maximum Required Hedge Amount. If the actual notional principal amount of the Interest Rate Hedging Agreements is less than the Minimum Required Hedge Amount or more than the Maximum Required Hedge Amount, the Borrower shall have up to (i) ninety (90) days if the Revolving Credit Period is then in effect or (ii) five (5) Business Days (or such longer period as the Administrative Agent may in its sole discretion permit) if the Revolving Credit Period is not then in effect to (x) terminate, in part or in whole, any Interest Rate Hedging Agreements with one or more of the counterparties to such agreements, to the extent necessary to reduce the notional principal amount of the Interest Rate Hedging Agreements below the Maximum Required Hedge Amount or (y) enter into Interest Rate Hedging Agreements to the extent necessary to increase the notional principal amount of the Interest Rate Hedging Agreements above the Minimum Required Hedge Amount as the circumstances require.

8.13 UNIDROIT Convention. The Borrower will comply with the terms and provisions of the UNIDROIT Convention on International Interests in Mobile Equipment or any other internationally recognized system for recording interests in or liens against shipping containers at the time that such convention is adopted.

8.14 Compliance with United States Laws.

(a) The Borrower will conduct its operations as if it is a "U.S. Person" and a "Person Subject to the Jurisdiction of the United States," with the meaning of OFAC Sanctions.

(b) No part of the proceeds of any Loan or of the revenue derived from any Lease or Container will be used, directly or indirectly, to engage in any activity, practice, or conduct that would constitute a violation of the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010, or any other applicable anti-corruption laws. Specifically, no part of the proceeds of any Loan or of the revenue derived from any Lease or Owner Container will be used, directly or indirectly, to make, offer, authorize, or receive any financial or other advantage or anything of value to or from any third party (including any government official, employee, political party, official of a political party, candidate of political office or anyone else acting in an official capacity) to induce, secure or reward the improper performance of a duty or obligation to which that third party is subject in order to obtain or retain business or a business advantage.

8.15 Non-Consolidation of the Borrower.

(a) The Borrower shall be operated in such a manner to minimize the likelihood that it would be substantively consolidated with the trust estate of any other Person in the event of the bankruptcy or insolvency of the Borrower or such other Person. Without limiting the foregoing the Borrower shall (1) conduct its business in its own name, (2) maintain its books and records separate from those of any other Person (except as otherwise permitted under the Loan Documents), (3) maintain its bank accounts separate from those of any other Person (except to the extent otherwise permitted under any Loan Document), (4) maintain separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, (5) pay its own liabilities and expenses only 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 (it being understood that each Container Sale Agreement fulfills such requirements), (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 appropriate organizational formalities.

(b) Notwithstanding any provision of law which otherwise empowers the Borrower, the Borrower shall not (1) hold itself out as being liable for the debts of any other Person, (2) act other than in its Company name and through its duly authorized officers, directors or agents, (3) engage in any joint activity or transaction of any kind (except as otherwise permitted under the Loan Documents) with or for the benefit of any Affiliate including any loan to or from or guarantee of the indebtedness of any Affiliate, except payment of lawful distributions to its shareholders and except for the Loans, (4) except as permitted under the Management Agreement, commingle its funds or other assets with those of any other Person, (5) create, incur, assume, guarantee or in any manner become liable in respect of any indebtedness (except as permitted under **Section 9.1**) or (6) take any other action that would be inconsistent with maintaining the separate legal identity of the Borrower or engage in any other activity not contemplated by the Loan Documents and related documents.

8.16 **Finance Lease Payments**. The Borrower shall cause the Manager to instruct all Lessees under all Finance Leases to remit all payments under such Finance Leases to the Finance Lease Proceeds Account.

9. NEGATIVE COVENANTS.

Borrower hereby covenants and agrees that, for so long as any Commitment remains outstanding, and until the Loans, together with interest, Fees and all other Obligations, are paid in full:

9.1 **Restrictions on Indebtedness.** The Borrower will not create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Indebtedness other than:

(a) Indebtedness to one or more Secured Parties arising under any of the Loan Documents;

(b) Manager Advances (as defined in the Management Agreement) subject to the limitations on Manager Advances set forth in the Management Agreement;

(c) endorsements for collection, deposit or negotiation and warranties of products or services, in each case incurred in the ordinary course of business; and

(d) purchase money indebtedness or obligations in connection with the acquisition of Owner Containers by Borrower; *provided* that such indebtedness or obligation (i) represents the vendor's or manufacturer's invoice price of such Owner Containers, (ii) does not exceed 100% of the vendor's or manufacturer's invoice price of the Owner Containers being purchased at the time of the incurrence of such indebtedness or obligations and (iii) is not overdue in accordance with its terms.

9.2 **Restrictions on Liens.** The Borrower will not create or incur or suffer to be created or incurred or to exist any Lien upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom, except:

(a) Liens to secure taxes, assessments and other government charges in respect of obligations not overdue or that are being contested in good faith by appropriate proceedings that are not reasonably likely to result in any civil or criminal penalty to the Administrative Agent or any Lender and for the payment of which adequate reserves are maintained in accordance with GAAP;

(b) Liens of carriers, warehousemen, mechanics and materialmen, and other like Liens on properties, in existence less than 60 days after the Borrower or the Manager has knowledge thereof or that are being contested in good faith by appropriate proceedings that are not reasonably likely to result in any civil or criminal penalty to the Administrative Agent or the Lender and for the payment of which adequate reserves are maintained in accordance with GAAP;

(c) Liens in favor of any of the Secured Parties under the Loan Documents;

(d) Liens securing purchase money indebtedness or obligations permitted pursuant to **Section 9.1(d)**;

(e) rights of a Lessee in Owner Containers subject to the terms of a Lease;

(f) rights of the Manager under the Management Agreement; and

(g) Liens (i) in favor of banks on items in collection (and the documents related thereto) arising in the ordinary course of business of the Borrower under Article IV of the UCC or (ii) on deposit accounts or securities accounts (and the contents thereof), in favor of the financial institution at which such account is located, arising pursuant to such financial institution's standard terms and conditions governing such account.

9.3 **<u>Restrictions on Investments</u>.** The Borrower will not make or permit to exist or to remain outstanding any Investment except:

(a) Eligible Investments with respect to funds on deposit in the Trust Account and the Cash Reserve Account;

(b) Investments consisting of accounts receivable owing to the Borrower in the ordinary course of business and payable or dischargeable in accordance with customary terms;

(c) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with Lessees arising in the ordinary course of business; or

(d) Finance Leases originated or acquired by the Borrower in accordance with the terms of the Loan Documents.

9.4 **<u>Restricted Payments</u>.** The Borrower will not make any Restricted Payments if a Default or an Event of Default is then continuing or would result from such payment.

9.5 **<u>Merger, Consolidation and Disposition of Assets</u>.**

9.5.1 **<u>Mergers and Acquisitions</u>**. The Borrower will not become a party to any merger, amalgamation or consolidation, or agree to or effect any asset acquisition of a facility, division or line or business or acquisition of a majority of the Voting Stock of any Person.

9.5.2 **<u>Disposition of Assets</u>**. The Borrower will not become a party to or agree to or effect any sale, transfer, conveyance, lease or other disposition of any of its assets, other than that comply with the terms and limitations set forth in this Credit Agreement, the Management Agreement and the other Loan Documents; *provided that* this **Section 9.5.2** shall not restrict (a) the sale of Investments permitted pursuant to **Section 9.3**, (b) the sale of one or more Owner Container(s) subject to a Finance Lease to the related Lessee in accordance with the terms of such Finance Lease, (c) the sale of Owner Containers not subject to a Finance Lease to Persons that are not Sanctioned Persons made in the ordinary course of business (including any such sales resulting from the sell/repair decision of the Manager) so long as (i) no Asset Base Deficiency is then continuing or would result from such sale, and (ii) such sale is otherwise permitted pursuant to the terms of the Management Agreement and (d) sales of Owner Containers in connection with repurchases or substitutions to effect compliance with the representations and warranties made by a seller under a Container Sale Agreement.

9.6 Sale and Leaseback. The Borrower will not enter into any arrangement, directly or indirectly, whereby the Borrower shall sell or transfer any property owned by it in order then or thereafter to lease back such property or lease other property that the Borrower intends to use for substantially the same purpose as the property being sold or transferred.

9.7 Compliance with Environmental Laws. The Borrower will not (a) use any Owner Container for the handling, processing, storage or disposal of Hazardous Substances, (b) otherwise use any Owner Container in any manner that would violate in any material respect any Environmental Law or bring such Owner Container (with respect to each of the foregoing **clauses (a)** and **(b)**), in material violation of any Environmental Law.

9.8 Employee Benefit Plans. The Borrower shall not do any of the following to the extent such act or failure to act would result individually or in the aggregate, after taking into account all other such acts or failures to act under this **Section 9.8**, in a Material Adverse Effect:

(a) engage in any nonexempt "prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Code which could result in a material liability for the Borrower; or

(b) fail to contribute to any Guaranteed Pension Plan to an extent which, or terminate any Guaranteed Pension Plan in a manner which, could result in the imposition of a lien or encumbrance on the assets of the Borrower pursuant to Section 302(f) or Section 4068 of ERISA; or

(c) amend any Guaranteed Pension Plan resulting in an increase in current liability for the Plan year such that the Borrower is required to post a security pursuant to Section 307 of ERISA;

(d) permit or take any action which would result in the aggregate benefit liabilities (with the meaning of Section 4001 of ERISA) of all Guaranteed Pension Plans exceeding the value of the aggregate assets of such Plans, disregarding for this purpose the benefit liabilities and assets of any such Plan with assets in excess of benefit liabilities; or

(e) permit or take any action which would contravene any Applicable Pension Legislation and would have a Material Adverse Effect.

9.9 Fiscal Year. The Borrower will not change the date of the end of its fiscal year from that set forth in **Section 8.7**.

9.10 Transactions with Affiliates. Except for the Loan Documents and except as expressly permitted under **Sections 9.1**, **9.2**, **9.3**, **9.4** and **9.5**, the Borrower will not engage in any transaction with any Affiliate, including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any such Affiliate or, to the knowledge of the Borrower, any corporation, partnership, trust or other entity in which any such Affiliate has a substantial interest or is an officer, director, trustee or partner, on terms more favorable to such Person than would have been obtainable on an arm's-length basis in the ordinary course of business.

9.11 Other Agreements. The Borrower will not enter into, or become a party to, any agreements or instruments other than (i) the Loan Documents and any other agreement(s) contemplated hereby or thereby or related hereto or thereto, (ii) any agreement(s) for disposition of the Owner Containers and Leases permitted by the terms of this Credit Agreement and made in accordance with all applicable provisions of the Management Agreement and (iii) any other documents contemplated by a Container Sale Agreement or the Management Agreement.

9.12 Charter Documents. The Borrower will not amend or modify its articles of association.

9.13 Capital Expenditures. The Borrower will not make any expenditure (by long-term or operating lease or otherwise) for capital assets (both realty and personalty), except for (a) acquisition or origination of Finance Leases and Owner Containers subject to Finance Leases or (b) capital improvements to the Owner Containers made in the ordinary course of its business and in accordance with the terms of the Management Agreement.

9.14 Permitted Activities; Compliance with Organizational Documents . The Borrower will not engage in any activity or enter into any transaction except as permitted under its organizational documents as in effect on the date on which this Credit Agreement is executed. The Borrower will observe all company, organizational and managerial procedures required by its organizational documents and applicable law.

9.15 Subsidiaries. The Borrower shall not create any Subsidiaries.

9.16 OFAC. The Borrower shall not in a manner which would violate OFAC Sanctions, (i) lease, consent to any sublease, or permit the use or carriage of any of the Owner Containers to or by any Person that is a Sanctioned Person, (ii) lease, sublease, use, or locate, or permit the lease, sublease, use, or location of any of the Owner Containers in any Sanctioned Country; or (iii) derive any of its assets or operating income from investments in, or transactions with, any Sanctioned Person or Sanctioned Country. If the Borrower obtains knowledge that any Owner Container is subleased to, or used by, a Sanctioned Person or located or used in a Sanctioned Country in a manner which would violate OFAC Sanctions, then the Borrower shall, within ten (10) Business Days after obtaining knowledge thereof, exclude such Owner Container from all calculations of the Asset Base for so long as such condition continues.

9.17 No Termination, Waivers or Amendments to Management Agreement.

9.17.1 The Borrower will not agree to any waiver of a default by the Manager under, or permit the amendment of, the Management Agreement, that would materially and adversely affect the rights or interests of the Administrative Agent, the Lenders or any Interest Rate Hedge Provider.

9.17.2 The Borrower will not, without the prior written consent of the Administrative Agent (acting at the direction of the Majority Lenders), (i) consent to any voluntary termination by the Manager of the Management Agreement, or (ii) terminate the Manager under the Management Agreement.

9.18 Payables for Owner Containers. The Borrower shall not incur obligations to manufacturers or other third parties to purchase or otherwise acquire containers unless (i) all of the requirements set forth in Section 4.4(a) of the Management Agreement have been complied with in connection with such acquisition, and (ii) the Borrower has funds or committed financing available in an amount sufficient to pay for such amount.

9.19 Bank Accounts. Aside from the Trust Account, the Cash Reserve Account, the Expense Payment Account and the TWCL Distribution Account, the Borrower shall not establish any other bank accounts, trust accounts or other deposit accounts without prior written notice to, and the prior written consent of, the Administrative Agent (acting at the direction of the Majority Lenders), in each instance.

10. CLOSING CONDITIONS.

The obligation of each Lender to make its initial Loan hereunder is subject to the satisfaction of the following conditions (or the written waiver of such conditions by the Administrative Agent (acting at the direction of the Majority Lenders)):

10.1 Execution of Loan Documents. On or prior to the Closing Date, the following shall have been executed and delivered and shall be in full force and effect:

(a) this Credit Agreement,

(b) the Management Agreement,

(c) the Administrative Agent Fee Letter, and

(d) the Security Agreement.

10.2 Officer's Certificate. On the Closing Date, the Administrative Agent shall have received a certificate from the Borrower, dated the Closing Date and signed by an Authorized Officer of the Borrower, certifying that (i) all of the applicable conditions set forth in **Section 10** (other than such conditions as are expressly subject to the satisfaction of the Administrative Agent and/or the Majority Lenders), have been satisfied on such date, (ii) there exists no Default or Event of Default and (iii) all representations and warranties contained herein and in each other Loan Document are true and correct in all material respects with the same effect as though such representations and warranties were made on such date (except with respect to any representation or warranty which by its terms is made as of a specified earlier date).

10.3 Opinions of Counsel. On the Closing Date, the Administrative Agent shall have received from counsel to the Borrower, an opinion addressed to the Administrative Agent, each Lender and each Interest Rate Hedge Counterparty and dated the Closing Date, which opinion shall (x) cover the enforceability of the Loan Documents and the creation and perfection of the security interests and/or liens granted pursuant to the relevant Security Documents and such other matters incident to the transactions contemplated herein as the Administrative Agent may reasonably request and (y) be in form and substance reasonably satisfactory to the Administrative Agent (acting at the direction of the Majority Lenders).

10.4 Company Documents; Proceedings.

(a) On the Closing Date, the Administrative Agent shall have received from Borrower a certificate of the Borrower, signed on the Borrower's behalf by the secretary, any assistant secretary or other senior officer of the Borrower, attaching and certifying as to true and correct copies of the certificate of incorporation, memorandum of association, bye-laws or equivalent organizational documents of the Borrower and the resolutions of the board of directors of the Borrower referred to in such certificate, and all of the foregoing shall be reasonably satisfactory to the Majority Lenders.

(b) On the Closing Date, all instruments and agreements in connection with the transactions contemplated by this Credit Agreement and the other Documents shall be reasonably satisfactory in form and substance to the Majority Lenders, and the Administrative Agent shall have received all information and copies of all certificates, documents and papers, including good standing certificates, bring-down certificates and any other records of Company proceedings and governmental approvals, if any, which the Administrative Agent (acting at the direction of the Majority Lenders) reasonably may have requested in connection therewith, such documents and papers, where appropriate, to be certified by proper Company or governmental authorities.

10.5 Approvals. On or prior to the Closing Date, all necessary governmental (domestic and foreign), regulatory and material third party approvals and/or consents in connection with this Credit Agreement and the other Loan Documents shall have been obtained and remain in full force and effect and evidence thereof shall have been provided to the Administrative Agent; except for any such approval or consent the failure to obtain would not reasonably be expected to have a Material Adverse Effect. Additionally, on the

Closing Date, there shall not exist any judgment, order, injunction or other restraint issued or filed or a hearing seeking injunctive relief or other restraint pending or notified prohibiting or imposing materially adverse conditions upon, or materially delaying, or making economically unfeasible, the consummation of the making of the Loans or the other transactions contemplated by the Loan Documents or otherwise referred to herein or therein.

10.6 Lien Filings. On the Closing Date, Administrative Agent shall have received:

(a) proper financing statements (Form UCC-1 or the equivalent) for filing under the UCC or other appropriate filing offices of each jurisdiction (including Bermuda) as may be necessary or, in the reasonable opinion of the Majority Lenders desirable, to perfect the security interests purported to be created by the Security Agreement;

(b) certified copies of Requests for Information or Copies (Form UCC-11), or equivalent reports, each of a recent date, listing all effective financing statements that name the Borrower as debtor and that are filed in the jurisdictions referred to in **clause (i)** above (none of which shall cover any of the Collateral, except to the extent evidencing Permitted Liens or in respect of which the Administrative Agent shall have received termination statements (Form UCC-3) or such other termination statements as shall be required by local law fully executed (where required) for filing);

(c) evidence of the completion of (or adequate provision for) all other recordings and filings of, or with respect to, the Security Agreement as may be necessary or, in the reasonable opinion of the Majority Lenders desirable, to perfect the security interests intended to be created by the Security Agreement; and

(d) evidence that all other actions necessary or, in the reasonable opinion of the Majority Lenders desirable, to create, maintain, effect, perfect, preserve, maintain and protect the security interests purported to be created by the Security Agreement have been taken and the Security Agreement shall be in full force and effect.

10.7 Insurance Certificates; etc. On the Closing Date, the Administrative Agent shall have received evidence of insurance complying with the requirements of **Section 8.11** for the business and properties of the Borrower, in scope, form and substance reasonably satisfactory to the Majority Lenders and naming the Administrative Agent as an additional insured and/or loss payee, and stating that such insurance shall not be canceled or materially revised without at least 30 days' (or 10 days', in the case of cancellation for nonpayment of premium) prior written notice by the respective insurer to the Administrative Agent.

10.8 Payment of Fees. On the Closing Date, all costs, fees and expenses, and all other compensation due to the Administrative Agent and the Lenders (including, without limitation, reasonable and documented legal fees and expenses) shall have been paid to the extent then due.

11. CONDITIONS PRECEDENT TO ALL LOANS.

The obligation of each Lender to make Loans (including its initial Loan hereunder) is subject, on the Funding Date of each such Loan (except as hereinafter indicated), to the satisfaction of the following conditions:

11.1 Closing Date and Revolving Credit Period. The Closing Date shall have occurred and the Revolving Credit Period shall be in effect.

11.2 No Default or Event of Default; Representations and Warranties. At the time of each such Loan and immediately after giving effect thereto (i) there shall exist no Default or Event of Default and (ii) all representations and warranties contained herein and in each other Loan Document shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on such Funding Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date).

11.3 **Loan Request.** At least three (3) LIBOR Business Days prior to such Funding Date, the Administrative Agent shall have received a Loan Request. Each Loan Request, and acceptance by the Borrower of the proceeds of any Loan, shall constitute a certification that on the applicable Funding Date (both immediately before and after giving effect to such Loan) all of the conditions precedent set forth in this **Section 11** (including without limitation those set forth in **Section 11.2**) have been satisfied.

11.4 **Finance Leases.**

(a) The Borrower shall have delivered to the Administrative Agent, not less than three (3) LIBOR Business Days prior to the proposed Funding Date, (i) a copy of the fully executed Finance Lease that will be acquired or originated with the proceeds of such Loan, and (ii) the information set forth on **Schedules 2** and **3** hereto with respect to such Finance Lease and the Lessee thereunder.

(b) On such Funding Date such Finance Lease is (i) properly classified as an Eligible Finance Lease, and (ii) is either (x) in the form of an Approved Lease Form or (y) is in form and substance acceptable to the Administrative Agent in its sole discretion. In connection with any approval pursuant to **Section 11.4(b)(ii)(y)**, the Borrower (or the Manager on behalf of the Borrower) may submit a proposed Finance Lease to the Administrative Agent at any time. If the Administrative Agent does not reject in writing such proposed Finance Lease within ten (10) Business Days, then such proposed Finance Lease shall be deemed to be in form and substance acceptable to, and to have been approved by, the Administrative Agent for all purposes under the Loan Documents.

11.5 **Early Amortization Event.** No Early Amortization Event shall have occurred or would result from such Loan.

11.6 **No Asset Base Deficiency.** After giving effect to such Loan, no Asset Base Deficiency will exist.

11.7 **Bankruptcy Opinions.** On the first Funding Date on which a Finance Lease is acquired by the Borrower pursuant to the terms of a Container Sale Agreement, the Administrative Agent shall have received, an opinion letter (in form and substance satisfactory to the Administrative Agent) addressed to the Administrative Agent and each of the Lenders regarding "true sale" matters.

11.8 **Cash Reserve Amount.** The Borrower shall have complied with its obligations under **Section 3.3(b)**.

11.9 **Control Agreement; Perfection Opinion.** Prior to the initial Funding Date, the Control Agreement shall have been executed and delivered and shall be in full force and effect. In addition, the Administrative Agent shall have received from Canadian counsel to the Borrower, an opinion addressed to the Administrative Agent, each Lender and each Interest Rate Hedge Counterparty regarding perfection of the security interest in favor of the Collateral Agent, for the benefit of the Secured Parties, in each of the Trust Account, the Reserve Cash Account and the Expense Payment Account. Such opinion shall be in form and substances satisfactory to the Administrative Agent (acting at the direction of the Majority Lenders).

12. EVENTS OF DEFAULT; ACCELERATION; ETC.

12.1 Events of Default and Acceleration. Any of the following events shall constitute an "Event of Default":

(a) the Borrower shall fail to pay the then unpaid principal of the Loans when the same shall become due and payable, whether at the Maturity Date or any accelerated date of maturity or at any other date fixed for payment (other than failure to pay any Scheduled Principal Payment Amount described in **clause (a)** of the definition thereof, which is dealt with exclusively in **Section 12.1(c)**);

(b) the Borrower shall fail to pay (i) on any Payment Date any interest on the Loans or any Fees then due and payable, or (ii) other sums due hereunder or under any of the other Loan Documents, in each case, within three (3) Business Days of the date the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment (other than any failure to pay that is dealt with in **Section 12.1(a)** or any failure to pay any Scheduled Principal Payment Amount described in **clause (a)** of the definition thereof, which is dealt with exclusively in **Section 12.1(c)**);

(c) the Aggregate Loan Principal Balance exceeds the Asset Base on any Payment Date and the Borrower does not remedy such situation within ninety (90) days following the occurrence of such condition; provided, however, that if (x) such condition exists due to the occurrence of a Defaulted Finance Lease and (y) the Finance Lease Default Ratio is less than twenty percent (20%), the period to cure such condition shall be extended from ninety (90) days to two hundred ten (210) days;

(d) the Borrower shall breach any other covenant or agreement (not otherwise covered by this **Section 12.1**) of the Borrower set forth in this Credit Agreement or other Loan Document, which breach materially and adversely affects the Lenders and/or the Interest Rate Hedge Counterparties and which continues for a period of sixty (60) days after the earliest of (x) any Senior Designated Officer of the Borrower first acquiring knowledge thereof, (y) the Administrative Agent's giving written notice thereof to the Borrower, and (z) any Lender giving written notice thereof to the Borrower and the Administrative Agent; provided, that the Borrower shall have an additional 60-day cure period following the 60-day period described above if the Borrower is diligently attempting to cure any such default;

(e) any representation or warranty of the Borrower made in any other Loan Document shall prove to be incorrect in any material respect as of the time when the same shall have been made, which continues and, if capable of cure, which materially and adversely affects the Lenders and/or the Interest Rate Hedge Counterparties and the continuance of such condition for a period of thirty (30) days after the earliest of (i) any Senior Designated Officer of the Borrower first acquiring knowledge thereof, (ii) the Administrative Agent's giving written notice thereof to the Borrower, and (iii) any Lender giving written notice thereof to the Borrower and the Administrative Agent; provided, that the Borrower shall have an additional 30-day cure period following the 30-day period described above if the Borrower is diligently attempting to cure any such condition);

(f) all of the following shall have occurred (i) a Manager Default shall have occurred and shall have not been remedied, waived or cured, (ii) the Administrative Agent (acting at the direction of the Majority Lenders) shall have directed the Borrower in writing (with a copy to the Manager) to appoint a replacement manager for the Terminated Containers in accordance with the terms of the Management Agreement, and (iii) a replacement manager shall not have been appointed and assumed the management of all Terminated Containers pursuant to a management agreement reasonably acceptable to the Majority Lenders by the date which is 90 days after the date on which such Manager Default initially occurred;

(g)(i) the Borrower shall (A) make an assignment for the benefit of creditors, (B) admit in writing its inability to pay or generally fail to pay its debts as they mature or become due, (C) petition or apply for the appointment of a trustee or other custodian, liquidator or receiver of the Borrower or of any substantial part of the assets of the Borrower (D) commence any case or other proceeding relating to the Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or (E) take any action to authorize or in furtherance of any of the foregoing, or (ii) if any such petition or application shall be filed or any such case or other proceeding shall be commenced against the Borrower, (A) the Borrower shall indicate its approval thereof, consent thereto or acquiescence therein, or (B) such petition or application shall not have been dismissed within sixty (60) days following the filing thereof;

(h) a decree or order is entered (i) appointing any trustee, custodian, liquidator or receiver of the Borrower or adjudicating the Borrower bankrupt or insolvent, or (ii) approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of the Borrower in an involuntary case under any Insolvency Law as now or hereafter constituted;

(i) There shall remain in force, undischarged, unsatisfied and unstayed, for more than thirty (30) consecutive days, any final judgment against the Borrower not covered by insurance that, with other outstanding final judgments, undischarged, against the Borrower not covered by insurance exceeds in the aggregate $1,000,000;

(j) If (i) any of the Loan Documents shall be cancelled, terminated, revoked or rescinded or if the Liens on the Collateral shall cease to be perfected, or shall cease to have the priority contemplated by the Security Documents, in each case other than in accordance with the terms thereof or with the express prior written agreement, consent or approval of the Lenders, (ii) any action at law, suit or in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of the Borrower or any of its members or shareholders, or (iii) any court of competent jurisdiction or any other Governmental Authority of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof;

(k) the Borrower incurs any liability to the PBGC or a Guaranteed Pension Plan pursuant to Title IV of ERISA which would result in a Material Adverse Effect, or any of the following occurs with respect to a Guaranteed Pension Plan: (i) a “reportable event” as defined in Section 4043 of ERISA or the regulations issued thereunder (other than an event for which the 30 day notice period is waived), or a failure to make a required installment or other payment (within the meaning of Section 302(f)(1) of ERISA), provided, that the Administrative Agent determines in its reasonable discretion that such event could be expected to result in (i) a Material Adverse Effect on the Borrower; (ii) the appointment by a United States District Court of a trustee to administer such Guaranteed Pension Plan; or (iii) the institution by the PBGC of proceedings to terminate such Guaranteed Pension Plan; or

(l) the Borrower is required to register as an Investment Company under the Investment Company Act of 1940, as amended.

12.2 **<u>Remedies</u>.** (a) **<u>Acceleration</u>**. Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent may, and, upon the request of the Majority Lenders, shall, by notice in writing to the Borrower (with a copy to each Interest Rate Hedge Counterparty) declare all amounts owing with respect to this Credit Agreement and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; provided, that in the event of any Event of Default specified in **Section 12.1(g)** or **(h)**, all such amounts shall become immediately due and payable automatically and without any requirement of notice from the Administrative Agent or any Lender.

(b) **<u>Termination of Commitments</u>**. If an Event of Default specified in **Section 12.1(g)** or **(h)** shall occur, the Commitments shall forthwith terminate and each of the Lenders shall be relieved of all further obligations to make Loans to the Borrower. If any other Event of Default shall have occurred and be continuing, the Administrative Agent may, and, upon the request of the Majority Lenders, shall, by notice to the Borrower, terminate the Commitments hereunder, and upon such notice being given the Commitments hereunder shall terminate immediately and each of the Lenders shall be relieved of all further obligations to make Loans. No termination of the Commitments hereunder shall relieve the Borrower of any of the Obligations.

(c) **Remedies**. In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not the Administrative Agent (acting at the direction of the Majority Lenders) shall have accelerated the maturity of the Loans pursuant to **Section 12.2(a)**, the Administrative Agent may, and, upon the direction of the Majority Lenders, shall proceed to protect and enforce on behalf of the Secured Parties rights by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Credit Agreement and the other Loan Documents, including, as permitted by applicable law, the obtaining of the ex part appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right.

(d) **Generally**. No remedy herein conferred upon the Administrative Agent (acting for the benefit of the Secured Parties) is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law.

12.3 Distribution of Collateral Proceeds. In the event that, following the occurrence or during the continuance of any Event of Default, the Administrative Agent or any Lender, as the case may be, receives any monies in connection with the enforcement of any of the Security Documents, or otherwise with respect to the realization upon any of the Collateral, such monies shall be distributed for application as follows:

(a) First, to the payment of, or (as the case may be) the reimbursement of the Administrative Agent for, or in respect of, all reasonable costs, expenses, disbursements and losses which shall have been incurred or sustained by the Administrative Agent in connection with the collection of such monies by the Administrative Agent, for the exercise, protection or enforcement by the Administrative Agent of all or any of the rights, remedies, powers and privileges of the Administrative Agent under this Credit Agreement or any of the other Loan Documents or in respect of the Collateral;

(b) Second, to the Persons in the amounts and relative priority set forth in **clauses (i)** through **(xi)** inclusive of **Section 3.2(b)**;

(c) Third, upon payment and satisfaction in full or other provisions for payment in full satisfactory to the Lenders and the Administrative Agent of all of the Obligations, to the payment of any obligations required to be paid pursuant to Section 9-608(a)(1)(C) or 9 615(a)(3) of the UCC of the State of New York; and

(d) Fourth, the excess, if any, shall be returned to the Borrower or to such other Persons as are entitled thereto.

12.4 Quiet Enjoyment. The Liens under the Security Documents on the Owner Containers and related Leases are subject to the right to the quiet enjoyment of the related Owner Containers by the applicable Lessee, so long as no “event of default” has occurred and is continuing under the applicable Lease. The Lenders and the Administrative Agent shall not take or cause to be taken any action contrary to such right of quiet enjoyment.

13. <u>ADMINISTRATIVE AGENT</u>.

13.1 <u>Appointment and Authority</u>. Each of the Lenders hereby irrevocably appoints Wells Fargo Securities LLC to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents, and as collateral agent under the Security Agreement, and authorizes the Administrative Agent to enter into the Loan Documents on behalf of the Lenders take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this **Section 13.1** are solely for the benefit of the Administrative Agent and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions.

13.2 <u>Rights as a Lender</u>. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any of its Affiliates as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

13.3 <u>Exculpatory Provisions</u>. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in **Sections 15.12** and **12.2(a)** or **(b)**) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Credit Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Credit Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in **Section 11** or **12** or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

13.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

13.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through its respective Related Parties. The exculpatory provisions of this **Section 13** shall apply to any such sub agent and to the Related Parties of the Administrative Agent and any such sub agent, and shall apply to its respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

13.6 Resignation of Administrative Agent. The Administrative Agent may at any time give notice of its resignation to each Lender, each Interest Rate Hedge Counterparty and the Borrower. Upon receipt of any such notice of resignation, the Majority Lenders shall have the right, with the consent of the Borrower, to appoint a successor. If no such successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Majority Lenders appoint a successor Administrative Agent as provided for above in this **Section 13.6**. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this **Section 13.6**). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this **Section 13.6** and **Section 15.3** shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

In the event that (i) the Administrative Agent, whether in its capacity as the Administrative Agent or a Lender, does not consent (or fails to respond) to a proposed amendment, modification or waiver to any provision of this Credit Agreement or any other Loan Document requested by the Borrower and (ii) such proposed amendment, modification or waiver has been approved by the Majority Lenders, the Borrower may, upon (x) delivery of written notice thereof to the Administrative Agent, and (y) receipt by the Administrative Agent of the amount calculated in accordance with **Section 15.14** in connection with a transfer of the Loans by the Administrative Agent, require that the Administrative Agent promptly resign from such position, such resignation, and the appointment of a successor Administrative Agent to be consummated in accordance with the first paragraph of this **Section 13.6**.

13.7 **Non-Reliance on Administrative Agent and Other Lenders .** Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Credit Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Credit Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

13.8 **Administrative Agent May File Proofs of Claim .** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel) and all other amounts due the Lenders and the Administrative Agent under **Sections 5.1** and **15.3** allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under **Sections 5.1** and **15.3**.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

13.9 Collateral Matters.

(a) Each Lender hereby designates Wells Fargo Securities LLC as Collateral Agent under the Security Agreement and the other Security Documents, and each Interest Rate Hedge Counterparty in accepting the benefits available to it under the Security Documents is hereby deemed to consent to the appointment of Wells Fargo Securities LLC as Collateral Agent. All of the indemnifications, protections or other rights under the provisions of this **Section 13** applicable to the Administrative Agent shall be equally applicable to the Person acting as the Collateral Agent.

(b) The Secured Parties irrevocably authorize the Administrative Agent and/or the Collateral Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to **Section 15.12**, if approved, authorized or ratified in writing by the Majority Lenders;

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Permitted Lien; and

(iii) to take the actions with respect to the Collateral as are set forth in the Security Documents.

(c) The Secured Parties hereby agree that the Security Documents may be enforced only by the Administrative Agent or the Collateral Agent and that no Secured Party shall have any right individually to seek to enforce or to enforce the Security Documents to realize upon the security to be granted thereby, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent and/or the Collateral Agent upon the terms of this Credit Agreement and the Security Documents.

(d) Upon request by the Administrative Agent at any time, the Majority Lenders and each Interest Rate Hedge Counterparty will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property.

13.10 Delivery of Documents. The Administrative Agent shall promptly forward to a Person the original or a copy of any document which is delivered to the Administrative Agent for such Person by any other Person.

14. SUCCESSORS AND ASSIGNS.

14.1 General Conditions. The provisions of this Credit Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (a) to an Eligible Assignee in accordance with the provisions of **Section 14.2**, (b) by way of participation in accordance with the provisions of **Section 14.4**, or (c) by way of pledge or assignment of a security interest subject to the restrictions of **Section 14.7** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Credit Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in **Section 14.4** and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Credit Agreement or any of the other Loan Documents.

14.2 **Assignments.** Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Credit Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided that*:

(a) except in the cases of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it, or of an assignment to a Lender, an Affiliate of a Lender (other than the Borrower) or an Approved Fund, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder), or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan of the assigning Lender subject to each such assignment (determined as of the date on which the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower, otherwise consent (each such consent not to be unreasonably withheld or delayed);

(b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Credit Agreement with respect to the Loan or the Commitment assigned;

(c) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to **Section 14.3**, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Credit Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Credit Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Credit Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Credit Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of (i) **Sections 5.2**, **5.5** and **5.6**, with respect to facts and circumstances occurring prior to the effective date of such assignment and (ii) **Section 15.3** notwithstanding such assignment. Any assignment or transfer by a Lender of rights or obligations under this Credit Agreement that does not comply with this **Section 14.2** shall be null and void.

14.3 **Register.** The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). In addition, Administrative Agent will maintain on the Register information regarding the designation, and revocation of designation, of any Lender as a Defaulting Lender. The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Credit Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

14.4 **Participations.** Any Lender may at any time sell participations to any Person (other than a natural person, the Borrower, TL or any Affiliate of TL) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Credit Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (a) such Lender's obligations under this Credit Agreement shall remain unchanged, (b) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Credit Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Credit Agreement and to approve any amendment, modification or waiver of any provision of this Credit Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver of the type described in **Section 15.12(a)** or **(b)**, that in each case, affects such Participant. Subject to the last paragraph of this **Section 14.4**, the Borrower agrees that each Participant shall be entitled to the benefits of **Sections 5.2**, **5.5** and **5.6** to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to **Section 14.2**. To the extent permitted by law, each Participant also shall be entitled to the benefits of **Section 15.1** as though it were a Lender, provided such Participant agrees to be subject to **Section 15.1** as though it were a Lender.

A Participant shall not be entitled to receive any greater payment under **Sections 5.2.2** and **5.6** than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent (not to be unreasonably withheld or delayed).

14.5 <u>Certain Pledges</u>. A Lender may at any time grant a security interest in all or any portion of its rights under this Credit Agreement to secure obligations of such Lender, including without limitation (a) any pledge or assignment to secure obligations to any of the twelve Federal Reserve Banks organized under §4 of the Federal Reserve Act, 12 U.S.C. §341 and (b) with respect to any Lender that is a Fund, to any lender or any trustee for, or any other representative of, holders of obligations owed or securities issued by such Fund as security for such obligations or securities or any institutional custodian for such Fund or for such lender; provided that no such grant shall release such Lender from any of its obligations hereunder or substitute any such secured party for such Lender as a party hereto.

15. PROVISIONS OF GENERAL APPLICATIONS

15.1 <u>Setoff</u>. Borrower hereby grants to the Administrative Agent and each Lender and Interest Rate Hedge Counterparty a continuing lien, security interest and right of setoff as security for all Obligations, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Administrative Agent, such Lender (or any Lender Affiliate) and such Interest Rate Hedge Counterparty and their successors and assigns or in transit to any of them. Regardless of the adequacy of any collateral, if any of the Obligations are due and payable and have not been paid or any Event of Default shall have occurred, any deposits or other sums credited by or due from any such Secured Party to the Borrower and any securities or other property of the Borrower in the possession of such Secured Party may be applied to or set off by such Lender against the payment of Obligations, subject to **Section 4.4**; *provided, that* in the event that any Defaulting Lender will exercise any such right of setoff, (a) all amounts so set off will be paid over immediately to Administrative Agent for further application in accordance with the provisions of **Section 15.13** and, pending such payment, will be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Administrative Agent and the other Lenders, and (b) the Defaulting Lender will provide promptly to Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. ANY AND ALL RIGHTS TO REQUIRE ANY SECURED PARTY TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

15.2 <u>Expenses</u>. The Borrower agrees to pay (a) the reasonable costs of the Administrative Agent and its Affiliates, including without limitation the reasonable fees, expenses and disbursements of counsel to the Administrative Agent, incurred in connection with the preparation, syndication, administration or interpretation of the Loan Documents and other instruments mentioned herein, any amendments, modifications, approvals, consents or waivers hereto or hereunder requested by the Borrower, or the cancellation of any Loan Document upon payment in full in cash of all of the Obligations or pursuant to any terms of such Loan Document for providing for such cancellation, (b) the cost and expenses of inspections and visits to be paid by the Borrower pursuant to **Section 8.2** hereof, (c) all reasonable out-of-pocket expenses (including without limitation reasonable attorneys' fees and costs and reasonable consulting, accounting, appraisal, commercial finance examination, investment banking and similar professional fees and charges) incurred by any Lender or the Administrative Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against the Borrower after the occurrence of an Event of Default and (ii) any litigation, proceeding or dispute whether arising hereunder or otherwise, in any way related to any Lender's or the Administrative Agent's role as a Lender or Administrative Agent and (d) all reasonable fees, expenses and disbursements of the Administrative Agent incurred in connection with UCC searches or UCC or other lien filings relating to the Loan Documents. The covenants contained in this **Section 15.2** shall survive payment or satisfaction in full of all other Obligations.

15.3 Indemnification. The Borrower agrees to indemnify and hold harmless the Administrative Agent, its Affiliates (other than the Borrower), its sub-agents, each Lender, and each Related Party of any of the foregoing (each, an "Indemnified Party") from and against any and all claims, actions and suits whether groundless or otherwise, and from and against any and all liabilities, losses, damages and related expenses of every nature and character, other than taxes (collectively, "Claims"), arising out of this Credit Agreement or any of the other Loan Documents, the performance by the respective parties of their obligations hereunder or thereunder, or the consummation of the transactions contemplated hereby including, without limitation, (a) any actual or proposed use by the Borrower of the proceeds of any of the Loans, (b) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort, or any other theory, and regardless of whether any Indemnified Party is a party thereto, (c) any civil penalty or fine assessed by OFAC against, and all reasonable costs and expenses (including reasonable counsel fees and disbursements) incurred in connection with defense thereof by, the Administrative Agent or any Lender as a result of conduct of the Borrower that violates a sanction enforced by OFAC or (d) with respect to the Borrower and its properties and assets, the violation of any Environmental Law, the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release or threatened release of any Hazardous Substances or any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Substances (including, but not limited to, claims with respect to wrongful death, personal injury or damage to property), in each case including, without limitation, the reasonable fees and disbursements of counsel incurred in connection with any such investigation, litigation or other proceeding; provided, however, the Borrower shall not be responsible for any Claims under this **Section 15.3** to the extent (i) caused by such Indemnified Party's own gross negligence or willful misconduct or (ii) brought by (x) any Indemnified Party against another Indemnified Party or (y) the Borrower, TL or any Affiliate of TL against any Indemnified Party. In litigation, or the preparation therefor, the Lenders and the Administrative Agent and its affiliates shall be entitled to select their own counsel. To the extent that the respective interests of the Lenders and the Administrative Agent in such litigation do not, and reasonably could not be expected to, conflict (such determination of existing or potential conflict to be made by the Lenders and the Administrative Agent using their reasonable good faith judgment), the Lenders and the Administrative Agent shall use common counsel in connection with such litigation and the preparation therefor. If, and to the extent that the obligations of the Borrower under this **Section 15.3** are unenforceable for any reason, the Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law. The covenants contained in this **Section 15.3** shall survive payment or satisfaction in full of all other Obligations.

15.4 Treatment of Certain Confidential Information.

15.4.1 Confidentiality. Each of the Lenders and the Administrative Agent agrees, on behalf of itself and each of its Affiliates, directors, officers, employees and representatives (each, a "Recipient"), to use reasonable precautions to keep confidential, in accordance with their customary procedures for handling confidential information of the same nature and in accordance with safe and sound banking practices, any information supplied to it by, or on behalf of, the Borrower, TL or any Affiliate of TL in connection with any Loan Document (collectively, "Information"); *provided that* nothing herein shall limit the disclosure of any Information (a) (i) after such Information shall have become public other than through a violation of this **Section 15.4**, or (ii) becomes available to any of the Lenders or the Administrative Agent from a source other than the Borrower, TL or any Affiliate of TL and, to such Recipient's knowledge, not in breach of any obligation of confidentiality, (b) to the extent required by statute, rule, regulation or judicial process (provided that, unless prohibited by applicable law, such Recipient shall provide to Borrower prompt notice of any such requirement so that Borrower may, at its sole expense, seek a protective order or take other appropriate legal action), (c) to counsel for any of the Lenders or the Administrative Agent, or to auditors or accountants who are under an obligation to keep such Information confidential, (d) to bank examiners or any other regulatory authority having jurisdiction over any Lender or the Administrative Agent, (e) to any party hereto, (f) in connection with the enforcement of rights or remedies hereunder or under any other Loan Document, (g) to a Lender Affiliate or an Affiliate of the Administrative Agent (so long as such Person agrees to be bound by the provisions of this **Section 15.4**) who has a need to know the Information for purposes of evaluating or administering the Loan Documents or the Obligations, (h) to any actual or prospective assignee or participant that is not a Competitor, or any actual or prospective Interest Rate Hedge Counterparty that is not a Competitor, or its advisors (so long as such Person agrees to be bound by the provisions of this **Section 15.4**) who has a need to know the Information for purposes of evaluating or administering the Loan Documents or the Obligations or (i) with the prior written consent of the Borrower. Each Recipient agrees not to use any Information for any purpose or in any manner other that evaluating the performance of the Borrower under the Loan Documents and enforcing the rights, remedies and obligations hereunder and under the other Loan Documents. Without the prior written consent of the Borrower, no Recipient shall be permitted to refer to the Borrower, TL or any Affiliate of TL in connection with any advertising, promotion or marketing undertaken by such Recipient.

15.5 Survival of Covenants, etc. All covenants, agreements, representations and warranties made herein, in any of the other Loan Documents or in any documents or other papers delivered by or on behalf of the Borrower pursuant hereto shall be deemed to have been relied upon by the Lenders and the Administrative Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by the Lenders of any Loans as herein contemplated, and shall continue in full force and effect so long as any amount due under this Credit Agreement or any of the other Loan Documents remains outstanding or any Lender has any Commitment.

15.6 Notices. Except as otherwise expressly provided in this Credit Agreement, all notices and other communications made or required to be given pursuant to this Credit Agreement shall be in writing and shall be delivered in hand, mailed by United States registered or certified first class mail, postage prepaid, sent by overnight courier, or sent by facsimile or email as follows:

(a) if to the Borrower, at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda, with a copy to Textainer Equipment Management (U.S.) Limited, 650 California Street, 16th Floor, San Francisco, CA 94108; Facsimile: 415-434-0599; or at such other addresses for notice as the Borrower shall last have furnished in writing to the Person giving the notice;

(b) if to the Administrative Agent, at Wells Fargo Securities, LLC, 301 South College Street, MAC 010153-082, Charlotte, NC 28288, Attention: Jessica Gray, or such other address for notices as the Administrative Agent shall last have furnished in writing to the Person giving the notice;

(c) if to any Lender, at such Lender's address set forth on **Schedule 1** hereto, or such other address for notice as such Lender shall have last furnished in writing to the Person giving the notice; and

(d) if to any Interest Rate Hedge Counterparty, at the address set forth in the related Interest Rate Hedging Agreement.

Any such notice or demand shall be deemed to have been duly given or made and to have become effective (i) if delivered by hand, overnight courier, registered or certified first-class mail, postage prepaid, on the date of receipt thereof, and (ii) if delivered by electronic means, on the date when sent (provided that, if not given during the recipient's normal business hours, it will be deemed to have been given on the following Business Day).

15.7 **Governing Law; Jurisdiction**. (a) This Credit Agreement and, except as otherwise specifically provided therein, each of the other Loan Documents shall for all purposes be construed in accordance with and governed by the laws of the State of New York (including Sections 5-1401 and 5-1402 of the General Obligations Law but otherwise excluding the laws applicable to conflicts or choice of law).

(b) Borrower agrees that any suit for the enforcement of this Credit Agreement or any of the other Loan Documents may be brought in the courts of the State of New York or any Federal court sitting therein and consents to the nonexclusive jurisdiction of such court and service of process in any such suit being made upon the Borrower by mail at the address specified in **Section 15.6**. The Borrower hereby waives any objection that it may now or hereafter have to the venue of any such suit or any such court or that such suit is brought in an inconvenient court.

15.8 **Headings**. The captions in this Credit Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

15.9 **Counterparts**. This Credit Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Credit Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Delivery by facsimile or PDF file by any of the parties hereto of an executed counterpart hereof or of any amendment or waiver hereto shall be as effective as an original executed counterpart hereof or of such amendment or waiver and shall be considered a representation that an original executed counterpart hereof or such amendment or waiver, as the case may be, will be delivered.

15.10 **Entire Agreement, etc**. The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Credit Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in **Section 15.12**.

15.11 **Waiver of Jury Trial**. Each of the parties hereto hereby waives its rights to a jury trial with respect to any action or claim arising out of any dispute in connection with this Credit Agreement or any of the other Loan Documents, any rights or obligations hereunder or thereunder or the performance of such rights and obligations or any course of conduct, course of dealings, statements (whether verbal or written) or actions of any party, including any course of conduct, course of dealings, statements or actions of the Administrative Agent or any Lender relating to the administration of the loans or enforcement of the Loan Documents and agrees that it will not seek to consolidate any such action with any other action in which a jury trial cannot be or has not been waived. Except as prohibited by law, Borrower hereby waives any right it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Borrower (a) certifies that no representative, agent or attorney of any Lender or the Administrative Agent has represented, expressly or otherwise, that the Administrative Agent would not, in the event of litigation, seek to enforce the foregoing waivers and (b) acknowledges that the Administrative Agent and the Lenders have been induced to enter into this Credit Agreement and the other Loan Documents to which it is a party by, among other things, the waivers and certifications contained herein.

15.12 **Consents, Amendments, Waivers, Etc**. Any consent or approval required or permitted by this Credit Agreement to be given by the Lenders may be given, and any term of this Credit Agreement, the other Loan Documents may be amended, and the performance or observance by the Borrower of any terms of this Credit Agreement, the other Loan Documents or the occurrence of any breach or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Borrower and the written consent of the Majority Lenders. Notwithstanding the foregoing, no amendment, modification or waiver shall:

(a) without the written consent of the Borrower and each Lender:

(i) reduce or forgive the principal amount of the Loans of such Lender, or reduce the rate of interest on the Loans of such Lender or the priority thereof or the amount of any Fees owing to such Lender (other than (A) interest on the Loans accruing pursuant to **Section 5.8** following the effective date of any waiver by the Majority Lenders of the Event of Default relating thereto and (B) waiver of the application of such default interest as contemplated by the parenthetical phrase in **clause (iii)** below);

(ii) increase the amount of such Lender's Commitment or extend the expiration date of such Lender's Commitment;

(iii) postpone or extend the Maturity Date or any other regularly scheduled dates for payments of principal of, or interest on, such Lender's Loans or any Fees or other amounts payable to such Lender (it being understood that (A) a waiver of the application of the default rate of interest pursuant to **Section 5.8**, and (B) any vote to rescind any acceleration made pursuant to **Section 12.2(a)** of amounts owing with respect to the Loans and other Obligations, shall require only the approval of the Majority Lenders);

(iv) other than as contemplated by **Section 13.9** or any transaction permitted by the terms of this Credit Agreement, release any of the Collateral (excluding, if the Borrower becomes a debtor under the Federal Bankruptcy Code or other applicable insolvency laws, the release of "cash collateral", as defined in Section 363(a) of the federal Bankruptcy Code or any analogous provision of any applicable insolvency law pursuant to a cash collateral stipulation with the debtor, which shall require only the approval of the Majority Lenders); or

(v) amend or waive this **Section 15.12** or the definition of "Majority Lenders";

(b) without the written consent of the Administrative Agent, amend or waive **Section 13** or any other provision applicable to the Administrative Agent; or

(c) without the consent of any affected Interest Rate Hedge Counterparty, reduce, delay, forgive or change the relative priority of any amounts owing to such Person in accordance with the terms hereof or modify any other provision of this Credit Agreement in a manner that could adversely affect such Interest Rate Hedge Counterparty.

Notwithstanding anything to the contrary herein, no Defaulting Lender will have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (1) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender, (2) the amount of principal and accrued fees and interest owing to any Defaulting Lender may not be reduced without the consent of such Lender, and (3) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders will require the consent of such Defaulting Lender.

No waiver shall extend to or affect any obligation not expressly waived therein, or impair any right consequent thereto. No course of dealing or delay or omission on the part of the Administrative Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Borrower shall entitle the Borrower to other or further notice or demand in similar or other circumstances.

15.13 Defaulting Lenders.

15.13.1 Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(a) Waivers and Amendments. That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement will be restricted as set forth in **Section 15.12**.

(b) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, and including any amounts made available to Administrative Agent by that Defaulting Lender pursuant to **Section 15.1**), will be applied at such time or times as may be determined by Administrative Agent as follows: FIRST, to the payment of any amounts owing by that Defaulting Lender to Administrative Agent hereunder; SECOND, as the Borrower may request (so long as no Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its Commitment Percentage thereof at a time when all of the conditions precedent set forth in **Sections 10** and **11** were satisfied with respect to such Loan, as determined by Administrative Agent; THIRD, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Credit Agreement; FOURTH, so long as no Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Credit Agreement; and FIFTH, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction provided that if (1) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its Commitment Percentage and (2) such Loans were made at a time when the conditions set forth in **Sections 10** and **11** were satisfied or waived, such payment will be applied solely to pay the Loans of all non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this **Section 15.13.1(b)** will be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees. That Defaulting Lender will not be entitled to receive any Commitment Fee pursuant to **Section 5.1** for any period during which that Lender is a Defaulting Lender (and the Borrower will not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

15.13.2 Defaulting Lender Cure. If (x) a Defaulted Lender shall have fully funded its Commitment Percentage of all Loans and other amounts it has previously failed to fund or (y) the Borrower and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be a Defaulting Lender, then the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans and funded to be held on a *pro rata* basis by the Lenders in accordance with their Commitment

Percentages, whereupon that Lender will cease to be a Defaulting Lender; *provided that* no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

15.14 Replacement of Lenders.

(a) In the event that any Lender (i) delivers a certificate requesting compensation pursuant to **Section 5.6**, (ii) delivers a notice described in **Section 5.4** or **5.5**, (iii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to **Section 5.2.2**, (iv) does not consent (or fails to respond) to a proposed amendment, modification or waiver to any provision of this Credit Agreement or any other Loan Document requested by the Borrower or (v) is a Defaulting Lender, the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in **Section 14.2**), all of its interests, rights and obligations under this Credit Agreement to an assignee that shall assume such assigned obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee specified in **Section 14.2**;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under **Section 5.7**) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under **Section 5.6** or payments required to be made pursuant to **Section 5.2.2**, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv) such assignment does not conflict with applicable laws.

In connection with any such replacement, if the replaced Lender does not execute and deliver to the Administrative Agent a duly completed Assignment and Acceptance reflecting such replacement within five Business Days of the date on which the replacement Lender executes and delivers such Assignment and Acceptance to the replaced Lender, then such replaced Lender shall be deemed to have executed and delivered such Assignment and Acceptance. A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

(b) If (i) any Lender shall request compensation under **Section 5.6**, (ii) any Lender delivers a notice described in **Section 5.4** or **5.5**, or (iii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to **Section 5.2.2**, then such Lender shall use reasonable efforts (which shall not require such Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden deemed by it to be significant) (x) to file any certificate or document reasonably requested in writing by the Borrower or (y) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under **Section 5.6**, enable it to withdraw its notice pursuant to **Section 5.4** or **5.5**, or would reduce amounts payable pursuant to **Section 5.2.2**, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such filing or assignment, delegation and transfer.

15.15 **Severability**. The provisions of this Credit Agreement are severable and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Credit Agreement in any jurisdiction. Without limiting the foregoing provisions of this **Section 15.15**, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders will be limited by Bankruptcy Laws, as determined in good faith by Administrative Agent then such provisions will be deemed to be in effect only to the extent not so limited.

15.16 **USA Patriot Act**. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act of 2005 (H.R. 3199) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Patriot Act.

15.17 **Third Party Beneficiary**. Each Interest Rate Hedge Counterparty shall be an express third party beneficiary with respect to the rights afforded to such Interest Rate Hedge Counterparty under this Credit Agreement and the other Loan Documents.

15.18 **Relationship of Administrative Agent and Borrower**. Notwithstanding that the Administrative Agent acknowledges that Borrower is an Affiliate of the Administrative Agent, the decisions of the Administrative Agent hereunder, including credit-related or any other type of decisions, consents, waivers, determinations or any other actions or courses of action to be made by the Administrative Agent shall be made without regard to any such affiliate relationship and shall be made by the Administrative Agent solely in its capacity as lender and/or Administrative Agent, in the exercise of its sole and absolute judgment and in fulfillment of its obligations as Administrative Agent for the Lenders hereunder, subject in each case to every law, rule, regulation or treaty, interpretation, guideline or directive or the application thereof by any Governmental Authority (whether or not having the force of law) applicable to the Administrative Agent in its capacity as such or as a Lender. In determining whether or not to reject a Finance Lease pursuant to **Section 11.4(b)(ii)(y)**, the Administrative Agent shall use its ordinary credit judgment and take into consideration only the factors that it would ordinarily consider in determining whether such Finance Lease is acceptable to it. For the avoidance of doubt, it will make its determination in the same manner it would have with respect to a similar funding request under similar circumstances made by a similarly situated borrower that is not an Affiliate of the Administrative Agent or the Lender.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have duly executed this Credit Agreement as of the date first set forth above.

TW CONTAINER LEASING, LTD., as Borrower

By: /S/ ROBERT D. PEDERSEN
Name:
Title:

By: /S/ ROBERT CAPPS
Name:
Title:

WELLS FARGO SECURITIES, LLC, as Administrative Agent

By: /S/ KEVIN C RYAN
Name:
Title:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Lender

By: /S/ ROBERT CAPPS
Name:
Title:

Exhibit A

FORM OF
ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance (the "Assignment and Acceptance") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (a) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (b) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (a) above (the rights and obligations sold and assigned pursuant to clauses (a) and (b) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by the Assignor.

1.	Assignor:	________________________
2.	Assignee:	________________________ Assignee is an Eligible Assignee
3.	Borrower:	TW CONTAINER LEASING, LTD
4.	Administrative Agent:	WELLS FARGO SECURITIES, LLC, as the Administrative Agent under the Credit Agreement
5.	Credit Agreement:	The Credit Agreement, dated as of August 5, 2011, among the Borrower, the lenders parties thereto, and Wells Fargo Securities, LLC, as Administrative Agent

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans1
$	$	%
$	$	%
$	$	%

Effective Date: _____________ ___, 20___ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: ______________________________
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ______________________________
Title:

Accepted:

WELLS FARGO SECURITIES, LLC, as Administrative Agent

By: ______________________________
Title:

[Consented to:]2

TW CONTAINER LEASING LTD

By: ______________________________
Title:]

1 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

2 So long as no Default or Event of Default has occurred or is continuing, the consent of the Borrower is required under §14.2 of the Credit Agreement for any assignment unless the assignment is to a Lender, an Affiliate of a Lender or an Approved Fund.

ANNEX 1

THE CREDIT AGREEMENT, DATED AS OF AUGUST 5, 2011, AMONG TW CONTAINER LEASING LTD, THE LENDERS PARTIES THERETO AND WELLS FARGO SECURITIES, LLC, AS ADMINISTRATIVE AGENT

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ACCEPTANCE

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it is not a Defaulting Lender and (iv) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, and (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 8.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

Exhibit D

FORM OF LOAN REQUEST

Date: _____________

To: Wells Fargo Securities LLC
301 South College Street
MAC 010153-082
Charlotte, NC 28288

Ladies and Gentlemen:

TW CONTAINER LEASING LTD, an exempted company with limited liability organized under the laws of Bermuda (the "Borrower"), submits this Loan Request in connection with Section 2.2 of the Credit Agreement, dated as of August 5, 2011 (as amended, modified, supplemented or restated from time to time, the "Credit Agreement", by and among the Borrower, the lenders from time to time party thereto (collectively the " Lenders"), and WELLS FARGO SECURITIES, LLC, as Administrative Agent. All capitalized terms used in this Loan Request shall have the meanings specified in the Credit Agreement unless otherwise defined herein.

We hereby represent, warrant and certify to you that (a) the proceeds specified herein shall be used in accordance with the provisions of the Credit Agreement, (b) the representations and warranties of the Borrower contained in the Credit Agreement and in each other Loan Document shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on the proposed Funding Date (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date and to the extent that such representations and warranties relate expressly to an earlier date), (c) the Borrower has performed and complied in all material respects with all of the terms and conditions contained in the Credit Agreement required to be performed or complied with by the Borrower prior to or at the time of the borrowing requested hereunder, and (d) at and as of the date hereof and after giving effect to the requested Loan, no Default, Event of Default, Asset Base Deficiency or Early Amortization Event shall have occurred or would result from the making of the Loan requested hereby.

In accordance with Section 2.2 of the Credit Agreement, the Borrower hereby requests a Loan under the Credit Agreement and that such Loan be allocated among the Lenders in accordance with Schedule A hereto and hereby sets forth below the required information relating to such Loan:

(i) the principal amount of the Loan requested is $___________,

(ii) the proposed Funding Date of such Loan is ___________,

(iii) the proceeds of such Loan will be used to fund the following Finance Lease:

____

____

In addition, the Borrower hereby requests that the proceeds of the Loan requested hereby be distributed in accordance with the wiring instructions set forth on the flow of funds attached as Schedule B hereto.

Very truly yours,

TW CONTAINER LEASING LTD

By: ______________________ [3]
Name:
Title: Officer

By: ______________________ [4]
Name:
Title: Officer

3 Textainer nominated officer
4 Wells nominated officer

Schedule A to Exhibit D

Lenders	Funding Amount

Exhibit E

FORM OF

PROMISSORY NOTE

$______________ ________, 20__

FOR VALUE RECEIVED, the undersigned TW CONTAINER LEASING, LTD., an exempted company with limited liability organized under the laws of Bermuda (the "Borrower"), hereby promises to pay to the order of [_____________________], a [__________] (the "Bank") at the Administrative Agent's office at 301 South College Street, NC0174, Charlotte, NC 28202-6000:

(a) on the Maturity Date the principal amount of [______ Million Dollars ($_______)] or, if less, the aggregate unpaid principal amount of all Loans advanced by the Bank to the Borrower pursuant to the Credit Agreement dated as of August 5, 2011 (as amended and in effect from time to time, the "Credit Agreement"), among the Borrower, the lenders from time to time the party hereto and the Administrative Agent;

(b) the principal outstanding hereunder from time to time at the times provided in the Credit Agreement; and

(c) interest on the principal balance hereof from time to time outstanding from the Closing Date through and including the Maturity Date at the times and at the rate provided in the Credit Agreement.

This Note evidences borrowings under and has been issued by the Borrower in accordance with the terms of the Credit Agreement. The Bank and any holder hereof is entitled to the benefits of and subject to the obligations contained in the Credit Agreement, the Security Documents and the other Loan Documents, and may enforce the agreements of the Borrower contained therein, and any holder hereof may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof. All capitalized terms used in this Note and not otherwise defined herein shall have the respective meanings set forth in the Credit Agreement.

The Borrower irrevocably authorizes the Bank to make or cause to be made, at or about the time of the Funding Date of any Loan or at the time of receipt of any payment of principal of this Note, an appropriate notation on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, reflecting the making of such Loan or (as the case may be) the receipt of such payment. The outstanding amount of the Loans set forth on the grid attached to this Note, or the continuation of such grid, or any other similar record, including computer records, maintained by the Bank with respect to any Loans shall be prima facie evidence (absent manifest error) of the principal amount thereof owing and unpaid to the Bank, but the failure to record, or any error in so recording, any such amount on any such grid, continuation or other record shall not limit or otherwise affect the obligation of the Borrower hereunder or under the Credit Agreement to make payments of principal of and interest on this Note when due.

The Borrower has the right in certain circumstances and the obligation under certain other circumstances to prepay the whole or part of the principal of this Note on the terms and conditions specified in the Credit Agreement.

If any one or more of the Events of Default shall occur, the entire unpaid principal amount of this Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

No delay or omission on the part of the Bank or any holder hereof in exercising any right hereunder shall operate as a waiver of such right or of any other rights of the Bank or such holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar or waiver of the same or any other right on any further occasion.

The Borrower and every endorser and guarantor of this Note or the obligation represented hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, and assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of collateral and to the addition or release of any other party or person primarily or secondarily liable.

THIS NOTE AND THE OBLIGATIONS OF THE BORROWER HEREUNDER ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SAID STATE OF NEW YORK INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAWS THEREOF BUT OTHERWISE WITHOUT REGARD TO THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW. The Borrower irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Note, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fully extent permitted by applicable law, in such Federal court. The Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Note shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Note against the Borrower or its properties in the courts of any jurisdiction.

IN WITNESS WHEREOF, the undersigned has caused this Note to be signed in its corporate name by its duly authorized officer as of the day and year first above written.

TW CONTAINER LEASING LTD

By: ______________________________
Name:
Title: Officer

By: ______________________________
Name:
Title: Officer

SCHEDULE 1

COMMITMENTS

Lender	Commitment	Commitment Percentage	Address
Wells Fargo Bank, National Association	$425,000,000	100%	301 South College Street, MAC 010153-082, Charlotte, NC 28288

Exhibit 4.28

EXECUTION VERSION

MEMBERS AGREEMENT

THIS MEMBERS AGREEMENT (this "**Members Agreement**"), dated as of August 5, 2011, is by and between Wells Fargo Container Corp. Ltd., an exempted company with limited liability incorporated under the laws of Bermuda (together with its successors and permitted assigns, " **WFCC**"), and Textainer Limited, an exempted company with limited liability incorporated under the laws of Bermuda (together with its successors and permitted assigns, "**TL**").

RECITALS

WHEREAS, on or about the date of this Members Agreement, WFCC and TL will form TW Container Leasing, Ltd., an exempted company incorporated under the laws of Bermuda with limited liability (together with its successors and permitted assigns, the " **Company**");

WHEREAS, WFCC and TL desire to set forth the general terms and conditions relating to the relationship of the Members with respect to their investment in the Company; and

WHEREAS, WFCC and TL may from time to time enter into one or more supplements to this Members Agreement setting forth such additional terms and conditions relating to (i) the investment by the Company in business opportunities or investments and (ii) specific management and operational obligations, rights or duties that shall be in effect with respect to such business or investment, and other items as shall be set forth therein.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 *Definitions*. For purposes of the Agreement, capitalized terms used in this Members Agreement without being defined in this Members Agreement shall have the meanings set forth in (i) the applicable Supplement and (ii) if not defined in a Supplement, in the Bye-Laws. In addition, the following terms shall have the following meanings:

"**Additional Operations Capital Contribution** ". This term shall have the meaning set forth in **Section 3.1**.

"**Agreement**". (i) At any time when no Supplement to this Members Agreement is in effect, this Members Agreement shall constitute the "Agreement"; and (ii) at any time when any Supplement to this Members Agreement is in effect, each such Supplement, together with this Members Agreement as incorporated therein, shall constitute a separate and independent "Agreement" (*provided that*, in the event of a conflict, the terms of the Supplement shall govern over the terms of this Members Agreement with respect to the terms of the Agreement formed by such Supplement and this Members Agreement).

"**Anti-Corruption Policy**". The anti-corruption policy of the Company, as in effect from time to time.

"**Bankruptcy Proceeding or Action** ". A voluntary or involuntary Proceeding under any applicable bankruptcy, winding up, insolvency, reorganization, debt arrangement, dissolution or other similar law for the relief of debtors now or hereafter in effect in any relevant jurisdiction, or the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or the like, for the Company or any substantial part of its property, or the making of any general assignment for the benefit of creditors, or the admission of the Company in writing of its inability to pay its debts generally as they become due, including but not limited to any Bankruptcy Event (as such term is defined in the Credit Agreement).

“**Business Day**”. Any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in New York, New York, USA or Hamilton, Bermuda are authorized or required by law to be closed.

“**Business Line Entity**”. Each Subsidiary of the Company in which a Line of Business is conducted (unless a Line of Business is conducted by the Company directly).

“**Bye-Laws**”. The bye-laws of the Company, adopted on August 5, 2011, as such bye-laws may be amended, restated or otherwise modified from time to time.

“**Capital Contribution**”. Any contribution of cash or other property made by, or on behalf of, a Member to the Company, including without limitation all Additional Operations Capital Contributions and contributions of “Additional Contribution Amounts” to the Company pursuant to any Supplement.

“**Commitment Expiration Date**”. September 1, 2021.

“**Companies Act**”. The Companies Act 1981 of Bermuda as amended or superseded from time to time.

“**Company**”. This term shall have the meaning set forth in the Recitals to this Members Agreement.

“**Contribution Notice**”. This term shall have the meaning set forth in **Section 3.1**.

“**Dollars**”. This term and the sign “$” mean lawful money of the United States.

“**Governmental Authority**”. Any of the following: (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.

“**Line of Business**”. Each separate line of business or investment opportunity in which the Company may engage from time to time either directly or through a Business Line Entity.

“**Management Agreement**”. The Management Agreement, dated as of August 5, 2011, by and between the Manager and the Company, and as further amended, restated, supplemented or otherwise modified from time to time in accordance with its terms.

“**Manager**”. The Person performing the duties of the Manager under the Management Agreement; initially, TEML.

“**Member**”. Each of WFCC, TL and their respective successors and permitted assigns.

“**OFAC**”. The United States Department of the Treasury’s Office of Foreign Assets Control.

“**OFAC Sanctions**”. The laws, rules and regulations promulgated or administered by OFAC to implement U.S. sanctions programs, including any enabling legislation or Executive Order related thereto.

“**Person**”. An individual, a partnership, a company, a corporation, a limited liability company, a joint venture, an unincorporated association, a joint-stock company, a trust, or other entity of any kind, or any Governmental Authority.

“**Principal Terms**”. With respect to any Line of Business, each of the following: (i) if such Line of Business is to be conducted in a separate Business Line Entity, the name and ownership structure of such Business Line Entity, (ii) the name or designation of such Line of Business, (iii) the amount and terms of the initial monetary investment by the Members in such Business Line Entity (if any) and/or Line of Business, (iv) the amount, terms and conditions of any incremental investment by the Members in such Business Line Entity (if any) and/or Line of Business, (v) the terms and conditions on which such Line of Business will be discontinued, terminated and/or sold and the process to be utilized in such discontinuation, and (vi) any other terms of the investment in such Business Line Entity (if any) and/or Line of Business.

"**Proceeding**". 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.

"**Sanctioned Country**". A country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time.

"**Sanctioned Person**". Any of the following currently or in the future: (i) an individual, entity or vessel named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/eotffc/ofac/sdn/index.html and any entity in which such individual, entity or vessel owns, directly or indirectly, a fifty percent or greater interest, or (ii) (A) an agency or instrumentality of, or an entity owned and controlled by, the government of a Sanctioned Country, (B) an entity located in or organized under the laws of a Sanctioned Country, or (C) a national or permanent resident of, or a person located in, a Sanctioned Country, in the case of each of this **clause (ii)(A)** through **(C)**, to the extent that such agency, instrumentality, entity or person is subject to a sanctions program promulgated or administered by OFAC.

"**Securities Act**". The United States Securities Act of 1933, as amended from time to time.

"**Shares**". The twelve thousand (12,000) common shares of the Company, par value $1.00 per share as described in the Bye-laws.

"**Subsidiary**". With respect to each Person, any company, corporation, partnership, association, LLC, joint venture or other entity more than 50% of whose voting shares or membership interests is at the time owned by such Person directly or indirectly through one or more Subsidiaries.

"**Supplement**". Any supplement to this Members Agreement describing the Principal Terms of a Line of Business issued pursuant to **Section 1.3**.

"**TEML**". Textainer Equipment Management Limited, an exempted company with limited liability organized under the laws of Bermuda.

"**TL**". This term shall have the meaning set forth in the preamble to this Members Agreement.

"**WFCC**". This term shall have the meaning set forth in the preamble to this Members Agreement.

SECTION 1.2 *Line of Business*. The Members may from time to time cause the Company to engage, directly or through a Business Line Entity (if any), in one or more Lines of Business. The terms and conditions of such Line of Business shall be set forth in a separate Supplement executed by each of WFCC, TL and any other relevant Person. Each such Supplement shall set forth the Principal Terms and all other terms and conditions of each such Line of Business. In the event of any conflict between the terms of such Supplement and the terms of this Members Agreement, the terms of such Supplement shall control solely for the purposes of the Agreement with respect to the related Line of Business.

SECTION 1.3 *Issuance of Supplement*. On or before the commencement of any Line of Business, each of WFCC, TL and any other relevant Person will execute and deliver a Supplement which will specify the Principal Terms of the Line of Business. The terms of such Supplement may modify or amend the terms of this Members Agreement solely as applied to such Business Line Entity (if any) and Line of Business. The effectiveness of each Supplement is subject to the satisfaction of the following conditions:

(i) such Supplement shall set forth the Principal Terms of such Line of Business and shall have been executed and delivered by WFCC and TL;

(ii) the execution and delivery of such Supplement shall not result in a default under any other document to which the Company or any Business Line Entity (if any) is a party or by which their respective properties are bound;

(iii) such other conditions as shall be specified in the related Supplement; and

(iv) the Company shall have delivered to each of the Members an officer's certificate that all of the conditions specified in **clauses (i)** through **(iii) of this Section 1.3** have been satisfied.

ARTICLE II
INITIAL SUBSCRIPTION FOR SHARES

SECTION 2.1 *Share Subscriptions*. On the Closing Date, the Members shall cause the Company to issue (i) Nine Thousand (9,000) Shares to WFCC for a purchase price of Nine Thousand Dollars ($9,000) and (ii) Three Thousand (3,000) Shares to TL for a purchase price of Three Thousand Dollars ($3,000). The aggregate purchase price of such Shares shall equal the aggregate par value of such Shares.

ARTICLE III
ADDITIONAL OPERATIONS CAPITAL CONTRIBUTIONS

SECTION 3.1 *Capital Contributions for Operations of the Company*.

(a) Each of WFCC and TL hereby agrees, on a several basis, to make additional capital contributions to the Company solely to fund the ordinary and necessary organizational and operating expenses of the Company (each such capital contribution, an "**Additional Operations Capital Contribution**"). Such commitment to make Additional Operations Capital Contributions shall expire on the Commitment Expiration Date.

(b) Additional Operations Capital Contributions of each Member shall be made in accordance with the procedures set forth in **Section 3.2**.

SECTION 3.2 *Procedures for Additional Operations Capital Contributions*. The Manager shall promptly notify each of the Members in writing of the need for additional funds and the nature and amount of any expenditures to be paid therewith (a "**Contribution Notice**"). Subject to the conditions set forth in **Section 3.4**, within thirty (30) days of receipt of a Contribution Notice, each Member shall make an Additional Operations Capital Contribution in an amount equal to such Member's Sharing Ratio of the amount of the requested funds. The proceeds of such Additional Operations Capital Contributions shall be applied to the related expenditures specified in the Contribution Notice.

SECTION 3.3 *Status of Additional Operations Capital Contributions*. All Additional Operations Capital Contributions made by the Members to the Company pursuant to this **Article III** shall be "contributed surplus" within the meaning of Section 54(2) of the Companies Act.

SECTION 3.4 *Conditions to each Additional Operations Capital Contribution* . No Member shall be required to make an Additional Operations Capital Contribution unless:

(a) The representations and warranties of each Member are true and accurate in all material respects on the date of such Additional Operations Capital Contribution, with the same effect as though made on that date (unless specifically stated to relate to an earlier date); and

(b) On the date of such Additional Operations Capital Contribution, each of the Members shall have complied in all material respects with its covenants set forth in this Members Agreement.

ARTICLE IV
REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 4.1 *Representations and Warranties of Each Member*. As of the date hereof, each Member, on a several basis with respect to itself, warrants and represents to the other parties hereto that:

(a) Such Member is a company or other entity duly organized and validly existing in compliance under the laws of its jurisdiction of incorporation or organization, with full corporate or other power and authority to own and operate its properties and to conduct its business as presently conducted in all material respects and to enter into and perform its obligations under the Agreement and the transactions contemplated hereby.

(b) Such Member has the corporate or other power and authority to execute and deliver the Agreement and to carry out its terms. The execution, delivery and performance of the Agreement have been duly authorized by such Member by all necessary corporate or other action.

(c) The Agreement, when duly executed and delivered by the other parties hereto, constitutes a legal, valid, and binding obligation of such Member enforceable in accordance with its terms, subject as to enforceability to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) Such Member has acquired its Shares solely for its own account, for investment purposes only, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof as defined by the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; and such Member does not have any contract, undertaking, agreement or arrangement with any Person to sell, transfer, pledge or grant a participation in the Shares issued or to be issued to such Member to such person or to any third Person;

(e) No form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) has been or will be used by such Member or any of its representatives in connection with the offer and sale of any of the Shares (as those terms are used in Regulation D under the Securities Act to such Member);

(f) Such Member is an "accredited investor" as defined in Rule 501(a) of Regulation D of the Securities Act;

(g) Such Member is aware that the Shares are highly speculative and that there can be no assurance as to what return, if any, there may be;

(h) Such Member is aware of the Company's business affairs and financial condition; has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire its Shares or make the relevant Additional Operations Capital Contribution; and has received an opportunity to ask questions relating to the Company's business, legal and financial affairs and to obtain all additional information which such Member or its personal representative or professional adviser requested;

(i) Such Member understands that the Shares have not been registered under the Securities Act or any other applicable securities law by reason of specific exemptions therefrom, which exemptions may depend upon, among other matters, the bona fide nature of such Member's investment intent as expressed herein and the accuracy of such Member's representations set forth herein; such Member further understands that the Shares must be held indefinitely unless the Shares are subsequently registered under the Securities Act and qualified under any applicable securities law or are exempt from such registration and such qualification is available;

(j) Such Member has by reason of such Member's business or financial experience, the capacity to protect such Member's own interest in connection with the transactions contemplated by the Agreement;

(k) No Person has acted, directly or indirectly, as a broker or finder for such Member in connection with the transactions contemplated by the Agreement and no Person is entitled to any fee or commission or similar payment in respect thereof;

(l) Such Member is able to bear the economic risk of its investment;

(m) Such Members have complied with, and will comply with, all laws applicable to them or to the conduct of their business; and

(n) Such Member is not a Sanctioned Person and has not been convicted of, pleaded guilty to, or been charged with, any offense involving fraud, corruption, or bribery in any jurisdiction or country.

SECTION 4.2 *Covenants of the Members*. Each Member, on a several basis with respect to itself (unless specifically stated below to apply only to a single Member, in which case the applicable covenant shall only be made by such Member), covenants to the other parties hereto that:

(a) Such Member shall use its best efforts to cause the Company and each Business Line Entity (if any) to conduct its business as if it were a "U.S. Person" or a "Person Subject to the Jurisdiction of the United States", in each case, within the meaning of OFAC Sanctions.

(b) Such Member shall use its best efforts to cause the Company and each Business Line Entity (if any) not (i) to conduct its business in any manner that would violate the laws of the United States, (ii) to derive any of its assets or operating income from investments in or transactions with any Sanctioned Person or Sanctioned Country, unless otherwise authorized by OFAC Sanctions or by a license issued by OFAC, or (iii) to violate the provisions of the U.S. Comprehensive Iran Sanctions, Accountability, and Investment Act of 2010 ("**CISADA**").

(c) Such Member, by its execution of the Agreement, hereby instructs and grants to the Tax Matters Member a power of attorney, and such Member shall use its best efforts to cause the Company to grant to the Tax Matters Member a power of attorney, to make any U.S. Federal, state or local income tax election as may be required or appropriate to cause the Company to be classified as a "partnership" for U.S. Federal, state or local income tax purposes, or to maintain such classification, and none of the Company nor any Member shall make any election to the contrary.

(d) Such Member shall use its best efforts to cause the Company and each Business Line Entity (if any) not to engage in any activity, practice or conduct that would constitute a violation of the United States Foreign Corrupt Practices Act of 1977, as amended (" **FCPA**"), the UK Bribery Act 2010 or any other applicable anti-corruption laws. Specifically, such Member shall use its best efforts to cause the Company and each Business Line Entity (if any) not to provide, directly or indirectly, for the provision of any financial or other advantage, or anything of value, to any Person (including any governmental official or employee, political party or official of a political party, candidate for political office or anyone else acting in an official governmental capacity) to induce, secure or reward the improper performance of a duty or obligation to which such Person is subject, in violation of applicable law.

(e) Such Member shall comply with Anti-Corruption Policy of the Company in effect from time to time.

(f) Such Member shall comply with the regulatory compliance policies of the Company in effect from time to time.

(g) In the case of TL, such Member shall (i) use commercially reasonable efforts not to derive, in any fiscal year, more than ten percent (10%) and (ii) in no event derive, in any fiscal year, more than fifteen percent (15%)), in each case, in the aggregate of its assets or operating income from investments in or transactions with any Sanctioned Person or Sanctioned Country, in connection with activities performed outside of the scope of the Agreement, unless otherwise authorized by OFAC Sanctions or by a license issued by OFAC, provided that such activities are in full compliance with OFAC sanctions, as applicable to such Member.

(h) Such Member shall conduct its business in a manner that would not violate the laws of the United States or any other applicable jurisdiction.

ARTICLE V
ACCOUNTING AND RECORDS

SECTION 5.1 *Records*. Each Member shall use its best efforts to cause the Company and each Business Line Entity (if any) to maintain (or cause to be maintained on its behalf) the following records:

(a) Books and records of the Company concerning all Capital Contributions of each Member and distributions to each Member, which books and records shall be definitive and controlling. Each Member may record in its internal books and records the date and amount of each Capital Contribution and the amount of each distribution in respect of its Shares; *provided however* that any such record shall not be controlling or binding on the Company or the other Members and conversely any failure to make any recordation on such books and records or any error in such internal books and records shall not adversely affect each Member's rights under or in connection with the Agreement or its Shares or otherwise.

(b) A current list of the full name and last known business address of each Member, including the number and class of shares held by each Member and the dates when they became owners thereof.

(c) Copies of the Certificate of Incorporation, Memorandum of Association and Bye-laws of the Company and all amendments thereto that have been executed. Copies of the Memorandum of Association and Bye-Laws of the Company as in effect on the date hereof are attached as **Schedules 1** and **2**, respectively to this Members Agreement.

(d) Copies of all income tax returns and reports prepared and filed by the Company within the past seven years.

(e) Complete and accurate financial books and records with respect to the business of the Company.

ARTICLE VI
MISCELLANEOUS PROVISIONS

SECTION 6.1 *Term of Agreement*. The term of the Agreement shall extend until terminated by operation of law or by mutual agreement of each of the Company and the Members in their respective sole discretion. In the event of the termination of the Agreement, all of the representations and warranties of the parties, all provisions which by their express terms do not terminate, and any and all claims, actions or causes of action in existence prior to or as of the date of termination, each shall survive and not terminate.

SECTION 6.2 *Right to Terminate.* In the event that any Member breaches its obligations in **Section 4.2(d)**, **(e)** or **(f)**, then the non-breaching Member has the right to terminate the Agreement with immediate effect upon written notice to the other Member without penalty.

SECTION 6.3 *Express Consent of Members*. Notwithstanding any contrary provision of this Members Agreement, the execution and delivery of the Agreement by each Member to the other parties hereto hereby constitutes the express agreement and consent of such Member to be bound to contribute to the capital of or otherwise pay money to the Company, whether under the terms of the Agreement or under the Bye-Laws of the Company.

SECTION 6.4 *Memorandum of Association and Bye-Laws*. The parties agree that the Company's Memorandum of Association and Bye-Laws shall not be amended in any manner which is inconsistent with the terms of the Agreement. To the extent that any provision of the Agreement shall conflict with any provision of the Company's Memorandum of Association or Bye- Laws, the parties agree that the provisions of the Memorandum of Association or Bye-Laws shall control and shall amend the conflicting provision in the Agreement.

SECTION 6.5 *Amendments*. The parties hereto shall not amend or otherwise modify any provision of this Members Agreement, or grant any waiver or consent thereunder, unless such amendment, modification, waiver or consent is in writing and signed by each of the parties hereto.

SECTION 6.6 *Recapitalizations*. In the event that from time to time, there is a recapitalization or other reorganization or adjustment or substitution with respect to the Shares, then in such event any and all new, substituted or additional securities to which any Member is entitled by reason of its ownership of the Shares shall be immediately subject to the provisions of the Agreement and be included in the meaning of the term "Shares" for all purposes of the Agreement, with the same force and effect as the initial Shares subject to the Agreement.

SECTION 6.7 *No Waiver; Remedies*. Any waiver, consent or approval given by any party hereto (including any extension of time required for performance) shall be effective only in the specific instance and for the specific purpose for which given, and no waiver by a party of any breach or default under the Agreement shall be deemed a waiver of any other breach or default. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder, or any abandonment or discontinuation of steps to enforce the right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Except as specifically provided in the Agreement, no notice to or demand on any party hereto in any case shall entitle such party to any other or further notice or demand in the same, similar or other circumstances. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 6.8 *Entire Agreement.* The Agreement, including any exhibits, appendices and schedules attached to the applicable Supplement or this Members Agreement, contains a final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior or other contemporaneous agreements or statements and other writings with respect thereto. The Agreement shall be read and construed as one with the Bye-Laws, the provisions of which are hereby incorporated into the Agreement.

SECTION 6.9 *Notices*. All notices and other communications under the Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, sent by nationally recognized overnight courier or mailed by certified or registered U.S. mail, postage prepaid and return receipt requested, or transmitted by facsimile transmission and confirmed by a similar mailed writing to any party, in each case at the address and facsimile number for that party set forth (a) on the signature page to the Agreement or (b) to another address or facsimile number as that party may designate in writing for such purposes. Notice shall be effective upon receipt for all methods of notice other than the U.S. mail, and five (5) calendar days after the sending of notice by registered or certified U.S. mail hereunder.

SECTION 6.10 *Successors and Assigns; No Third-Party Beneficiaries*. Subject to any restrictions on transfers of Members' interests in the Company or the Agreement, the Agreement shall be binding upon, and inure to the benefit of, each Member and each of its successors and permitted assigns. Nothing expressed herein is intended or shall be construed to give any Person (other than the parties hereto or their respective successors and permitted assigns) any legal or equitable right, remedy or claim under or in respect of the Agreement.

SECTION 6.11 *Severability of Provisions*. Any covenant, provision, agreement or term of the Agreement that is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of the Agreement. In such event the parties hereto shall negotiate in good faith to modify the Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner.

SECTION 6.12 *Counterparts*. The Agreement may be executed in any number of counterparts (which may include facsimile) and by the different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

SECTION 6.13 *Governing Law*. The Agreement and all matters arising or relating to the Agreement shall be construed and governed in accordance with the laws of Bermuda, without regard to conflict of laws principles, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the laws of Bermuda.

SECTION 6.14 *Jurisdiction and Venue.* Any legal suit, action or other Proceeding against any party arising out of or relating to the Agreement, or any transaction contemplated hereby, may be instituted in any court in Bermuda and each party hereby waives any objection which such party may now or hereafter have to the laying of such venue for any such suit, action or Proceeding, and, solely for the purposes of enforcing the Agreement and resolving such disputes and controversies, each party hereby irrevocably submits to the jurisdiction of any such court in any such suit, action or Proceeding.

SECTION 6.15 *No Bankruptcy Proceeding or Action*. Without limiting any separate restrictions or covenants under any credit arrangements and related loan documents entered into by the Company, and in addition thereto, each of the Members covenants and agrees that it will not at any time, until one (1) year and one (1) day after all of the aggregate outstanding obligations under each and every such credit arrangement and related loan document (and as such obligations shall be defined therein) shall have been paid in full, institute against the Company or join any other Person in instituting against the Company any Bankruptcy Proceeding or Action. The foregoing shall not limit the right of any Member to file creditor claims in any such Bankruptcy Proceeding or Action if such Bankruptcy Proceeding or Action is instituted by any third party without the participation or involvement of such Member. This provision shall survive the termination of the Agreement.

SECTION 6.16 *Nature of the Agreement*. No Member nor the Company shall have any authority to bind any other Member or the Company, as the case may be, in any manner except for any authority of the Company to bind any or all of the Members as expressly provided for hereunder, and in the Bye-Laws. The obligations of the Members are several and no Member is responsible for any of the obligations of any other Member.

SECTION 6.17 *Reimbursements*. Each Member shall use its best efforts to cause the Company to reimburse each Member from the first available funds of the Company for all legal fees and costs incurred by such Member in connection with the drafting, negotiation, execution and delivery of the Agreement, the Bye-Laws, the Memorandum of Association and related agreements and documents.

SECTION 6.18 *Interpretation*. All titles and headings are used herein for convenience only and shall not be given any legal effect or used in interpreting or construing any of the terms of the Agreement. Unless otherwise indicated, all section references in this Members Agreement shall be to sections of this Members Agreement and all section references in any Supplement shall be to sections of such Supplement. Whenever in the Agreement the context requires, references to the singular shall be deemed to include the plural and the plural the singular and the masculine shall be deemed to include the feminine and the neuter and the feminine the masculine and the neuter and the neuter the masculine and the feminine. All computations hereunder shall be in Dollars. The language of the Agreement has been approved by the respective legal counsels for each of the parties. The language of the Agreement shall be construed as a whole according to its fair meaning, and no provisions of this Members Agreement or any Supplement or any exhibit or document related thereto shall be construed or interpreted for or against any party for any purpose because such party or its legal counsel drafted such provision or document.

SECTION 6.19 *Waiver of Jury Trial*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, AS AGAINST THE OTHER PARTY 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 THE AGREEMENT, INCLUDING IN RESPECT OF THE NEGOTIATION, ADMINISTRATION OR ENFORCEMENT OF THE AGREEMENT.

SECTION 6.20 *Further Assurances*. Each party hereto agrees to execute and deliver to the other parties such other documentation and to take or cause to be taken such other actions, as the other party may reasonably request for the purpose of carrying out the intent of the Agreement and the transactions contemplated by the Agreement.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Members Agreement to be duly executed by their duly authorized officers and delivered as of the day and year first above written.

TEXTAINER LIMITED
By Continental Management Limited, its Assistant Secretary

Date Signed: August 5, 2011

By /S/ PHILIP K. BREWER
Name:
Title:

Address:	c/o Century House 16 Par-la-Ville Road Hamilton HM HX, Bermuda
Attention:	Chief Financial Officer
Telephone:	(441) 292-2487
Facsimile:	(441) 295-4164
with copy to:	Textainer Equipment Management (U.S.) Limited 650 California Street, 16th floor San Francisco, CA 94108 U.S.A.
Attention:	Chief Financial Officer
Telephone:	(415) 434-0551
Facsimile:	(415) 434-0599

[Additional signatures to follow]

WELLS FARGO CONTAINER CORP. LTD.

Date Signed: August 5, 2011

By: /S/ JESSICA GRAY
Name:
Title:

Address: Canon's Court, 22 Victoria Street
Hamilton HM12
Bermuda

Attention:
Facsimile:

SUPPLEMENT NUMBER 1

TW CONTAINER LEASING, LTD.

CONTAINER EQUIPMENT FINANCING BUSINESS

THIS SUPPLEMENT NUMBER 1 (this "**Supplement**") TO THE MEMBERS AGREEMENT, dated as of August 5, 2011, is made by and between Wells Fargo Container Corp. Ltd., an exempted company with limited liability incorporated under the laws of Bermuda (together with its successors and permitted assigns, "**WFCC**"), and Textainer Limited, an exempted company with limited liability incorporated under the laws of Bermuda (together with its successors and permitted assigns, "**TL**").

INTRODUCTORY STATEMENT

WFCC and TL have entered into that certain Members Agreement, dated as of the date hereof (the " **Members Agreement**"), which sets forth the general terms and conditions relating to the relationship of the Members with respect to their investment in TW Container Leasing, Ltd., an exempted company with limited liability incorporated under the laws of Bermuda (together with its successors and permitted assigns, the " **Company**"), and restrictions on transfer of shares in the Company;

WFCC and TL have agreed to cause the Company to engage in a Line of Business consisting of the acquisition, ownership, management, leasing, financing and disposition of Owner Containers. WFCC and TL expect that each lessee under a finance lease will perform its obligations under such finance lease in accordance with the terms thereof, and that no Line of Business will include the purchase of defaulted leases. In connection therewith, WFCC and TL wish to enter into this Supplement to set forth additional terms and conditions relating to the making of additional Capital Contributions to the Company for use in the Line of Business applicable to this Supplement, and other items as are set forth herein. To the extent there is any conflict between the terms and provisions of the Members Agreement and the terms and provisions of this Supplement, the terms and provisions of this Supplement shall apply and any conflicting terms and provisions of the Members Agreement shall not be applicable with respect to the subject matter of this Supplement.

ARTICLE I
DEFINITIONS

SECTION 1.1 *Definitions*. For purposes of this Supplement (and, by virtue thereof, the Agreement), capitalized terms used in this Supplement without being defined in this Supplement shall have the meanings set forth in (i) the Members Agreement and (ii) if not defined in the Members Agreement, in the Bye-Laws or, if applicable, the Credit Agreement referred to below. In addition, the following terms shall have the following meanings:

"**Acquisition Date**". With respect to any Finance Lease, (i) the Funding Date with respect to such Finance Lease or (ii) if there is no such Funding Date because such Finance Lease is subject to an Origination Lease Default Condition, the date on which the Owner Containers that would have been subject to such Finance Lease are delivered by the applicable manufacturer or vendor thereof to the applicable Lessee.

"**Additional Contribution Amount**". This term shall have the meaning set forth in **Section 2.1(a)**.

"**Aggregate Original Equipment Cost**". As of any date of determination, an amount equal to the sum of the Original Equipment Cost of all Owner Containers then owned by the Company, including all Owner Containers then subject to a Finance Lease.

“**Approved Finance Lease Form**”. A form of Lease that shall have been approved for the leasing of Owner Containers by, or on behalf of, the Company.

“**Commitment**” shall mean for each Member with respect to the operations of the Line of Business applicable to this Supplement, the amount set forth opposite the name of such Member in **Schedule 4** to this Supplement. The amount of the Commitment shall be determined without regard to any distributions made by the Company to such Member.

“**Commitment Expiration Date**” September 1, 2021.

“**Credit Agreement**”. The Credit Agreement, dated as of August 5, 2011, among the Company, the lenders party thereto and Wells Fargo Securities, LLC, a Delaware limited liability company, as administrative agent for such lenders, as amended, restated, supplemented or otherwise modified, refinanced, renewed or replaced from time to time in accordance with the terms thereof.

“**Equipment Parameters**”. With respect to an Owner Container to be acquired by the Company, all of the criteria set forth on **Schedule 1** to this Supplement.

“**Expected Margin**”. For each Finance Lease of one or more Owner Containers to be originated by, or on behalf of the Company, an amount, determined by the Manager on or about the applicable Acquisition Date, equal to the excess of (i) the Gross Yield for such Finance Lease over (ii) an amount equal to the greater of (A) the fixed rate of interest per annum payable by the Company on the Interest Rate Hedging Agreement entered into by the Company in connection with such Finance Lease and (B) the applicable swap rate then used for purposes of calculating the return of the Members of the Company on such Finance Lease.

“**Gross Yield**”. For any Finance Lease of one or more Owner Containers to be originated by, or on behalf of the Company, the interest rate per annum used by the Manager in calculating the amount of the rent to be paid by the Lessee pursuant to the terms of such Finance Lease.

“**Origination Lease Default Condition**”. With respect to any Finance Lease, such Finance Lease has become a Defaulted Finance Lease between the date on which such Finance Lease is entered into and the date that would otherwise have been the Funding Date with respect to such Finance Lease.

“**Sharing Ratio**” This term shall mean, as of any date of determination with respect to the interest of each Member in the Company, the ratio of (i) the number of issued and outstanding shares in the Company owned by such Member, to (ii) the total number of issued and outstanding shares of the Company.

“**Total Contribution Amount**”. This term shall have the meaning set forth in **Section 2.1(a)**.

ARTICLE II
ADDITIONAL CAPITAL CONTRIBUTIONS

SECTION 2.1 *Capital Contributions for Purchase of Owner Containers*.

(a) Subject to **Sections 2.1(b)** and **2.3**, each of WFCC and TL commits, on a several basis, to fund on each Acquisition Date, additional Capital Contributions to the Company, in order to finance the Company’s origination of Finance Leases of Owner Containers, in an amount equal to the product of:

(i) such Member’s Sharing Ratio, and

(ii) an amount equal to the sum of (A) the sum of the Original Equipment Cost of such Owner Containers, *plus* (B) all fees payable with respect to the acquisition of such Owner Containers under the Management Agreement *less* (C) the principal amount of any Loan incurred or to be incurred by the Company in order to fund such Finance Leases (the amount set forth in this **clause (ii)** being referred to as the “**Total Contribution Amount**” and with the product of **clauses (i)** and **(ii)** for each Member being referred to as its “**Additional Contribution Amount**”);

provided, however, that in no event shall the Additional Contribution Amount of any Member, when aggregated with all other Capital Contributions made by such Member (including such Additional Contribution Amount), exceed the Commitment of such Member on such Acquisition Date; and *provided further,* that each Additional Contribution Amount of each Member shall be in a minimum amount equal to the lesser of (1) One Hundred Fifty Thousand Dollars ($150,000) and (2) the amount of the Commitment of such Member that has not already been funded as a Capital Contribution pursuant to the Agreement.

(b) Notwithstanding the foregoing, no Member shall have the right or obligation to make its Additional Contribution Amount:

(i) If the conditions precedent set forth in **Section 2.3** have not been satisfied or waived with respect to such Additional Contribution Amount;

(ii) If the Commitment Expiration Date shall have occurred;

(iii) If any other Member is not required to make its Additional Contribution Amount as a result of the provisos set forth in **Section 2.1(a)**, or fails to contribute all or any portion of its Additional Contribution Amount by such Acquisition Date.

(c) Notwithstanding any contrary provision of the Agreement or the Bye-Laws, in the event that any Member shall fail to contribute all or any portion of its Additional Contribution Amount as and when required hereunder (the "**Breaching Member**"), then:

(i) Each Member shall use its best efforts to cause the Company's Board of Directors, subject to the provisions of Section 54 of the Companies Act, to make a distribution to return the Additional Contribution Amount made by such other Members for such Acquisition Date. Subject to the provisions of Section 54 of the Companies Act, the Breaching Member waives any entitlement to receive any *pro rata* share of any such distribution, and the Members shall have no further right or obligation as Members to fund any Additional Contribution Amounts for such Acquisition Date;

(ii) The other Members shall have no other rights or remedies at law and/or in equity with respect to such failure of the Breaching Member to make the required contribution for such Acquisition Date; and

(iii) The Company also shall have no rights or remedies at law and/or in equity for such failure of the Breaching Member to contribute its Additional Contribution Amount for such Acquisition Date.

SECTION 2.2 *Procedures for Contributions of Additional Contribution Amounts*.

(a) The Members will cause the Company to cause the Manager to notify each of the Members in writing of each proposed origination of an Eligible Finance Lease (the "**Contribution Notice**"). Each notice shall refer to the Agreement and specify all of the following: (i) the number and aggregate Original Equipment Cost of, and the acquisition fee payable with respect to, the Owner Containers to be subject to such Eligible Finance Lease; (ii) the Total Contribution Amount for such acquisition, (iii) the amount and details concerning the computation of the Additional Contribution Amount for each Member, (iv) the Acquisition Date for such Eligible Finance Lease and (v) a copy of such Eligible Finance Lease and an estimate of the Gross Yield and Expected Margin on such Finance Lease.

(b) Payment of the Additional Contribution Amount shall be made to the Company by each Member by not later than 5:00 p.m. (Eastern Standard time) on the Acquisition Date.

SECTION 2.3 *Conditions to Contributions of Additional Contribution Amounts* . No Member shall be required to contribute any Additional Contribution Amount under **Section 2.1** of this Supplement on any Acquisition Date unless each of the following conditions shall be satisfied:

(a) The representations and warranties of the Members in **Article IV** of the Members Agreement and in **Article III** of this Supplement are true and accurate in all material respects as of such Acquisition Date with the same effect as though made on that date (unless specifically stated to relate to an earlier date);

(b) Each of the Members shall have complied in all material respects with its respective covenants in the Agreement;

(c) No Default, Event of Default or Early Amortization Event is then continuing;

(d) Each of the Owner Containers to be subject to a Finance Lease funded with the proceeds of such Additional Contribution Amount will be subject to an Eligible Finance Lease that has a remaining lease term (without giving effect to any renewal options) of not less than five (5) years;

(e) On such Acquisition Date, after giving effect to the origination of the Finance Lease (and the inclusion as "Owner Containers" of all Containers to be subject thereto) to be funded with such Additional Contribution Amount, the Administrative Agent shall have determined that all of the Equipment Parameters shall be complied with, and the corresponding Loan under the Credit Agreement shall have been funded;

(f) WFCC shall have received the following information with respect to the Lessee under such Finance Lease:

(i) the customer and third-party regulatory information with respect to such Lessee;

(ii) the Credit Underwriting Information set forth on **Schedule 1** to this Supplement; and

(iii) any information requested by WFCC in order to complete application of WFCC's customer and third-party screening procedures and/or the Anti-Corruption Policy in effect from time to time.

(g) WFCC shall have completed its application of WFCC's customer and third-party screening procedures and the Anti-Corruption Policy with respect to such Lessee and the results of such process shall be satisfactory to WFCC, in its sole and absolute discretion;

(h) The Company shall have entered into an Interest Rate Hedging Agreement with an Eligible Interest Rate Hedge Counterparty with respect to the related Finance Lease. The notional balance of such Interest Rate Hedging Agreement shall initially be equal to the product of (i) eighty five percent (85%) and (ii) the sum the Net Investment Value of such Finance Lease. Such notional balance shall amortize in a manner consistent with the payment profile of the Contract Payments.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.1 *Representations and Warranties of Each Member*. Each Member, on a several basis with respect to itself, warrants and represents (in addition to and without modification of the representations set forth in the Members Agreement), that:

(a) As of the date hereof and as of the date of funding of each Additional Contribution Amount pursuant to **Section 2.1** (unless specifically stated to relate to an earlier date), to such Member's knowledge, no Default, Event of Default or Early Amortization Event exists.

SECTION 3.2 *Covenants of the Members*. Each Member, on a several basis with respect to itself, covenants (in addition to and without modification of the representations set forth in the Members Agreement) to the other parties hereto that:

(a) Such Member shall use its best efforts to cause the Company's Board of Directors to apply each Additional Contribution Amount (i) to pay the Original Equipment Cost of, and the fees payable with respect, to the applicable Owner Containers, or (ii) for general purposes of the Company.

(b) Such Member shall use its best efforts to cause the Company, whenever Owner Containers are leased or sold by or on behalf of the Company, to obtain all of the customer and third-party regulatory information with respect to such prospective lessee or purchaser, and any other information necessary to fulfill customer and third party regulatory requirements in the ordinary course of such Member's business.

ARTICLE IV
TRANSFERS

SECTION 4.1 *Restrictions on Transfer*. Notwithstanding the provisions of Bye-Law 13, no Member shall Transfer any of its Shares or assign any of its rights or obligations under the Agreement if such Transfer or assignment would be reasonably likely to result in an Early Amortization Event or Event of Default.

ARTICLE V
MISCELLANEOUS

SECTION 5.1 *Schedules*. Each of the following schedules attached to this Supplement is incorporated herein and shall be deemed a part of this Supplement:

Schedule 1	Equipment Parameters
Schedule 2	Credit Underwriting Information
Schedule 3	Commitments

SECTION 5.2 *Reimbursements*. Each Member shall use its best efforts to cause the Company to reimburse each Member from the first available funds of the Company for all legal fees and costs incurred by such Member in connection with the drafting, negotiation, execution and delivery of the Agreement and the Loan Documents.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplement to be duly executed by their duly authorized officers and delivered as of the day and year first above written.

TEXTAINER LIMITED
By Continental Management Limited, its Assistant Secretary

Date Signed: August 5, 2011

By /S/ PHILIP K. BREWER
Name:
Title:

Address:	c/o Century House 16 Par-la-Ville Road Hamilton HM HX, Bermuda
Attention:	Chief Financial Officer
Telephone:	(441) 292-2487
Facsimile:	(441) 295-4164
with copy to:	Textainer Equipment Management (U.S.) Limited 650 California Street, 16th floor San Francisco, CA 94108 U.S.A.
Attention:	Chief Financial Officer
Telephone:	(415) 434-0551
Facsimile:	(415) 434-0599

[Additional signatures to follow]

[Signature Page to Supplement 1]

WELLS FARGO CONTAINER CORP. LTD.

Date Signed: August 5, 2011

By: /S/ JESSICA GRAY
Name:
Title:

By:
Name:
Title

Address: Canon’s Court, 22 Victoria Street
Hamilton HM12
Bermuda

Attention:
Facsimile:

* * *

[Signature Page to Supplement 1]

EXHIBIT 4.29

EQUIPMENT MANAGEMENT SERVICES AGREEMENT

Between

TEXTAINER EQUIPMENT MANAGEMENT LIMITED

and

TW CONTAINER LEASING, LTD.

Dated as of August 5, 2011

ALL RIGHT, TITLE AND INTEREST IN AND TO THIS AGREEMENT ON THE PART OF TW CONTAINER LEASING, LTD. ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF WELLS FARGO SECURITIES LLC, AS ADMINISTRATIVE AGENT, UNDER THAT CERTAIN SECURITY AGREEMENT, DATED AS OF THE DATE HEREOF, BETWEEN TW CONTAINER LEASING, LTD. AND WELLS FARGO SECURITIES LLC, AS ADMINISTRATIVE AGENT.

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EQUIPMENT MANAGEMENT SERVICES AGREEMENT

THIS EQUIPMENT MANAGEMENT SERVICES AGREEMENT is dated as of August 5, 2011 (as amended, restated, modified or supplemented from time to time in accordance with the terms hereof, the "***Agreement***"), between TW CONTAINER LEASING, LTD., a Bermuda exempted company (the "***Owner***"), and TEXTAINER EQUIPMENT MANAGEMENT LIMITED, a Bermuda exempted company ("***TEML***"), as manager (the "***Manager***").

RECITALS

This Agreement sets forth the terms and conditions on which Manager will acquire and manage marine cargo containers owned by Owner on Owner's behalf.

AGREEMENT

1. DEFINITIONS.

Capitalized terms used in this Agreement but not defined herein shall have the meanings given to such terms in the Credit Agreement referred to below. In addition, the following capitalized terms used in this Agreement but not defined in their context shall have the meanings set forth in this **Section 1**.

"***Account Bank***" means the depositary bank at which the Finance Lease Proceeds Account is held (initially, HSBC Bank Canada).

"***Account Agreement***" means that certain agreement, dated on or about the date hereof, among the Manager, the Account Bank and the Administrative Agent, with respect to the Finance Lease Proceeds Account, as such agreement may be from time to time amended, restated, supplemented or otherwise modified, renewed or replaced.

"***Acquisition Fee***" means the fee set forth in **Section 4.4**.

"***Agreement Termination Date***" means the date on which the Owner or the Manager terminates this Agreement pursuant to **Section 9.1**.

"***Approved Lease Form***" means, with respect to any Finance Lease, the form attached hereto as **Exhibit E**.

"***Asset Base Report***" has the meaning set forth in **Section 6.1(d)**.

"***Business Day***" means any day other than a Saturday, a Sunday or a day on which banking institutions in San Francisco, California, New York, New York, or the city in which the Administrative Agent's Office is located, are authorized or are obligated by law, executive order or governmental decree to be closed.

"***Casualty Loss***" means any of the following events with respect to any Owner Container: (i) the actual total loss or compromised total loss of such Owner Container, (ii) the loss, theft or destruction of such Owner Container, (iii) Manager's determination in its sole discretion that such Owner Container is damaged beyond repair or permanently rendered unfit for use for any reason whatsoever, (iv) the seizure, condemnation or confiscation of such Owner Container for a period exceeding sixty (60) days or (v) if such Owner Container is subject to a Lease, such Owner Container shall have been deemed under its Lease to have suffered a casualty loss as to the entire Owner Container.

"***Casualty Proceeds***" means, for any accounting period, all proceeds due to Owner, from: (i) a Lessee, (ii) the insurance specified in **Sections 8.1** and **8.2**, and (iii) any other source, to compensate Owner 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-foot Container. The CEU for each type of Owner Container is shown on **Schedule 1** to this Agreement (as such Schedule may be amended in accordance with **Section 18.9**).

"***Change of Control***" means the occurrence of any of the following events with respect to Manager: (i) the Manager amalgamates or consolidates with, or merges with or into, another Person or (ii) 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, (iii) any Person amalgamates or consolidates with, or merges with or into, the Manager, or (iv) TGH shall fail to own, directly or indirectly, a majority of the equity interests in the Manager.

"***Collection Period***" means, (i)(A) initially, the period beginning on and including the date hereof and ending on and including the last day of the next succeeding calendar month and (B) thereafter, the period beginning on and including the first day of the immediately succeeding calendar month and ending on and including the last day of such calendar month and (ii) with respect to any Payment Date, the Collection Period (as determined pursuant to the preceding clause (i)) that ended most recently prior to such Payment Date.

"***Consolidated Funded Debt***" means, for any Person as of any date of determination, the total amount of all interest-bearing obligations of such Person and its Subsidiaries (consolidated in accordance with GAAP), including all issued and undrawn letters of credit, which obligations shall include, without limitation, (i) the principal amount outstanding under all indebtedness of such Person and its Subsidiaries (consolidated in accordance with GAAP), (ii) all contingent obligations of such Person and its Subsidiaries (consolidated in accordance with GAAP), (iii) all capital lease obligations of such Person and its Subsidiaries (consolidated in accordance with GAAP), (iv) all obligations of such Person and its Subsidiaries (consolidated in accordance with GAAP) for the deferred purchase price of equipment, and (v) the present value of all operating lease payments payable by such Person and its Subsidiaries (consolidated in accordance with GAAP) under leases of equipment (which present value shall be calculated using an annual discount rate equal to LIBOR plus one and one-half (1.5%) percent, but shall exclude intracompany obligations); *provided that* "Consolidated Funded Debt" of TGH shall exclude the portion thereof attributable to any Subsidiary of TGH, or to any joint venture of TGH or any such Subsidiary (each a "***Specified Entity***"), to the extent of any ownership interest in such Specified Entity held by any third party not an Affiliate of TGH.

"***Consolidated Tangible Net Worth***" means, for any Person as of any date of determination, the remainder of: (i) the tangible assets of such Person and its Subsidiaries (consolidated in accordance with GAAP), as reduced by adequate reserves in each case where reserves are proper, *minus* (ii) all Indebtedness of such Person and its Subsidiaries (consolidated in accordance with GAAP); *provided, however,* that (A) in no event shall any securities be considered a tangible asset for purposes of such calculation unless such securities are marketable in the United States of America or entitled to be used as a credit against federal income tax liabilities, (B) securities included as tangible assets shall be taken into account at their current market price or cost, whichever is lower, and (C) any adjustments, both positive and negative, to either or both of tangible assets and indebtedness arising from the implementation of Statement of Financial Accounting Standards No. 133 issued by the Financial Accounting Standards Board shall be disregarded for purposes of this calculation; *provided further that* "Consolidated Tangible Net Worth" of TGH shall exclude the portion thereof attributable to any Subsidiary of TGH, or to any joint venture of TGH or any such Subsidiary (each a "***Specified Entity***"), to the extent of any ownership interest in such Specified Entity held by any third party not an Affiliate of TGH.

"***Container***" means a marine cargo container.

"***Credit Agreement***" means that certain Credit Agreement, dated as of the date hereof, among Owner, as borrower, the lenders party thereto and the Administrative Agent, as amended, restated, supplemented or otherwise modified, refinanced or replaced from time to time in accordance with the terms hereof.

"***Determination Date***" means, with respect to any Payment Date, the fourth (4th) Business Day prior to such Payment Date.

"***Equipment Parameters***" shall have the meaning set forth in the Members Agreement.

"***Expected Margin***" shall have the meaning set forth in the Members Agreement.

"***Finance Lease***" means any Lease with respect to an Owner Container that (x) is the first Lease to which a new Owner Container is subject, (y) is classified as a "direct financing lease" pursuant to GAAP and (z) provides the Lessee thereunder with the right or option to (i) purchase the Owner Containers subject thereto at the expiration of such lease or (ii) extend the term of such lease for an additional period, and, in either such instance, such Lease satisfies the criteria for classification as a capital lease pursuant to GAAP, including statement of Financial Accounting Standards No. 13 as amended.

"***Finance Lease Proceeds***" means, for any period of determination, all amounts due Owner in connection with each Finance Lease and each related Owner Container, including, but not limited to, principal and interest, balloon payments, rental, handling, Location Revenue and other related charges arising from the leasing of such Owner Container, but excluding Casualty Proceeds, Indemnification Proceeds, Miscellaneous Owner Proceeds and Sales Proceeds.

"***Finance Lease Proceeds Account***" means the account, maintained by the Manager with the Account Bank, into which Finance Lease Proceeds with respect to Finance Leases and related Owner Containers are to be deposited (initially, account number 270-482679-070 at HSBC Bank Canada), and any successor account permitted under **Section 9.5(a)**.

“***Gross Revenue***” means all income (without reduction for expenses or costs), calculated on an accrual basis in accordance with GAAP, earned in connection with the ownership, use and/or operation of an Owner Container, including, but not limited to, rental, handling, Location Revenue, damage protection plan and other rental-related charges arising from the leasing of such Owner Container, but excluding Casualty Proceeds, Finance Lease Proceeds, Indemnification Proceeds, Miscellaneous Owner Proceeds and Sales Proceeds.

“***Gross Yield***” shall have the meaning set forth in the Members Agreement.

“***Indemnification Proceeds***” means, for any accounting period, all proceeds due to Manager, on its own behalf, or to Owner, from Lessees pursuant to the Leases, insurance or other sources, including proceeds from the insurance specified in **Sections 8.1** and **8.2**, as payment for indemnification of Manager and/or Owner against liability and loss (other than a Casualty Loss to the extent that Casualty Proceeds compensate Owner for such Casualty Loss) with respect to the Owner Containers.

“***Insolvency Proceeding***” means a proceeding under the United States Bankruptcy Code or the Bermuda Companies Act 1981 or similar applicable law in any other applicable jurisdiction.

“***Lease***” means any lease for one or more Owner Containers entered into with a Lessee, which Lease may, if an Operating Lease, cover both Owner Containers and other marine or intermodal cargo containers in Manager’s fleet. Operating Leases may be in the name of Manager or in the name of a third-party lessor from whom Manager has acquired management rights.

“***Lease Requirements***” means the requirements that (i) each Lessee of an Owner Container constitute an Eligible Lessee, (ii) each (A) Finance Lease constitute an Eligible Finance Lease and the Acquisition of the related Containers was made in accordance with the provisions of **Section 4.4(a)** and (B) Owner Container subject to an Operating Lease constitute an Eligible Owner Container and (iii) in the case of the origination of an Operating Lease, such Lessee shall have been approved during the Administrative Agent’s most recent regulation review of the client list maintained by the Manager.

“***Lessee***” means any entity that leases one or more Owner Containers.

“***Leverage Ratio***” means as of any date of determination for any Person on a consolidated basis, the ratio of (a) Consolidated Funded Debt of TGH to (b) Consolidated Tangible Net Worth of TGH.

“***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 Owner Containers in geographic locations.

“***Long-Term Lease Fleet***” means, as of any date of determination, all Owner Containers that are then (i) subject to an Operating Lease having an initial term of twenty-four (24) months or more or (ii) off-lease if their Leases in effect immediately before they went off-lease were Leases of the type described in **clause (i)** of this definition.

"***Manager Advance***" shall have the meaning set forth in **Section 4.3(b)**.

"***Manager Event***" shall mean any of the following:

(i) Manager shall fail (A) to make any deposit to the Trust Account within three (3) Business Days after such deposit becomes due hereunder, (B) to deliver a Manager Report or an Asset Base Report within three (3) Business Days after the due date thereof;

(ii) Manager shall (A) fail to deliver each of the reports set forth on **Schedule 2** as in effect on the date hereof by not later than the fifteenth (15th) day of each month, (B) fail to deliver any report (other than those described in the foregoing **clauses (i)(B)** or **(ii)(A)**) within fifteen (15) days after the due date thereof or (C) fail to perform or observe, or cause to be performed or observed, in any material respect any other covenant or agreement contained herein that is not specifically addressed elsewhere in this definition, which failure materially and adversely affects the rights of the Owner or the Administrative Agent, and which failure shall continue unremedied for a period of thirty (30) days after the earlier to occur of (x) an officer of Manager has actual knowledge thereof and (y) Manager receives notice thereof;

(iii) Any representation or warranty made by 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 respect when made and continues to be untrue in any material respect for a period of thirty (30) days after the earlier to occur of (x) an officer of Manager has actual knowledge thereof and (y) Manager receives notice thereof (provided that, notwithstanding anything to the contrary in this Agreement or any such certificate, report or financial statement, no representation is made with respect to any sublessee of an Owner Container, other than to the extent of Manager's knowledge);

(iv) Manager shall cease to be engaged in the Container management business;

(v) Manager shall be adjudicated or found bankrupt or insolvent by any competent court in an involuntary 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 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 Manager, and, in the case of such involuntary Insolvency Proceeding, 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;

(vi) Manager has acted in violation of the U.S. Foreign Corrupt Practices Act of 1977, as amended from time to time ("***FCPA***"), the UK Bribery Act 2010, or any other applicable anti-corruption laws;

(vii) Manager has acted in violation of the OFAC Sanctions or CISADA;

(viii) 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 an Insolvency Proceeding or shall take any company action in furtherance of any such action;

(ix) A judgment is rendered against Manager, which results in a Material Adverse Effect and which is not covered by insurance, unless such judgment has been bonded or otherwise stayed on appeal and is satisfied within thirty (30) days after becoming final (after expiration of all appeals); or

(x) Except in accordance with **Section 10** or **11**, Manager assigns its interest under this Agreement;

(xi) Manager shall have failed to pay any amounts due or suffered to exist an event of default with respect to the term of any indebtedness of Manager which singularly or in the aggregate exceeds One Million Dollars ($1,000,000) and the effect of such failure or event of default is to cause such indebtedness to be immediately declared due and payable prior to the date on which it would otherwise have been due and payable;

(xii) Manager shall have Consolidated Funded Debt in excess of One Million Dollars ($1,000,000);

(xiii) the annual after-tax profit of Manager (calculated on a rolling four quarter basis) shall be less than Two Million Dollars ($2,000,000);

(xiv) A Change of Control shall occur with respect to Manager, unless all of the following conditions are satisfied after giving effect to such Change of Control: (A) in the case of any Change of Control described in clause (i) or (iii) of the definition thereof, Manager is the surviving entity of such merger, consolidation or amalgamation, (B) in the case of any Change of Control described in clause (ii) of the definition thereof, the transferee in such sale, assignment, conveyance, transfer, lease or other disposition is an Affiliate of TGH, and (C) no other Manager Event (or event or condition which with the giving of notice or the passage of time or both would become such a Manager Event) would occur after giving effect to such Change of Control;

(xv) The Leverage Ratio of TGH shall exceed 4.0:1.0 as of the end of any fiscal year; or

(xvi) The occurrence of either of the following: (A) a breach of any financial covenant of TGH set forth in the documents governing any Indebtedness of TGH in an aggregate principal amount of $10,000,000 or greater (the "***Funded Debt Documents***") shall have occurred and shall not have been permanently waived within sixty (60) days thereafter by the applicable lenders, or (B) any default, not described in **clause (A)**, under any Funded Debt Document shall have occurred and as a result the required lenders under the affected financing transaction have accelerated all or part of such Indebtedness.

Notwithstanding anything to the contrary contained in this Agreement, failure of Manager to provide any of the reports set forth on **Schedule 2**, which reports were not required per **Schedule 2** as in effect on the date hereof, shall not result in a Manager Event.

"***Manager Fee***" shall have the meaning set forth in **Section 5.1**.

"***Manager Report***" has the meaning set forth in **Section 6.1(c)**

"***Master Lease Fleet***" means, as of any date of determination, all Owner Containers that are then (i) (A) subject to an Operating Lease and (B) not part of the Long-Term Lease Fleet or (ii) off-lease if their Leases in effect immediately before they went off-lease were Leases of the type described in **clause (i)** of this definition.

"***Master Account***" means, collectively, (a) collection account number 10020-108435-002, maintained by Manager with HSBC Bank Canada, (b) collection account number 11270109, maintained by Manager with HSBC Bank London, and (c) collection account number 57045942, maintained by Manager with HSBC Bank London, or another collection account established in a jurisdiction outside of the United States with a successor bank or trust company acceptable to Manager, Administrative Agent and Majority Lenders, into which revenues (other than Indemnification Proceeds) with respect to Containers managed by Manager are deposited.

"***Members Agreement***" means the members agreement, dated as of August 5, 2011, between Wells Fargo Container Corp. Ltd. and Textainer Limited, as such agreement may be amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, including by Supplement Number 1 thereto, dated as of August 5, 2011, between Wells Fargo Container Corp. Ltd. and Textainer Limited.

"***Miscellaneous Owner Proceeds***" means amounts, other than Casualty Proceeds, Indemnification Proceeds and Sales Proceeds due to Owner: (i) from the manufacturers or sellers of Owner Containers for breach of sale warranties relating thereto, (ii) from Lessees for repair rebill proceeds on Owner Containers which are designated for sale, and (iii) in payment or settlement of any claims, losses, disputes or proceedings relating to such Owner Containers, including proceeds from the insurance specified in **Sections 8.1** and **8.2** for damage to such Owner Containers.

"***Net Sale Proceeds***" means, with respect to each Owner Container sold by the Manager in accordance with the terms of this Agreement, an amount equal to the excess of the Sales Proceeds with respect to such Owner Container over the fee payable to the Manager pursuant to Section 5.1(d) of this Agreement with respect to such Owner Container.

"***NOI***" means, for any accounting period, Gross Revenue for such period minus Operating Expenses for such period.

"***OFAC***" means the United States Department of the Treasury's Office of Foreign Assets Control.

"***OFAC Sanctions***" means the laws, rules and regulations promulgated or administered by OFAC to implement U.S. sanctions programs, including any enabling legislation or executive order relating thereto.

"***Operating Expenses***" means all expenses and costs, calculated on an accrual basis in accordance with GAAP, incurred in connection with the ownership, use and/or operation of Owner Containers, including, but not limited to: (i) agency costs and expenses; (ii) depot fees, handling, and storage costs and expenses; (iii) costs and expenses for maintenance and repairs; (iv) repositioning expenses; (v) the cost of inspecting, marking and remarking such Owner Containers, except for factory inspection costs associated with the acquisition of new Owner Containers pursuant to **Section 4.4**; (vi) costs and expenses for recovery of Owner Containers in case of a Lessee bankruptcy or default; (vii) debt expense; (viii) audit fees (which shall be allocated among all Owner Containers managed by Manager, pro rata on a CEU basis); (ix) costs and expenses (including without limitation legal fees) incurred in connection with enforcing rights under a Lease of such Owner Containers or repossessing such Owner Containers; (x) insurance (including, without limitation, insurance obtained by Manager pursuant to the provisions of **Sections 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 Owner Containers; (xii) expenses, liabilities, claims and costs (including, without limitation, reasonable attorneys' fees and costs) 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 Owner Containers; (xiii) expenses and costs (including attorneys' fees and costs) of pursuing claims against manufacturers or sellers of such Owner Containers; and (xiv) non-recoverable sales and value-added taxes on any such expenses and costs.

"***Operating Lease***" a Lease that is not a Finance Lease.

"***Owner Container***" means all of the Containers which are owned by Owner and subject to management by Manager under this Agreement, including, without limitation, Containers that are subject to Finance Leases or other Leases that are not true leases.

"***Original Equipment Cost***" means an amount equal to the sum of the manufacturer's or vendor's invoice of the related Owner Container plus (i) the cost of positioning such Owner Container (by means of ocean freight, trucking or rail) from its purchase location to any location where such Owner Container is first put on Lease, (ii) the cost of certification, (iii) the cost of painting, repairs and decaling, if such Owner Container is purchased used, (iv) the cost of factory inspection, if any, conducted by Manager and (v) all other costs or expenses associated with taking title to and placing such Owner Container into service, excluding storage costs, foregone rental income (free days granted), damage protection plan costs incurred and credits for pick-up or drop-off.

"***Owner Proceeds***" means, for the period in question the difference of (i) the sum of (A) Gross Revenue attributable to the Owner Containers to the extent collected by Manager during such period *plus* (B) the sum of (1) Sales Proceeds, (2) Casualty Proceeds, (3) Miscellaneous Owner Proceeds, and (4) Finance Lease Proceeds, in each case to the extent directly collected by Manager during the period in question; *minus* (ii) Operating Expenses attributable to the Owner Containers paid by Manager during the period in question.

"***Regulatory Officer***" means the individual designated as such by the Owner in a writing delivered by the Owner to the Manager.

“***Sales Proceeds***” means the gross proceeds (including but not limited to cash sales price, but excluding repair rebill proceeds from Lessees) due to Owner from the sale or other disposition (other than the leasing thereof pursuant to a Lease) of an Owner Container, less commissions paid to third parties in connection with such disposition of such Owner Container, if any, as determined in the sole discretion of Manager.

“***Sanctioned Country***” means a country subject to a sanctions program identified on the list maintained by OFAC and available at http:/www.treas.gov/offices/enforcement/ofac/programs, or as otherwise published from time to time.

“***Sanctioned Person***” means any of the following currently or in the future: (i) an individual, entity, or vessel named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC available at http://www.treas.gov/offices/eotffe/ofac/sdn/index.html, and any entity in which such individual, entity, or vessel owns, directly or indirectly, a fifty percent or greater interest, or (ii) (A) an agency or instrumentality of, or an entity owned or controlled by the government of a Sanctioned Country, (B) an entity located in or organized under the laws of a Sanctioned Country, or (C) a national or permanent resident of a Sanctioned Country, or a person located in a Sanctioned Country, to the extent such agency, instrumentality, entity, or person is subject to a sanctions program promulgated or administered by OFAC.

“***Successor Manager***” means any Person appointed by, or on behalf of, the Owner or its assignee to replace the Manager as manager of the Terminated Containers.

“***Terminated Container***” means an Owner Container that, (i) prior to the Agreement Termination Date, (A) shall have been sold by Manager pursuant to this Agreement (provided that, for purposes of this **clause (A)**, being subject to a Finance Lease shall not constitute having been sold), (B) shall have been the subject of a Casualty Loss and for which all Casualty Proceeds and any other amounts payable in connection therewith have been paid, or (C) shall have been purchased by the Lessee thereof at the end of the term of the Finance Lease to which it is subject, (ii) on the Agreement Termination Date, (A) is off-hire and in a depot or (B) is subject to a Finance Lease, or (iii) after the Agreement Termination Date, (A) is off-hire and returned to a depot, or (B) is declared lost or unrecoverable by a Lessee or Manager.

“***TGH***” means Textainer Group Holdings Limited, a Bermuda exempted company.

“***TL***” means Textainer Limited, a company organized and existing under the laws of Bermuda.

2. TERM.

The term of this Agreement shall commence on the date first above written and continue in force with respect to an Owner Container until the date on which such Owner Container becomes a Terminated Container, regardless of the occurrence of the Agreement Termination Date.

3. APPOINTMENT.

3.1 Upon the terms and conditions hereinafter provided, Owner hereby engages Manager, and assigns to Manager the exclusive right, to provide management services in respect of the Owner Containers, as agent for and on behalf of Owner, and Manager accepts such exclusive assignment and undertakes to provide to Owner such management services. Owner Containers shall remain subject to the provisions of this Agreement and Manager shall be entitled to retain possession and control of such Owner Containers until such Owner Containers become Terminated Containers. Subject to the termination provisions of **Section 9**, this appointment is irrevocable and non-cancelable. As a result of this assignment, Owner has no legal or equitable interest in the right to manage the Owner Containers, or in any revenue or income stream payable to Manager in connection with the performance of its services under this Agreement or in connection with any otherwise permitted assignment of its rights under this Agreement, or otherwise to perform any of the actions described in **Section 4**; the Manager is the sole owner of such rights; and any transfer of an Owner Container by Owner shall be subject to Manager's rights under this Agreement. During the term of this Agreement, Manager may provide services (similar or dissimilar) directly or indirectly to any other Person or on behalf of any other Person.

3.2 In performing the functions described in **Section 4**, Manager and, as applicable, each of its Affiliates shall be an independent agent of Owner, and neither Manager nor any of its Affiliates shall be deemed for any purpose to be a dependent agent, servant, employee or representative of Owner. Except for the execution of Leases and the sale of Owner Containers as expressly set forth in this Agreement, the Manager shall not have any right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of Owner or to bind Owner in contract or otherwise. Manager shall have full responsibility, legal charge and sole control of its employees, agents and equipment engaged in the performance of the functions described in **Section 4**, including its Affiliates, subcontractors and consultants and their respective employees, agents and equipment and, except as expressly provided in this Agreement, shall be solely responsible for any acts or omissions of any of them in such performance. Manager shall have sole control over and be responsible for the method or means by which the functions described in **Section 4** are to be performed.

4. DUTIES/RIGHTS OF MANAGER.

4.1 Management Services. Manager shall, as agent for and on behalf of Owner, manage and administer the Owner Containers, arrange the leasing and enter into Leases of the Owner Containers, administer such Leases and perform all managerial and administrative functions, and provide or arrange for the provision of all services, of any nature which it considers necessary or desirable to fulfill the functions described in this **Section 4.1**. Without prejudice to the generality of the foregoing, Manager shall:

(a) Subject to prior satisfaction of all of the Lease Requirements with respect to each Lease, 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 (provided that Manager shall use commercially reasonable efforts to cause each such Finance Lease to be substantially in the form of the Approved Lease Form), and seek Lessees, arrange for the leasing and enter into Leases as lessor as an independent agent of Owner as such term is used in **Section 3.2**; provided, however that no Lease may be entered into until the Owner's customer and third party screening procedures have been completed;

(b) perform on behalf of Owner the obligations of the lessor under the Leases;

(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 and, subject to compliance with the Lease Requirements, consent to subleases;

(d) take any actions Manager deems necessary to ensure compliance by Lessees with the terms of their Leases;

(e) log interchanges of Owner Containers including the return and re-lease of Owner Containers from depots;

(f) inspect new Owner Containers (via factory inspection or otherwise prior to delivery to the Lessees thereof) and inspect, repair, maintain, service and store Owner 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 (including without limitation bringing and settling warranty claims and defective Container settlements with the applicable vendor);

(g) arrange for the sale of Owner Containers (i) in the ordinary course of business to Persons that are not Affiliates of the Manager, 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, provided that the sum of the aggregate Net Sales Proceeds actually received by the Owner from each sale of one or more Owner Containers is not less than the sum of the Net Book Value of the Owner Containers that are subject to such sale; *provided, however*, that during any calendar year the Manager may sell one or more off-lease Owner Containers for Net Sales Proceeds that are less than the aggregate Net Book Value of such Owner Containers so long as the aggregate Net Book Value of all such Owner Containers represent not more than five percent (5%) of the Aggregate Net Book Value of all Owner Containers measured at the beginning of such calendar year, and (ii) in a manner that would not cause the Owner to violate OFAC Sanctions or be subject to sanctions under CISADA. Nothing contained in clause (i) of this Section 4.1(g) shall prohibit the sale of an Owner Container to the Lessee under a Finance Lease in accordance with the terms of such Finance Lease;

(h) obtain insurance in respect of any matters which Manager considers necessary or prudent, including, without limitation, public liability insurance, and settle claims with the applicable insurance companies on such terms as Manager shall, in its sole discretion, determine;

(i) follow such credit policies with respect to the leasing of the Owner Containers as it follows from time to time with respect to other Containers managed by Manager generally (provided that any material changes to such credit policies from those in effect on the date hereof shall be approved by the Owner) and, subject to such credit policies, Manager may, in its sole discretion, (i) subject to the Lease Requirements, determine and approve the creditworthiness of any Lessee (but Manager makes no representation and warranty to 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 Owner Containers from any Lessee (unless such Owner Container is located in a Sanctioned Country), (vi) settle, compromise or release any proceeding or claim against a Lessee in the name of Manager or, if appropriate, in the name of Owner, or (vii) subject to the Lease Requirements, reinstate any Lease;

(j) in the performance of its obligations under this Agreement, maintain separate accounting records and prepare reports for the Owner Containers;

(k) institute and prosecute claims against the manufacturers of the Owner Containers as 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 sale agreement;

(l) pay, on behalf of Owner and subject to reimbursement by Owner either as Operating Expenses or under **Section 5.4**, out-of-pocket expenses incurred in connection with the Owner Containers. Notwithstanding anything herein to the contrary, Manager shall have no obligation to pay Borrower Expenses from its own funds; and

(m) in the performance of its obligations under this Agreement, comply with applicable OFAC Sanctions and CISADA and take all appropriate actions to ensure the compliance of Owner with OFAC Sanctions as if Owner were a "U.S. Person" or a "Person Subject to the Jurisdiction of the U.S.," as defined by OFAC Sanctions.

4.2 Administrative Services. Manager shall, as agent for and on behalf of Owner, manage and administer the operations of the Owner, and provide or arrange for the provision of all services (other than those described in **Section 4.1**), of any nature which it considers necessary or desirable to fulfill the functions described in this **Section 4.2**. Without prejudice to the generality of the foregoing, Manager shall:

(a) perform on behalf of the Owner all (i) financial services, including but not limited to, the maintenance of the general ledger and accounting records, preparation of accounting statements, cash control, billing, collection, and preparation of statutory filings, as necessary; and (iii) risk management and corporate services, including but not limited to, compliance monitoring and corporate insurance to the Owner, in each case, as Manager deems necessary or advisable;

(b) (i) perform on behalf of the Owner all obligations, and exercise of all of the rights, of the Owner under the Loan Documents and (ii) enforce the Loan Documents against the Owner's counterparties thereto, and enforce the obligations of all parties to other agreements under which the Owner has rights, in each case, as Manager deems necessary or advisable;

(c) perform on behalf of the Owner all cash management services that Manager deems necessary or advisable to the Owner, including but not limited to, the payment, on behalf of the Owner and subject to reimbursement by the Owner, of out of pocket expenses incurred in connection with the services provided pursuant to this **Section 4.2**;

(d) perform on behalf of the Owner all sales and marketing services that Manager deems necessary or advisable to the Owner;

(e) prepare and file, on behalf of the Owner, all tax returns required to be filed by the Owner, and arrange for the payment by the Owner of all taxes payable by the Owner;

(f) monitor and comply, on behalf of the Owner, with all governmental authorities and regulations necessary or desirable for the Owner to be maintained in good standing in Bermuda and each other jurisdiction in which the Owner is registered or qualified to conduct business;

(g) engage a firm of independent accountants to perform an audit of the year-end financial statements of the Owner;

(h) engage professionals to prepare the year-end partnership income tax returns of the Owner;

(i) engage counsel on behalf of the Owner;

(j) perform the anti-corruption functions and procedures on behalf of the Owner described in the Owner's anti-corruption compliance policy;

(k) comply with the OFAC compliance policy adopted by the Owner and cooperate with the Owner's "Regulatory Officer" to obtain the customer and third party regulatory information set forth on **Schedule 3** (as such Schedule may be amended in accordance with **Section 18.9**).

(l) such other duties as shall be requested by the board of directors of the Owner and agreed to by Manager;

provided that nothing contained in this Agreement (including without limitation **Section 4.2(c)**) shall be construed as an obligation or commitment of the Manager to pay any taxes or expenses incurred by, or on behalf of, the Owner from Manager's own funds.

4.3 Standards; Advances.

(a) **Standards; Discretion**. In performing its duties pursuant to this Agreement and providing the services described herein, Manager shall operate the Owner Containers in accordance with its reasonable business practice and without preference to ownership thereof, and no preference will be afforded to or against the Owner 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.

(b) **Manager Advances**. Manager may (but shall not be obligated to), on Owner's behalf, in the event that the funds in the Trust Account, the Cash Reserve Account or any other account established for the benefit of the Lenders are insufficient on any Determination Date to make any payment due by Owner on the related Payment Date, make an advance to the Administrative Agent for deposit into the Trust Account for such shortfall (a "***Manager Advance***"); *provided* that (i) such Manager Advance is deemed by Manager, in the reasonable exercise of its discretion, to be recoverable and (ii) the aggregate amount of such Manager Advances outstanding at any point in time does not exceed fifty percent (50%) of the then unpaid balance of all Lease receivables of Owner which are less than ninety (90) days delinquent; *provided further*, that the Manager shall not make any Manager Advance unless there are sufficient Lease receivables due from Lessees that are not insolvent or subject to bankruptcy proceedings or otherwise in default of such Lessees' obligations under their respective Leases to repay such Manager Advance in full. Manager shall be reimbursed for Manager Advances in accordance with Section 3.2 of the Credit Agreement.

4.4 Acquisitions.

(a) During the term of this Agreement, Manager, as an independent broker or independent commission agent, may arrange for the purchase of Containers by Owner (an "**Acquisition**"). In no event shall the Manager arrange for the purchase of one or more Containers by the Owner unless all of the following conditions have been met with respect to such acquisition of Container(s):

(i) On or before the date on which the Owner becomes obligated to purchase any Container related to such Acquisition, an Eligible Lessee has entered into a Finance Lease that is an Eligible Finance Lease with respect to all of the Containers that are the subject of such Acquisition;

(ii) The Manager has delivered to the Owner and the shareholders of the Owner calculations demonstrating that, based on the terms and conditions of such Eligible Finance Lease, the Owner shall comply with the minimum Expected Margin and minimum Gross Yield with respect to such Containers and Eligible Finance Leases; and

(iii) The Manager has delivered to the Owner calculations demonstrating that, after giving effect to such Acquisition, the Owner shall be in compliance with all of the Equipment Parameters.

(b) If Manager arranges any Acquisition in accordance with the provision of **Section 4.4(a)**, Owner shall be obligated to purchase from the applicable seller all related Containers and assets so long as the conditions precedent to the making of Loans shall have been fulfilled as of the date of such purchase.

(c) For each Container acquired under this **Section 4.4**, the Owner shall pay to the Persons specified below the following fees:

(i) if Manager originates the related Eligible Finance Lease of such Owner Container, to the Manager a fee equal to one and one quarter percent (1.25%) of the Original Equipment Cost of such Container,

(ii) if the Owner or one of its Affiliates originates the related Eligible Finance Lease of such Owner Container, to the Owner a fee equal to one and one quarter percent (1.25%) of the Original Equipment Cost of such Owner Container, and

(iii) if Manager and the Owner jointly originate the related Eligible Finance Lease of such Owner Container, to the Manager a fee equal to nine tenths of one percent (0.90%) and to the Owner, a fee equal to thirty five hundredths of one percent (0.35%) of the Original Equipment Cost of such Owner Container.

For purposes of this **Section 4.4(c)**, "originate" shall mean the identification of the applicable Lessee, closing of the applicable Lease, acquisition of the applicable Container and delivery of such Container to such Lessee.

(d) Owner and Manager acknowledge and agree that Manager will be bound by the policy employed by Manager in acquiring Containers for the account of various owners (including, but not limited to, Owner) which states that if two prospective owners are in a position to acquire the same Container, Manager will consider, as to each owner, (i) the amount of cash available for acquisitions, (ii) the effect of the acquisition on the diversification of its Container 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 Manager, Owner acknowledges that Manager is obligated, pursuant to agreements with certain Container owners, to offer to such owners the purchase opportunity for a certain percentage of the new Containers acquired by Manager.

4.5 Minimum Fleet Size. If, on any date of determination after the final expiration or termination of the Revolving Credit Period, all of the Owner Containers represent fewer than five hundred (500) CEU, then Manager or an Affiliate of Manager shall have the right (but not the obligation) to purchase all of the Owner Containers at their Net Book Value. If neither Manager nor Owner knows the Original Equipment Cost of such Container, Manager shall estimate the Original Equipment Cost based on Manager's knowledge of the Original Equipment Cost of other containers of similar age and type in Manager's fleet. The net book value of each Owner Container that is subject to a Finance Lease shall be determined in accordance with GAAP.

5. FEES, COMMISSIONS AND OTHER PAYMENTS TO MANAGER.

5.1 Manager Fee. In consideration of Manager's services to Owner of the type described in Sections 4.1 and 4.4 of this Agreement, Owner shall pay to Manager for each Collection Period a fee (the "***Manager Fee***") equal to the sum of:

(a) The product of (A) the NOI for the Master Lease Fleet for such Collection Period, *multiplied by* (B) ten percent (10.0%); *plus*

(b) The product of (A) the sum of the NOI for such Collection Period for (1) the Long-Term Lease Fleet *plus* (2) any Owner Containers then subject to purchase-leasebacks, *multiplied by* (B) eight percent (8.0%); *plus*

(c) The product of (A) the Finance Lease Proceeds for such Collection Period (excluding any payments relating to Owner Containers then subject to purchase-leasebacks), *multiplied by* (B) two percent (2.0%); *plus*

(d) The product of (A) the Sales Proceeds for such Collection Period from the sale of any Owner Container (except for any sale (1) to Manager or any Affiliate of Manager, (2) pursuant to the exercise of a purchase option contained in a Lease, or (3) that is due to a Casualty Loss); *multiplied by* (B) ten percent (10%); *plus*

(e) Fees due to Manager under **Section 4.4(b)** in respect of Owner Containers acquired during such month; *plus*

(f) A fee equal to the product of (A) fifteen hundredths of one percent (0.15%) and (B) the sum of (i) NOI and (ii) Finance Lease Proceeds; *provided, however*, that the aggregate fee paid to the Manager pursuant to this **Section 5.1(f)** in any twelve month period (with the first such period commencing on the Closing Date) shall not be less than Seventy Five Thousand Dollars ($75,000) and not more than Two Hundred Thousand Dollars ($200,000).

The Manager Fee shall be payable from amounts on deposit in the Trust Account in accordance with Section 3.2 of the Credit Agreement, or withheld from amounts to be deposited by Manager into the Trust Account while no Manager Event is continuing.

5.2 Deposit of Finance Lease Proceeds and other Owner Proceeds.

(a) Manager shall at all times instruct all Lessees under all Finance Leases related to an Owner Container to remit all Finance Lease Proceeds directly to the Finance Lease Proceeds Account, and the Manager shall not change or permit such instruction to be changed without the prior written consent of the Owner and the Administrative Agent. If any payments with respect to such Finance Leases are remitted directly to the Manager and not remitted to the Finance Lease Proceeds Account, the Manager shall hold such payments in trust for the benefit of the Owner and the Administrative Agent and promptly (but in any event within two (2) Business Days after receipt and identification thereof) remit such funds into the Finance Lease Proceeds Account.

(b) Manager will deposit all revenues, other than Indemnification Proceeds, from all Containers managed by Manager (other than those subject to a Finance Lease, which are addressed in **Section 5.2(a)**) into the Master Account.

(c) Owner shall be treated, for U.S. tax and other purposes, as the owner of all amounts in the Finance Lease Proceeds Account or Master Account that are the property of Owner, which amounts shall be held in trust for the benefit of the Owner (but not segregated).

5.3 Distribution, Reconciliation and Adjustment of Owner Proceeds . Manager will distribute all amounts in the Master Account and Finance Lease Proceeds Account that are the property of Owner in accordance with the following procedures:

(a) After the end of each week, based on its records of cash receipts and disbursements, Manager will calculate the amount of Owner Proceeds for such week ("***Pre-Adjustment Owner Proceeds***"), which will be subject to adjustment when Manager closes its books for the month in which such week occurs.

(b) Subject to **Section 5.5**, no later than seven (7) days after the last day of each week, Manager shall deposit into the Trust Account an amount equal to the Pre-Adjustment Owner Proceeds for such week, net of expenses (other than Operating Expenses), if any, to be reimbursed to Manager pursuant to **Section 5.4** (each such deposit, an "***Owner Distribution***").

(c) For the last Owner Distribution attributable to any month, Manager will deduct from the Pre-Adjustment Owner Proceeds to be deposited into the Trust Account an amount, as an estimate (the "***Estimated Manager Fee***") of the Manager Fee for such calendar month, equal to the actual Manager Fee for the prior month; *provided that*, for the first month after the date of this Agreement, the Estimated Manager Fee shall be estimated by Manager in good faith.

(d) After Manager closes its books for a month, it will make a final determination of the Owner Proceeds and the actual Manager Fee for such month. If (i) the difference of the Pre-Adjustment Owner Proceeds minus the Estimated Manager Fee for such month is less than (ii) the difference of the Owner Proceeds minus the actual Manager Fee for such month, Manager will pay the difference to Owner. If (A) the difference of the Pre-Adjustment Owner Proceeds minus the Estimated Manager Fee for such month is more than (B) the difference of the Owner Proceeds minus the actual Manager Fee for such month, Manager will deduct the difference from future payments to be made to Owner. Payments of any such differences to be made under this **Section 5.2** shall be made by Manager within ten (10) days after the close of Manager's accounting records for each month.

5.4 Reimbursements of Expenses to Manager. Owner shall be responsible for the payment of, and shall reimburse Manager for all (i) expenses, liabilities, claims and costs (including, without limitation, reasonable attorneys fees) incurred by or asserted against Manager as a result of Owner's failure to comply with or perform its obligations under this Agreement and (ii) incremental costs and expenses not contemplated in the Manager Fee incurred by Manager in connection with the performance of its obligations under **Sections 6.1** (subject to any applicable limitation set forth in Section 18.9(b)) and **6.5** hereof, and, without duplication of the portion of the Manager Fee calculated pursuant to **Section 5.1(e), Section 4.2** hereof, and Section 3.2 of the Credit Agreement. Manager may deduct such amounts from the weekly distribution of Pre-Adjustment Owner Proceeds while no Manager Event is continuing, and any such amounts not so deducted shall be paid in accordance with the order of priorities set forth in Section 3.2 of the Credit Agreement.

5.5 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 to which such Indemnification Proceeds apply, and shall, within seven (7) days after receipt, deposit the balance of such Indemnification Proceeds into the Trust Account.

5.6 Manager's Right of Offset. Manager may, at its option, offset and deduct from amounts received or held by Manager for the credit of Owner any amount due from Owner to Manager under this Agreement. Except as expressly permitted in the immediately preceding sentence, the Manager's obligation under this **Section 5** to deposit funds to the Trust 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 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 Manager or any other Person, or (iii) any other circumstance, happening or event whatsoever, whether or not unforeseen or similar to any of the foregoing.

6. REPORTS; BOOKS AND RECORDS; INSPECTION.

6.1 Reports.

(a) **Receivables; Equipment and Lease Reports**. Manager shall deliver to Owner, the Administrative Agent and each Interest Rate Hedge Counterparty, in the format which Manager uses for Containers managed by Manager generally, within thirty (30) days after the end of:

(i) each fiscal quarter, a receivables aging schedule, as of the last day of such fiscal quarter, as to all Containers managed by Manager generally, in the aggregate and by lessee as to the twenty (20) largest lessees of Containers managed by Manager generally on the basis of twenty (20) foot equivalent units, as to lessees of Containers managed by Manager generally with outstanding balances in excess of U.S. One Hundred Thousand Dollars ($100,000), and the utilization rates and average lease rates for all Containers managed by Manager generally.

(ii) each calendar month, a report solely as to the Owner Containers reporting, as of the last day of such calendar month: (a) the number and type of Owner Containers including CEU, (b) the aggregate Net Investment Value of Finance Leases and the aggregate Net Book Value of the Owner Containers subject to Operating Leases, (c) the aggregate Original Equipment Cost of the Owner Containers, (d) utilization rates and average lease rates for Owner Containers subject to Operating Leases; (e) detailed lease information for each Finance Lease; (f) a receivables aging schedule, with respect to the Owner Containers and (g) the percentage by major type of Container as set forth in **Schedule 1** to this Agreement (an "***Equipment and Lease Reports***").

(b) **Exposure Reports**. Manager shall deliver to the Owner and each shareholder of the Owner each of the reports set forth on **Schedule 2** (as such Schedule may be amended in accordance with **Section 18.9**), within the time frames set forth on such Schedule.

(c) **Manager Report**. On or prior to each Determination Date, Manager will deliver to Owner, the Administrative Agent and each Interest Rate Hedge Counterparty a written informational statement by Manager in the form attached hereto as **Exhibit A** (a "***Manager Report***").

(d) **Asset Base Report**. On or prior to (i) each Determination Date and (ii) each Funding Date, Manager will deliver to Owner, the Administrative Agent and each Interest Rate Hedge Counterparty a report of the Manager completed on the form of **Exhibit B** to this Agreement (an "***Asset Base Report***"), calculated using the data available to Manager (x) in the case of any Asset Base Report delivered on any Determination Date, as of the end of the immediately preceding Collection Period, and (y) in the case of any Asset Base Report delivered on any Funding Date, as of such Funding Date and after giving effect to the making of the applicable Loan.

(e) **Credit and Collection Policy Changes**. Manager shall provide, to Owner, Administrative Agent and each Interest Rate Hedge Counterparty, prompt written notice of any change in the Manager's credit and collection policy deemed material by Manager, in its reasonable discretion.

6.2 Financial Reports.

(a) Manager shall deliver (or cause to be delivered) to Owner, the Administrative Agent and each Interest Rate Hedge Counterparty, within one hundred twenty (120) days after the end of each fiscal year of Manager during the term of this Agreement, a copy of the annual audited financial statements of Manager prepared on a consistent basis in conformity with GAAP and certified by an independent certified public accountant of recognized national standing.

(b) Manager shall deliver the financial reports described in Section 8.1(a) of the Credit Agreement as and when set forth therein.

6.3 Insurance Renewal Confirmation. Manager shall provide confirmation to Owner and Administrative Agent of the renewal of insurance required by **Section 8.2** and copies of all certificates evidencing such renewal.

6.4 Notice of Breach by Manager. Without being deemed to have made any admission of law or fact or waived any of its rights or remedies, Manager shall deliver to Owner and Administrative Agent, promptly after Manager has actual knowledge of:

(a) the occurrence of a Manager Event, a written notice describing in sufficient detail the nature and period of existence of the applicable event and what action Manager is taking or proposes to take with respect thereto;

(b) (i) any threatened or pending investigation of Manager by any governmental authority or (ii) any threatened or pending court or administrative proceeding, in the case of each of **clause (i)** and **(ii)**, which individually or in the aggregate involves the possibility of materially and adversely affecting a material portion of the Owner Containers, a written notice specifying in sufficient detail the nature of such investigation or proceeding and what action Manager is taking or proposes to take with respect thereto and an evaluation of the merits thereof, but only if (A) such evaluation can reasonably be made and (B) the provision of such evaluation will not prejudice 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; *provided that* such notice shall be subject to the confidentiality provisions of **Section 6.8**.

6.5 Other Reports. Manager shall provide, in the form which Manager uses for its own operations, any other reports and information available with respect to the Owner Containers reasonably requested by Owner, the Administrative Agent or any Interest Rate Hedge Counterparty.

6.6 Books and Records. Manager shall cause to be maintained at 650 California Street, 16th floor, San Francisco, California 94108, U.S.A., such books and records (including computer records) with respect to the Owner Containers as it maintains for other Containers managed by Manager and the leasing thereof, including a computer database including the Owner Containers (containing sufficient information to generate reports required to be delivered pursuant to this Agreement), any Leases relating thereto, the Lessees (if on-hire) or location (if off-hire), and their Net Book Value. Manager shall notify Owner and the Administrative Agent of any change in the location of Manager's books and records.

6.7 Operational Reviews and Inspections. Upon reasonable request by Owner or Administrative Agent, representatives of Owner and Administrative Agent may visit the offices of Manager and its Affiliates for the purpose of inspecting the 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 Manager's business. Owner and Administrative Agent, collectively, shall have the right to one (1) such Operational Review per calendar year, to be conducted at the sole expense of Owner or Administrative Agent (as the case may be).

6.8 Confidentiality. Owner and, by acceptance of their respective rights hereunder, Administrative Agent and each Interest Rate Hedge Counterparty shall keep the information received by such Person and each of its Affiliates, directors, officers, employees and representatives (each, a "***Recipient***") under this **Section 6**, and any information that is proprietary to Manager and to which such Recipient becomes privy (collectively, "***Information***"), confidential and shall not use any Information for any purpose other than for making business decisions which are not for the purpose of competing with Manager or its Affiliates, and shall cause all of its agents and employees to do likewise; *provided that* nothing herein shall limit the disclosure of any such Information by any such Person (a) (i) after such Information shall have become public other than through a violation of this **Section 6.8**, or (ii) becomes available to such Recipient from a source other than the Owner, the Manager or any Affiliate of the Manager and, to such Recipient's knowledge, not in breach of any obligation of confidentiality, (b) to the extent required by statute, rule, regulation or judicial process (*provided that*, unless prohibited by applicable law, such Recipient shall provide to Manager prompt notice of any such requirement so that Manager may, at its sole expense, seek a protective order or take other appropriate legal action), (c) to counsel for Administrative Agent or such Interest Rate

Hedge Counterparty, or to auditors or accountants who are under an obligation to keep such Information confidential, (d) to bank examiners or any other regulatory authority having jurisdiction over Administrative Agent or such Interest Rate Hedge Counterparty, (e) to Manager, Owner, Administrative Agent or any Interest Rate Hedge Counterparty or Lender, (f) in connection with the enforcement of rights or remedies hereunder or under any other Loan Document, (g) to an Affiliate of the Administrative Agent (so long as such Person agrees to be bound by the provisions of this **Section 6.8**) who has a need to know the Information for purposes of evaluating or administering the Loan Documents or the Obligations, (h) to any actual or prospective Interest Rate Hedge Counterparty that is not a Competitor, or its advisors (so long as such Person agrees to be bound by the provisions of this **Section 6.8**) who has a need to know the Information for purposes of evaluating or administering the Loan Documents or the Obligations or (i) with the prior written consent of Manager. Owner agrees that monetary damages would not be sufficient remedy for any breach of this **Section 6.8** and that Manager shall, in addition to its other remedies at law or in equity, be entitled to equitable relief, including injunction and specific performance, without the necessity of proving damages, posting any bond or other security, as a remedy for such breach. Furthermore, Administrative Agent, by acceptance of its rights under this Agreement, agrees to comply with the obligations of confidentiality set forth in Section 15.4 of the Credit Agreement. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, Administrative Agent shall not deliver or disclose to any replacement manager or any other Person any information, data, document or agreement which is proprietary to Manager, including but not limited to the terms and conditions of Operating Leases.

6.9 Information To Be Delivered Pursuant To Members Agreement. In connection with each acquisition of Owner Containers and the origination of each Eligible Finance Lease, the Manager shall deliver to the Owner and the shareholders of the Owner, prior to the origination of any Eligible Finance Lease, each of the calculations and reports required pursuant to **Sections 2.2** and **2.3(g)(ii)** of Supplement Number 1 to the Members Agreement.

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 OWNER, ADMINISTRATIVE AGENT, ANY LENDER OR ANY OTHER PERSON FOR ANY INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR FOR LOST PROFITS, SAVINGS OR REVENUES OF ANY KIND. MANAGER HEREBY ASSIGNS TO OWNER ALL OF MANAGER'S RIGHT, TITLE AND INTEREST IN AND TO ANY WARRANTIES OR INDEMNIFICATIONS REGARDING THE OWNER CONTAINERS BY THE VENDOR OR MANUFACTURER THEREOF TO THE EXTENT THE SAME ARE ASSIGNABLE.

8. INSURANCE.

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 Owner Containers against all normally insurable risks (including liability, loss, damage and recovery cost) while any Owner 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 Section 8.1, which may provide coverage when: (i) recoveries are not effected under any policies in force pursuant to **Section 8.1**, and/or (ii) any Owner Container is not returned to Manager by a Lessee (including coverage of the costs of recovering such Owner Container), or (iii) a Lessee or Container depot fails to obtain insurance as provided under **Section 8.1**.

8.3 Receipt of Insurance Proceeds. Subject to **Section 5.4**, Manager shall receive and remit to Owner all monies payable under such policy or policies of insurance as described in **Sections 8.1** and **8.2**, whether effected by Manager, depots or Lessees. Manager shall have no liability for any loss, damage, recovery cost or other cost or expense whatsoever with respect to a lost or destroyed Owner Container, whether or not covered by insurance.

9. TERMINATION.

9.1 Termination for Breach. Manager may terminate this Agreement by written notice to Owner in the event that (i) Owner commits a material breach of this Agreement, and (ii) such breach has not been remedied within thirty (30) days after written notice thereof from Manager to Owner and Administrative Agent (unless the nature of Owner's noncompliance is such that more than thirty (30) days is reasonably required for its cure and Owner or Administrative Agent has, in good faith, commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion), during which cure period the Administrative Agent may (but shall not be obligated) cure such material breach by Owner. The Owner (or its assignee) may terminate this Agreement by written notice to Manager if a Manager Event has occurred and is continuing. If the Owner shall have amended **Schedule 2** in a way that is not acceptable to Manager, and Manager shall have notified the Owner that Manager cannot meet such reporting requirements within the time frame required by **Schedule 2**, then the Owner (or its assignee) may terminate this Agreement by written notice to Manager, and such termination shall be the sole remedy for any failure by Manager to comply with such amended reporting requirements. In connection with any termination pursuant to the immediately preceding sentence, the Owner shall broadly seek a Successor Manager, and Manager shall be entitled to receive any fee actually paid by the Successor Manager to the Owner in connection with its assumption of the management of the Terminated Containers. 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 Rights Upon Termination. Notwithstanding the foregoing, this Agreement shall continue in full force and effect with respect to each Owner Container and Manager shall continue to manage such Owner Container pursuant to the terms and conditions of this Agreement, until the date such Owner 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. Upon the termination of this Agreement by Owner pursuant to **Section 9.1**, the Owner may appoint a Successor Manager to manage the Terminated Containers.

9.3 Replacement Manager. Upon the appointment of a Successor Manager, Manager shall cooperate with Owner or its assignee, in transferring to such replacement manager the management of the Terminated Containers, including, but not limited to making available all books and records (including data contained in Manager's computer systems, but not software) pertaining to the Terminated Containers, providing access to, and cooperating in the transfer of, information pertaining to the Terminated Containers from Manager's computer system to Owner's or its designee's system, and taking any other action as may be reasonably requested by Owner or its assignee to ensure the orderly assumption of management of the Terminated Containers by such replacement manager. Such data shall include the locations and serial numbers of all Terminated Containers, which shall be provided in an Microsoft Excel file or similar other computer readable format, and originals of all documents (other than Operating Leases) pertaining solely to the Terminated Containers. Subject to the immediately preceding sentence, in no event shall Manager be required to, and the Administrative Agent shall not, deliver or disclose to any Successor Manager any information, data, document or agreement which is proprietary to Manager, including but not limited to the terms and conditions of Operating Leases.

9.4 Power of Attorney. With respect to Terminated Containers only, the Manager hereby irrevocably constitutes and appoints the Owner, 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 Manager and in the name of the Manager or in its own name, for the purpose of carrying out the terms of this Agreement, to take (subject to the limitations set forth below) any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, the Manager hereby gives the Owner the power and right, on behalf of the Manager, without notice to or assent by the Manager (subject to the limitation set forth below), at any time after the occurrence and during the continuance of a Manager Event, in the name of the Manager or its own name, or otherwise, to execute any documents, and to give any notice, necessary to transfer the management of the Terminated Containers, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instrument, general intangible or contract in respect of the Terminated Containers and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Owner or the Administrative Agent for the purpose of collecting any and all such moneys due under any account, instrument, general intangible or contract with respect to the Terminated Containers whenever payable.

9.5 Finance Lease Proceeds Account. (a) **Account Agreement**. Pursuant to the Account Agreement, the Account Bank has agreed, upon receipt of notice from the Administrative Agent, to make disbursements only in accordance with instructions signed jointly by the Manager and the independent accountant named therein, which independent accountant shall be the Auditor appointed pursuant to **Section 9.5(b)** ("***Account Notice***"), until the Account Notice is revoked by the Administrative Agent. Manager shall not terminate the Account Agreement without the prior written consent of the Administrative Agent. Manager shall give the Administrative Agent notice promptly upon making any change in the location of the Finance Lease Proceeds Account; *provided that*, as a condition to such change, any successor to the relevant depositary bank shall have entered into a written agreement, with the Manager and the Administrative Agent, whereby such successor agrees to comply with any applicable Account Notice upon receipt thereof.

(b) **Appointment of Auditor**. Upon the occurrence of a Manager Event, the Administrative Agent will deliver to Manager the names of three independent accountants (provided that none of such independent accounts shall be the Successor Manager or a Competitor); within five (5) Business Days after receipt of such names, Manager will notify the Administrative Agent of one name acceptable to Manager and the Administrative Agent shall appoint that Person to be the "***Auditor***".

(c) **Conditions to Account Notice**. If and for so long as (i) a Manager Event has occurred and is continuing, (ii) any Obligations are outstanding, (iii) there shall have occurred a material and intentional misappropriation or misapplication of funds, or other material and intentional failure on the part of the Manager or any of its Affiliates to pay or deposit material amounts required to be paid or deposited under this Agreement or the Credit Agreement, and (iv) the Majority Lenders have requested that the Administrative Agent deliver Account Notice to the Account Bank, the Administrative Agent may deliver an Account Notice to the Account Bank, copies of which shall simultaneously be delivered to the Manager and the Auditor. If a Manager Event is no longer continuing, the Administrative Agent shall promptly deliver a notice to the Account Bank (with a copy to the Manager and the Auditor) revoking the applicable Account Notice.

(d) **Direction of Auditor**. If the Administrative Agent shall deliver an Account Notice, the Administrative Agent shall advise the Auditor that Manager is required to make payments weekly and monthly under the terms of its other management agreements and shall be directed to cooperate with Manager in meeting Manager's obligations to make such payments and in resolving any disputes as to disbursements from the Finance Lease Proceeds Account expeditiously. The Manager shall prepare and deliver statements of its proposed disbursements from the Finance Lease Proceeds Account to the Auditor; the Auditor shall notify Manager promptly of the Auditor's approval of such disbursements or of any disbursements which the Auditor disputes, in which case, the Auditor shall be required to specify in writing to the Manager (i) the amounts and allocations disputed, and (ii) the reason why the Auditor disputes such amounts and allocations (which reason may be that the Auditor has insufficient information if the Auditor specifies what further information the Auditor requires). The Auditor and the Manager shall jointly and promptly execute instructions to the Account Bank authorizing all disbursements which are not so disputed.

10. RETURN OF CONTAINERS.

Neither Owner nor Administrative Agent shall have any right to recover possession or control of any Owner Container prior to the date such Owner Container becomes a Terminated Container. Promptly after an Owner Container becomes a Terminated Container described in **clause (ii)** or **(iii)** of the definition thereof, if such Terminated Container is not lost or unrecoverable, Manager shall:

(a) with respect to such a Terminated Container which is not subject to a Finance Lease, deliver to Owner a report of the location of such Terminated Container; and

(b) with respect to such a Terminated Container which is subject to a Finance Lease, assign such Finance Lease to Owner or such other party as Owner shall designate in writing to Manager (which assignee Owner hereby agrees shall be Administrative Agent or its assignee).

In no event shall Manager be obligated to act in any manner inconsistent with the rights of Lessees with respect to the Owner Containers. To the extent a Terminated Container is located in a Sanctioned Country in violation of the applicable Lease, the Manager shall take no action to recover such Terminated Container.

11. ASSIGNMENT AND SUB-CONTRACTING.

Manager shall be entitled to appoint subcontractors to carry out all or any portion of its duties hereunder; *provided, however, that* (i) the Manager shall remain primarily liable for all services provided by such subcontractors and (ii) without the prior written consent of Owner, Manager shall not subcontract all or a substantial portion of its management duties to any Person which is not an Affiliate of Manager. The Manager hereby acknowledges and agrees that Owner shall collaterally assign all of its rights, title and interest under this Agreement to the Administrative Agent, for the benefit of the Secured Parties (to which collateral assignment Manager hereby consents). 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 **Section 11**, this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, Owner and Manager, and their respective successors and assigns.

12. 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 its obligations being prevented, hindered or delayed by reason of any act of God, war, riot, terrorist act, civil commotion, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of plant or machinery, explosion, fire, flood, earthquake, difficulty in obtaining workmen, materials or transport, government action, epidemic, difficulty or impossibility in obtaining access to any of the Owner Containers, depot closure or other circumstances whatsoever outside the control of such party affecting the performance of such party’s duties hereunder, whether or not similar to the foregoing.

13. INTEREST/CURRENCY.

All sums payable hereunder shall be paid in the lawful currency of the United States of America. 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. NONDISTURBANCE AGREEMENT.

Owner hereby agrees to cause Administrative Agent and each Lender, and any successors thereto as providers of secured financing to Owner (collectively, “***Financiers***” and such secured financings, “***Secured Debt***”) to enter into a Nondisturbance Agreement with Manager substantially in the form of Exhibit C hereto.

15. INDEMNIFICATION.

15.1 Owner Obligations. Owner agrees to indemnify and hold harmless each and all of Manager and its Affiliates, and their respective shareholders, officers, directors, agents, employees, representatives, successors and permitted assignees (collectively, " ***Manager Indemnified Parties***") from and against any and all third party 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 Manager to or on behalf of 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, the gross negligence or willful misconduct of any Manager Indemnified Party.

15.2 Manager Obligations. Manager agrees to indemnify and hold harmless Owner, Owner's permitted assignees and their respective officers, directors, employees and agents (each of the foregoing, an " ***Owner Indemnified Party***") from and against any and all Claims or Losses that may be incurred or suffered by any Owner Indemnified Party to the extent caused by, or arising from (A) breach by the Manager of obligations and/or covenants contained in this Agreement, (B) any failure of any of the Manager's representations and warranties under this Agreement to be true and correct in all material respects on and as of the date when made, or (C) the gross negligence or willful misconduct of the Manager. Owner and Manager hereby agree that (i) nothing contained in this Agreement (including but not limited to this **Section 15.2**) shall be interpreted as an explicit or implied guarantee by Manager of the performance of the Owner Containers, and Manager expressly disclaims any and all such guarantees 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 Manager to re-lease the Owner Containers in sufficient amounts or at sufficient rates and Manager shall have no liability to Owner for such losses.

15.3 Survival. The respective obligations of the parties hereto under **Sections 15.1** and **15.2** shall survive the termination of this Agreement.

16. REPRESENTATIONS AND WARRANTIES.

16.1 Representations and Warranties of Manager. Manager represents and warrants to Owner that:

(a) Manager is a company duly registered or continued in, and validly existing under the laws of, Bermuda;

(b) 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 execution and delivery hereof, this Agreement will constitute the legal, valid and binding obligation of Manager, enforceable against 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) Manager is not in breach of its memorandum of association or continuance 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, in each case, in such a manner as would 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 continuance or bye-laws of Manager, or any material term of any agreement or other instrument to which 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 Manager of any court or of any federal or state regulatory body, administrative agency, or other governmental authority having jurisdiction over Manager or any of its properties;

(e) to the actual knowledge of Manager, there are (i) no proceedings or investigations pending before any court, regulatory body, administrative agency, or other tribunal or governmental authority (i) asserting the invalidity of this Agreement, (A) seeking to prevent the consummation of any of the transactions contemplated by this Agreement, or (B) seeking any determination or ruling that might materially and adversely affect the performance by 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 Manager that would adversely affect its ability to perform under this Agreement;

(f) Manager is not a Sanctioned Person and has not been convicted of, pleaded guilty, or charged with any offense involving fraud, corruption, or bribery in any jurisdiction or county;

(g) 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 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 Manager hereunder;

(h) Manager shall have control over and be responsible for the method or means by which the functions described in **Section 4** are performed;

(i) Each Lease originated by the Manager on behalf of the Owner satisfied all of the Lease Requirements (except as otherwise agreed by the Owner); it being understood that any representation to the effect that the Lessee or any sublessee under such Lease is not a Sanctioned Person is made only to the knowledge of the Manager;

(j) All Owner Containers were originally manufactured to ISO specifications in effect as of the effective date of the applicable Lease thereof;

(k) As of their On-hire Date (as defined in the applicable Lease), all Owner Containers delivered from Manager's depots will conform to International Convention for Safe Containers requirements, are plated accordingly, and will have no less than thirty (30) months validity before any re-examination is required;

(l) Manager has selected the Approved Continuous Examination Program procedure for reinspection control with respect to the Owner Containers; and

(m) As of their On-hire Date (as defined in the applicable Lease), the Owner Containers will correspond with the description set forth in the applicable Lease.

16.2 Representations and Warranties of Owner. Owner represents and warrants to Manager that:

(a) Owner is a company duly registered or continued in, and validly existing under the laws of, Bermuda;

(b) 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 Owner 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 Owner, enforceable against 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) Owner has not breached 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 Bermuda 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 Owner, or any material term of any agreement, mortgage, deed of trust, or other instrument to which 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 Owner of any court or of any federal or state regulatory body, administrative agency, or other governmental authority having jurisdiction over Owner or any of their properties;

(e) There are (i) no proceedings or investigations pending or, to the knowledge of Owner, 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 either 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 either Owner that would adversely affect such Owner's ability to perform under this Agreement;

(f) Owner owns the Owner Containers free and clear of any Lien (other than Permitted Liens);

(g) Owner shall not have control over and not be responsible for the method or means by which the functions described in **Section 4** are performed by the Manager; and

(h) Each Lien (if any) on any Lease is restricted solely to certain Owner Containers subject to such Lease and the related rent (and no Container other than any such Owner Container is encumbered by such a Lien).

17. COVENANTS.

17.1 Covenants of Manager. Manager agrees that:

(a) **Liens**. Manager agrees not to create, incur or grant, directly or indirectly, any Lien of any kind arising by or through Manager on or concerning the Owner Containers, other than Permitted Liens. Manager shall promptly take or cause to be taken such action as may be necessary to discharge any such Lien.

(b) **OFAC**. (i) Manager shall ensure that Owner will not derive any of its assets and operating income from investments in or transactions with any Sanctioned Person or Sanctioned Country in the performance of its obligations under this Agreement, unless otherwise authorized by OFAC sanctions or by a license issued by OFAC, and under no circumstances shall Manager derive more than ten percent (10%) of its assets or operating income from investments in or transactions with any Sanctioned Person or Sanctioned Country in the aggregate, in connection with activities performed outside of the scope of this Agreement, unless otherwise authorized by OFAC sanctions or by a license issued by OFAC.

(ii) The Manager will allow each of the Owner, the shareholders of the Owner and the Administrative Agent to conduct, at the expense of such Person, an audit of the screening and monitoring process employed by the Manager to ensure compliance with OFAC Sanctions and CISADA.

(c) **Anti-Corruption**. (i) The Manager confirms that it has not and at all times hereafter, will not engage in any activity, practice, or conduct that violates the FCPA, the UK Bribery Act 2010 or any other applicable anti-corruption laws.

(ii) The Manager shall at the request of the Owner, the shareholders of the Owner, or the Administrative Agent and at least annually, provide the Owners and the shareholders of the Owners with a certification of compliance with **Section 17.1(c)(i)** in the form attached as **Exhibit D**.

(iii) The Manager will allow the Owner, the shareholders of the Owner, and the Administrative Agent to conduct, at the expense of such Person (and no more frequently than once per year for all such Persons), an audit of the Manager's anti-corruption policy and procedures and its implementation thereof to ensure compliance with the FCPA, the UK Bribery Act 2010 or any other applicable anti-corruption laws.

(iv) The Manager will cooperate fully and in good faith with any inquiry made by the Owner, the shareholders of the Owner or the Administrative Agent if they in their reasonable discretion have reason to believe that the Manager has committed a violation or attempted violation of any applicable anti-corruption laws.

(d) **Marks on Leases**. Except for the legend required pursuant to Section 4.7 of the Security Agreement, the Manager shall not mark any of the Leases with notations indicating that they have been pledged, assigned or otherwise conveyed to any named Person.

(e) **Preservation of Security Interests Under Finance Leases**. The Manager shall, at Owner's sole cost and expense, with respect to any Lessee that leases an Owner Container pursuant to a Finance Lease, take the following actions by not later than 30 days following the Funding Date applicable to such Finance Lease:

(i) if such Lessee's "location" (as determined pursuant to Section 9-307 of the UCC) is within the United States of America, file in the appropriate filing office a UCC financing statement naming the Lessee, as debtor, Owner, as secured party, and leased Owner Containers as the collateral;

(ii) if such Lessee's "location" (as determined pursuant to Section 9-307 of the UCC) is not within the United States of America:

(A) file with the Recorder of Deeds of the District of Columbia a UCC financing statement naming the Lessee, as debtor, Owner, as secured party, and the leased Owner Containers as the collateral; and

(B) if the Owner Containers subject to such Finance Lease represent more than five percent (5%) of the aggregate number of all Containers managed by Manager (including all such Containers other than Owner Containers) and such Lessee has a Dynamar Rating of "4" or worse, then (1) file a financing statement (or the equivalent foreign document) in the location of such Lessee's chief executive office if the law of the jurisdiction in which such chief executive office is located generally requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording, or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral, or (2) if the filing described in clause (1) is not available in such jurisdiction, an Opinion of Counsel or other evidence satisfactory to the Administrative Agent regarding the absence of a filing, recording or registration system in such jurisdiction.

(f) **No Bankruptcy Petition Against Owner**. Manager will not, prior to the date that is one (1) year and one (1) day after the payment in full of the Aggregate Loan Principal Balance and all other amounts owing by Owner to the Administrative Agent, any Lender or any Interest Rate Hedge Counterparty pursuant to the terms of any Loan Document, institute against Owner, or join any other Person in instituting against Owner, an Insolvency Proceeding. This **Section 17.1(f)** shall survive the termination of this Agreement.

(g) **Tax**.

(i) Manager will not hold itself out as a dependent agent or employee of Owner;

(ii) Except for the execution of Leases and the sale of Owner Containers as expressly set forth in this Agreement, Manager will not bind Owner through its activities pursuant to this Agreement contractually or otherwise; and

(iii) Manager shall not take any action that would cause it to be characterized as a dependent agent or employee for U.S. tax purposes.

(h) **Default Auditor Reports**. The Manager shall forward to the Owner and the Administrative Agent, promptly upon receipt, copies of all reports delivered by the "Default Auditor" under and as defined in the Fourth Amended and Restated Management Agreement, dated as of June 29, 2010 (as amended, restated, supplemented or otherwise modified from time to time), between Textainer Marine Containers Limited, as owner, and TEML, as manager, pursuant to the terms of such agreement.

17.2 Covenants of Owner. Owner agrees that:

(a) **Tax**.

(i) Owner shall not hold Manager out as a dependent agent or an employee of Owner;

(ii) Owner shall not require that the Manager perform its obligations under this Agreement from a location within the United States of America; provided, however, that the Manager, at no additional expense to Owner, shall arrange (or shall cause an Affiliate to arrange) for the leasing, repair or repossession of Owner Containers located within the United States of America;

(iii) Except for the execution of Leases and the sale of Owner Containers as expressly set forth in this Agreement, Owner shall not give Manager the right to bind Owner through its activities pursuant to this Agreement contractually or otherwise; and

(iv) The Owner shall not Knowingly (as defined below) take or direct the Manager to take any action pursuant to this Agreement in a manner that would cause the Manager to be characterized as a dependent agent or employee of the Owner for U.S. tax purposes. “Knowingly” means the actual knowledge of the officer or employee of the Owner directing such action. If the Owner shall direct the Manager to take any action pursuant to this Agreement in a manner that the Manager believes would cause the Manager to be characterized as a dependent agent or employee of the Owner for U.S. tax purposes, then, prior to taking such directed action, the Manager may send a written request to the Owner to discuss such action and possible alternative approaches to such requested actions. If the Owner and the Manager are unable to mutually agree on a resolution of the Manager’s concern, then Manager may not perform such action in the manner directed by the Owner, and the Manager may perform such action utilizing an alternative method of accomplishing such action.

(b) **No Liens on Third-Party Containers**. Notwithstanding anything herein to the contrary, Owner shall not create any Lien, or suffer to exist any Lien created by or through Owner (other than by Manager), on any Lease to the extent that such Lease relates to any Containers that are not Owner Containers.

18. GENERAL.

18.1 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 Owner:	TW Container Leasing, Ltd. Canon’s Court 22 Victoria Street Hamilton HM12 Bermuda

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 Administrative Agent:	Wells Fargo Securities, LLC 301 South College Street, MAC 010153-082 Charlotte, NC 28288 Telephone: 704-383-9317 Attention: Ms. Jessica Gray

18.2 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.

18.3 Further Assurances. Owner 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.

18.4 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 Clause 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 Clause 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.

18.5 No Partnership. Nothing in the Agreement shall be deemed for U.S. tax or other purposes to constitute a partnership, joint venture or other entity between Owner and Manager or among Owner, other owners of Containers managed by Manager generally and/or Manager. Under no circumstances may this Agreement be interpreted to provide for a sharing of benefits between Owner and Manager or among Owner and the owners of other Containers managed by Manager.

18.6 Waiver. Subject to **Section 18.9**, 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. No delay on the part of any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof.

18.7 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.

18.8 Entire Agreement. This Agreement embodies the entire agreement and understanding between Owner 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 exhibits and schedules attached hereto or referred to herein are incorporated herein by this reference.

18.9 Amendments.

(a) Subject to **Section 18.9(a)(i)**, this Agreement may not be modified, amended or terminated except by an instrument in writing signed by Owner and Manager and consented to by the Majority Lenders (or Administrative Agent on behalf of the Majority Lenders). Any provision of this Agreement may be waived only in writing by the party to be charged with the waiver.

(i) Notwithstanding the foregoing, (A) the Owner and the Manager may modify or amend the definitions of the terms "Expected Margin", "Equipment Parameters" and "Gross Yield" without the consent of any other Person, (B) **Schedule 1** may be amended by Manager from time to time upon notice to Owner, without the further consent of any other Person, (C) **Schedule 2** may be amended by the Owner, upon not less than sixty (60) Business Days prior written notice to Manager, in order to reflect changes in the regulatory reporting requirements applicable to the Owner or any of its shareholders, without the further consent of any other Person, and (D) **Schedule 3** may be amended from time to time by Owner (as required by applicable law) upon notice to Manager, without the further consent of any other Person.

(b) If Owner requests that Manager amend this Agreement, or otherwise undertake some action not covered by this Agreement, including, without limitation, a change of Owner, then Owner shall pay to Manager a fee to be determined at that time by Manager in its reasonable discretion; *provided that*, if the Owner shall amend **Schedule 2** and Manager shall notify the Owner of Manager's intent to charge a fee to cover the incremental costs associated with performing the revised duties associated with such amendment, the Owner and Manager shall negotiate in good faith to agree upon the amount of such fee. If the Owner and Manager do not agree on the amount of such incremental costs, the Owner may terminate this Agreement in accordance with **Section 9.1**.

18.10 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.

18.11 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.

18.12 Governing Law. This Agreement shall be construed and governed by the internal laws, and not the law of conflicts (if it would result in the application of the laws of any other jurisdiction), of the State of California, U.S.A. to agreements made and to be performed in the State of California, U.S.A.

18.13 Jurisdiction and Venue. Any legal suit, action or proceeding against Owner or Manager arising out of or relating to this Agreement, or any transaction contemplated hereby, may be instituted in any federal or state court in the City and County of San Francisco, California, U.S.A. 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.

18.14 Service of Process. Legal process in any action or proceeding arising out of or connected with this Agreement may be served on Owner or Manager anywhere in the world. Owner and Manager agree that delivery of any process in any means generally provided for notice pursuant to the notice provisions of **Section 18.1** 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 and agrees to provide any waivers or consents to service necessary to effect service. Nothing in this **Section 18.14**, however, shall affect the right of any party to serve process in any other manner permitted by law.

18.15 Third Party Beneficiaries. The Administrative Agent and each of the Lenders is an express third party beneficiary of this Agreement and, as such, shall have full power and authority to enforce the provisions of this Agreement against the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TEXTAINER EQUIPMENT MANAGEMENT LIMITED
By Continental Management Limited,
its Assistant Secretary

By /S/ PHILIP K. BREWER
Name:
Title:

TW CONTAINER LEASING, LTD.

By /S/ ROBERT D. PEDERSEN
Name:
Title:

By /S/ ROBERT CAPPS
Name:
Title:

Consented to by:

WELLS FARGO SECURITIES LLC,
as Administrative Agent

By: /S/ KEVIN C. RYAN
Name:
Title:

EXHIBIT 4.30

SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT (this "***Agreement***"), dated June 29, 2011, is entered into by and among TCG Fund I, L.P., a Cayman Islands limited partnership (the "***Seller***"), and Textainer Limited, a Bermuda exempted company (the "***Purchaser***").

Preliminary Statements

WHEREAS, the Seller is the owner of 3,000 of the issued and outstanding class A shares (the "***Class A Shares***") of Textainer Marine Containers Limited, a Bermuda exempted company (the "***Company***"), and the Purchaser is the owner of 9,000 of the Class A Shares and 100% of the issued and outstanding class B shares of the Company, and no other person or entity owns any equity interests in the Company other than one Class C share that is owned by AMACAR Investments LLC, a Delaware limited liability company;

WHEREAS, the Seller, the Purchaser and the Company are parties to that certain Amended and Restated Members Agreement, dated as of November 21, 2007 (the "***Members Agreement***"), which governs certain aspects of the relationship between the shareholders of the Company;

WHEREAS, the Seller desires to sell to the Purchaser, and the Purchaser desires to purchase from the Seller, 1,500 Class A Shares in the Company currently owned by the Seller (the "***Purchased Shares***"). This Agreement is entered into by the parties to set forth the terms and conditions upon which the Purchaser will purchase the Purchased Shares from the Seller.

NOW THEREFORE, in consideration of the facts set forth above and the mutual covenants contained in this Agreement, the parties agree as follows:

Agreement

ARTICLE 1
Defined Terms; Purchase and Sale of Purchased Shares

1.1 **Defined Terms**. For purposes of this Agreement, the following terms shall have the meanings ascribed to them below:

"***Estimated Purchase Price***" means the estimated total purchase price set forth on the Estimated Closing Statement.

"***Lien***" shall mean any security interest, lien, pledge or other claim or encumbrance of any kind.

"***Losses***" shall mean any and all liabilities, obligations, duties, claims, actions, causes of action, assessments, losses (including diminution in value), costs, damages, deficiencies, taxes, fines, or expenses, including, without limitation, interest, penalties, reasonable attorney fees, and all amounts paid in investigation, defense, or settlement of any of the foregoing.

"***Purchase Price***" shall mean an amount equal to the sum of (i) an amount equal to the product of (x) twelve and one half of one percent (12.5%) and (y) the total shareholders equity of the Class A Shares, as determined in generally accepted accounting principles in the United States of America, at the close of business on June 30, 2011 and (ii) Twenty Million, Six Hundred Twenty Five Thousand ($20,625,000).

1.2 **Purchase and Sale of Purchased Shares**. Effective June 30, 2011, the Seller hereby sells, assigns, transfers and conveys to the Purchaser the Purchased Shares, including all rights of the Seller with respect to such Purchased Shares, free and clear of all Liens, and the Purchaser hereby purchases from the Seller, the Purchased Shares and all such rights.

1.3 **Purchase Price; Payment and Adjustment of Purchase Price** .

1.3.1 In consideration of the sale of the Purchased Shares by the Seller to the Purchaser hereunder, the Purchaser shall pay to the Seller on the date hereof, in cash, in immediately available funds, the Estimated Purchase Price. The Estimated Purchase Price shall be paid to the Seller in accordance with the following instructions:

Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054, USA

Routing & Transit #: 121140399
Swift Code: SVBKUS6S

For Credit of:
TCG Fund I, L.P.
10955 Westmoor Drive
Westminster, CO 80021

Final Credit Account #: 3300702040

1.3.2 On the date hereof, the Company has delivered to the Purchaser the estimated closing statement attached hereto as **Exhibit A** based on the total shareholder equity of the Class A Shares of the Company as of May 31, 2011 (the "***Estimated Closing Statement***"), together with all documentation necessary to support the components set forth therein. As promptly as practicable, but in any event no later than August 31, 2011, the Seller shall cause the Company to prepare and deliver to the Purchaser a statement (the " ***Final Closing Statement***") indicating the actual amounts for the items included in the Estimated Closing Statement and based on the total shareholders equity of the Class A Shares of the Company as of June 30, 2011, with such amounts being calculated in a manner consistent with the calculation of such amounts on the Estimated Closing Statement. The Final Closing Statement delivered by the Company to the Purchaser shall be deemed to be, and shall be, final, binding and conclusive, absent manifest error, on the parties hereto.

1.3.3 Within ten (10) Business Days following the delivery of the Final Closing Statement pursuant to **Section 1.3.2**, the adjustment payments, if any, payable pursuant to **Section 1.3.4** shall be paid by wire transfer of immediately available funds to a bank account designated by the Seller or the Purchaser, as the case may be.

1.3.4 The Purchaser shall make an adjustment payment to the Seller in an amount equal to the amount (if any) by which the Purchase Price on the Final Closing Statement is greater than the Estimated Purchase Price, and the Seller shall make an adjustment payment to the Purchaser in an amount equal to the amount (if any) by which the Purchase Price on the Final Closing Statement is less than the Estimated Purchase Price.

1.4 **Documentation**. On June 30, 2011, the Seller shall deliver to the Purchaser all certificates (if any) representing the Purchased Shares, together with duly executed instruments of transfer related thereto.

1.5 **Unwind**. If for any reason the purchase and sale of Purchased Shares is not consummated on June 30, 2011, the Seller shall, not later than July 1, 2011, return to the Purchaser all amounts paid pursuant to **Section 1.3.1**.

ARTICLE 2
Representations and Warranties

2.1 The Seller represents and warrants to the Purchaser on and as of the date hereof and June 30, 2011, as follows:

2.1.1 **Existence, Power and Authority**. Seller is a limited partnership duly organized, validly existing and in good standing under the laws of the Cayman Islands and has all requisite authority to enter into this Agreement and to consummate the transactions contemplated hereby.

2.1.2 **Authorization**. The execution and delivery of this Agreement and the performance by Seller hereunder have been duly authorized by all requisite action and proceedings of Seller, and in accordance with applicable provisions of its organizational documents and applicable law. This Agreement has been duly executed and delivered by Seller, and this Agreement is the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally.

2.1.3 **No Conflicts**. The execution, delivery and performance of this Agreement by Seller and the consummation by the Seller of the transactions contemplated herein do not and will not (i) violate, conflict with or constitute a default under any provision of its operating agreement or other applicable charter documents, (ii) conflict with or result in a breach of any indenture or other agreement to which Seller is a party or by which Seller or its properties are bound, (iii) violate any judgment, order, injunction, decree or award of any court, administrative agency or governmental body against, or binding upon, Seller or its properties, or (iv) constitute a violation by Seller of any law or regulation applicable to it or its properties, except in any case where such violation would not have a material adverse affect on the financial condition of Seller or its ability to perform its obligations under this Agreement.

2.1.4 **Consents**. The execution, delivery and performance by Seller of, and the consummation of the transactions contemplated by this Agreement do not require (i) any approval or notice to or consent of any person, or any holder of any indebtedness or obligation of Seller or any other party to any agreement binding on the Seller, or (ii) any notice to or filing or recording with, or any consent or approval of, any governmental body, except for approvals, consents, notices, filings and recordings that will have been obtained or given or made prior to June 30, 2011.

2.1.5 **Legal Proceedings**. There are no actions, suits or proceedings pending, or to Seller's knowledge, threatened, against Seller or the Purchased Shares before any court, arbitrator, administrative or governmental body that, if adversely determined, would hinder or prevent Seller's ability to carry out the transactions contemplated by this Agreement or affect the right, title or interest of Seller in the Purchased Shares, and, to Seller's knowledge, there is no basis for any such suits or proceedings.

2.1.6 **Title**. Seller is the lawful and rightful sole owner of the Purchased Shares as of the date hereof and June 30, 2011 and has good right and title to sell the same to Purchaser as of the date hereof and June 30, 2011. On the date hereof and June 30, 2011 (prior to conveyance of the Purchased Shares to Purchaser), Seller holds title to the Purchased Shares, free and clear of all Liens.

2.1.7 **Brokers and Finders**. No person or entity is entitled to a finder's fee or any type of brokerage commission in relation to or in connection with the transactions contemplated by this Agreement as a result of any agreement or understanding with Seller.

2.1.8 **Exclusive Warranties**. The provisions of this **Section 2.1** state the sole and exclusive warranties made by Seller to Purchaser with respect to the subject matter of this Agreement and are in lieu of any and all other warranties, express or implied (except for the implied warranty of good faith and fair dealing).

2.2 The Purchaser represents and warrants to the Seller on and as of the date hereof and June 30, 2011 as follows:

2.2.1 **Existence, Power and Authority**. Purchaser is a company with limited liability duly organized, validly existing and in good standing under the laws of Bermuda, and has all requisite organizational authority to enter into this Agreement and to consummate the transactions contemplated hereby.

2.2.2 **Authorization**. The execution and delivery by Purchaser of this Agreement, and the performance by Purchaser hereunder and thereunder, have been duly authorized by all requisite organizational action and proceedings of Purchaser and in accordance with applicable provisions of its organizational documents and applicable law. This Agreement has been duly executed and delivered by Purchaser, and this Agreement is the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally.

2.2.3 **No Conflicts**. The execution, delivery and performance of this Agreement by Purchaser and the consummation by the Purchaser of the transactions contemplated hereby, do not and will not (i) violate, conflict with or constitute a default under any provision of Purchaser's memorandum of association or other charter documents, (ii) conflict with or result in a breach of any indenture or other agreement to which Purchaser is a party or by which Purchaser or its properties are bound, (iii) violate any judgment, order, injunction, decree or award of any court, administrative agency or governmental body against, or binding upon, Purchaser or its properties, or (iv) constitute a violation by Purchaser of any law or regulation applicable to Purchaser or its properties, except in any case where such violation would not have a material adverse affect on the financial condition of Purchaser or its ability to perform its obligations under this Agreement.

2.2.4 **Consents**. The execution, delivery and performance by Purchaser of this Agreement do not require (i) the approval or consent of or notice to any person, or any holder of any indebtedness or obligation of Purchaser or any other party to any agreement binding on the Purchaser, or (ii) any notice to or filing or recording with, or any consent or approval of, any governmental body, except for approvals, consents, notices, filings and recordings that have been obtained or given or made prior to June 30, 2011.

2.2.5 **Legal Proceedings**. There are no actions, suits or proceedings pending, or to Purchaser's knowledge, threatened, against Purchaser before any court, arbitrator or administrative or governmental body that, if adversely determined, would hinder or prevent Purchaser's ability to carry out the transactions contemplated by this Agreement, and, to Purchaser's knowledge, there is no basis for any such suits or proceedings.

2.2.6 **Brokers and Finders**. No person or entity is entitled to a finder's fee or any type of brokerage commission in relation to or in connection with the transactions contemplated by this Agreement as a result of any agreement or understanding with Purchaser.

2.2.7 **Exclusive Warranties**. The provisions of this **Section 2.2** state the sole and exclusive warranties made by Purchaser to Seller with respect to the subject matter of this Agreement and are in lieu of any and all other warranties, express or implied (except for the implied warranty of good faith and fair dealing).

ARTICLE 3
Taxes; Indemnification; Expenses

3.1 **Sales Tax**. It is the expectation of the parties that the transfer of the Purchased Shares contemplated by this Agreement shall be exempt from state and local sales, use, transfer or similar taxes. If, however, any such sales, use, transfer or similar tax is imposed by any state or local authority on the transfer of the Purchased Shares as contemplated herein, other than taxes based on income of Seller, Purchaser shall bear and be responsible for the payment of the amount of such tax (including any related interest or penalties). Upon receipt of notice of any such tax or imposition, the party receiving the notice shall promptly provide a copy to the other party. Either party may, at its own cost and expense, commence and participate in a contest of the validity, applicability or amount of any such tax or other imposition.

3.2 **Indemnification**.

3.2.1 **Indemnity by Seller**. Without limitation of any other provision of this Agreement or any other rights and remedies available to Purchaser at law or in equity, Seller covenants and agrees to protect, indemnify, defend, and hold harmless the Company and the Purchaser and to promptly reimburse each of such parties for, all Losses arising out of, in connection with or relating to any breach of any covenant, representation, or warranty of Seller under this Agreement or the other documents to which Seller is a party delivered in connection with this Agreement.

3.2.2 **Indemnity by Purchaser**. Without limitation of any other provision of this Agreement or any other rights and remedies available to Seller at law or in equity, Purchaser covenants and agrees to protect, indemnify, defend and hold harmless Seller from, and to promptly reimburse Seller for, Losses arising out of, or in connection with, or relating to any breach of any covenant, representation or warranty of Purchaser under this Agreement or other documents to which Purchaser is a party delivered in connection with this Agreement.

3.3 **Expenses**. Purchaser shall pay all reasonable out of pocket expenses incurred by Seller (including the reasonable fees, charges and disbursements of counsel for Seller) in connection with (i) the preparation, negotiation, execution and delivery of this Agreement and any amendments, modifications or waivers of the provisions hereof requested by Purchaser, and (ii) the enforcement or protection of Seller’s rights in connection with this Agreement.

ARTICLE 4
General Provisions

4.1 **Specific Performance**. Upon the occurrence of any breach of this Agreement by Seller, Purchaser shall be entitled, as its exclusive remedy, to enforcement of this Agreement by a decree of specific performance requiring the Seller to fulfill its obligations under this Agreement; Seller hereby waives, in any action for specific performance, the defense that there is an adequate remedy at law or in equity and agrees that the Purchaser shall be entitled to obtain specific performance without being required to prove actual damages. Upon the occurrence of any breach of this Agreement by Purchaser, Seller shall be entitled to all of its remedies at law and in equity, including, without limitation, its actual damages and reimbursement of all of Seller’s expenses (including, without limitation, attorney’s, accounting and solicitation fees and costs) incurred in connection with this Agreement.

4.2 **Further Assurances**. Each of Seller and Purchaser agrees to execute, acknowledge, deliver, file and record, or cause to be executed, acknowledged, delivered, filed and recorded, such further documents or other papers, and to do all such things and acts, as the other party may reasonably request in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.

4.3 **Notices**. All notices hereunder shall be in writing and shall be sufficiently given if delivered personally or sent by overnight delivery service, by registered or certified mail, first class, postage prepaid, or by telecopy or similar written means of communication, to the receiving party at the address shown below or such other address of which the receiving party has given notice hereunder. Any notice shall be deemed to have been given and received if: (a) sent by registered or certified mail, as of the close of the third (3rd) business day following the date so mailed; (b) if personally delivered, on the date delivered; (c) on the date sent if sent by telecopy on a business day; and (d) on the next business day after the date sent in all other cases. Addresses for notices are as follows:

Purchaser:	Textainer Limited c/o Textainer Equipment Management (U.S.) Ltd. 650 California Street, 16th floor San Francisco, CA 94108 Attention: Chief Financial Officer Facsimile: (415) 434-0599
Seller:	TCG Fund I, L.P. c/o Transportation Capital Group, LLC 10955 Westmoor Drive Suite 400 Westminster, CO 80021 Adam DiMartino Facsimile: (303) 410-4571

4.4 **Waivers and Amendments**. This Agreement may be amended, superseded, modified, supplemented or terminated, and the terms hereof may be waived, only by written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. No waiver on the part of any party of any such right, power or privilege, nor any single or partial exercise of any such right, power or privilege, shall preclude any further exercise thereof or the exercise of any other such right, power or privilege.

4.5 **Assignment, Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and administrators, and permitted assigns. No party shall assign any of its rights or obligations hereunder without the prior written consent of the other parties.

4.6 **Arbitration**. Any controversy or claim arising out of or relating to this Agreement, any of its Exhibits, or the breach thereof (including, without limitation, a claim for which injunctive or other equitable relief is sought or the determination of the scope or applicability of this Agreement to arbitrate) shall be settled by arbitration in New York, New York, by one (1) arbitrator (unless the parties mutually agree to accept multiple arbitrators) in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. 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.

4.7 **Entire Agreement**. This Agreement, together with the Exhibits attached hereto, constitutes the entire agreement among the parties hereto, and no party hereto shall be bound by any communications between them on the subject matter hereof unless such communications are in writing and bear a date contemporaneous with or subsequent to the date hereof. Any prior written agreements or letters of intent among the parties relating to the subject matter hereof shall, upon the execution of this Agreement, be null and void.

4.8 **Severability**. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, and any such unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. To the 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 in any respect.

4.9 **Headings**. The headings in the sections of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect the meaning or interpretation hereof.

4.10 **Construction**. No provision of this Agreement shall be construed against any party on the ground that such party or such party's counsel drafted the provision.

4.11 **Counterparts**. This Agreement may be executed in two (2) or more facsimile counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

4.12 **No Third Party Beneficiaries**. This Agreement is solely for the benefit of Seller and Purchaser and shall create no rights of any nature in any person or entity not a party hereto.

4.13 **Governing Law**. THIS AGREEMENT SHALL BE CONSTRUED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAWS BUT OTHERWISE WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW, THAT WOULD RESULT IN APPLICATION OF LAWS OTHER THAN NEW YORK, AND THE RIGHTS, OBLIGATIONS AND REMEDIES OF THE PARTIES HERETO SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties have executed this Share Purchase Agreement as of the date set forth above.

SELLER:
TCG FUND I, L.P.
By TCG FUND I GP, LLC, its general partner

By /S/ MILTON J. ANDERSEN
Name:
Title:

By [SIGNATURE ILLEGIBLE]
Name:
Title:

PURCHASER:
TEXTAINER LIMITED

By /S/ CHRISTOPHER C. MORRIS
Christopher C. Morris, Secretary

EXHIBIT 4.31

CONTRIBUTION AND DISTRIBUTION AGREEMENT

THIS CONTRIBUTION AND DISTRIBUTION AGREEMENT (this " **Agreement**"), dated June 30, 2011 (the "**Effective Date**") is entered into by and among TCG Fund I L.P., a limited partnership organized under the laws of the Cayman Islands (" **TCG**"), Textainer Limited, an exempted company with limited liability organized under the laws of Bermuda (" **TL**") and Textainer Marine Containers Limited, an exempted company with limited liability organized under the Laws of Bermuda ("**TMCL**").

RECITALS

WHEREAS, TCG and TL currently own twenty five percent (25%) and seventy five percent (75%), respectively, of all of the Class A Shares issued by TMCL, and TL currently owns 100% of the Class B Shares issued by TMCL, and there are no other classes of shares issued by TMCL or other Persons holding any direct equity interest in TMCL other than one Class C Share owned by the independent shareholder designed to comply with rating agency requirements;

WHEREAS, TMCL has issued three series of asset backed secured notes (the " **Secured Notes**") that remain outstanding pursuant to the terms of the Second Amended and Restated Indenture, dated as of May 26, 2005 (as amended, the " **TMCL Indenture**"), between TMCL, as issuer, and Wells Fargo Bank, National Association, as indenture trustee:

WHEREAS, TMCL has formed TAP Ltd., a wholly-owned exempted company with limited liability organized under the laws of Bermuda (" **TAP**") which will elect to be treated as a disregarded entity of TMCL for U.S. Federal income tax purposes;

WHEREAS, TCG, TL and TMCL have agreed to modify the terms and/or structure of certain of the foregoing arrangements and are entering into this Agreement in order to memorialize the general terms and conditions of the revisions to such arrangements **;**

THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the parties hereto hereby agree as follows:

1. Definitions:

Class A Container means any Class A Container as defined in the Members Agreement;

Class A Share means a Class A Share issued by TMCL;

Code means the Internal Revenue Code of 1986, as amended;

Containers Proceeds Claim means the right to receive seventy-five percent (75%) of the proceeds from the sale of Designated Containers by TMCL during the month of June 2011;

Contribution Claim means the right to receive from TMCL an amount attributable to the "net other assets/liabilities" with respect to the Class A Containers contributed to TAP, as determined by the unaudited balance sheet of TMCL as of June 30, 2011 equal to the difference between (i) twelve and one half of one percent (12.5%) of the Class A shareholders equity minus (ii) an amount equal to the difference between (A) the sum of the net book values of all Class A Containers as shown on the unaudited balance sheet of TMCL as of June 30, 2011 and actually transferred by TMCL to TAP on June 30, 2011, and (B) $67,302,647;

Designated Containers has the meaning given to such term in **Section 2(c)**;

Estimated Contribution Claim means an amount attributable to the "net other assets/liabilities" with respect to the Class A Containers contributed to TAP, as determined by the unaudited balance sheet of TMCL as of May 31, 2011 equal to the difference between (i) twelve and one half of one percent (12.5%) of the Class A shareholders equity minus (ii) an amount equal to the difference between (A) the sum of the net book values of all Class A Containers as shown on the unaudited balance sheet of TMCL as of May 31, 2011 and to be actually transferred by TMCL to TAP on June 30, 2011, and (B) $67,302,647;

Members Agreement means the Second Amended and Restated Members Agreement made among TMCL, TCG, as successor to FB Transportation Capital LLC, a limited liability company organized under the laws of the State of Delaware, and TL dated as of June [29], 2011;

Treasury Regulations means the Treasury Regulations promulgated under any provision of the Code.

2. Transactions to be Effected at Closing. On the Effective Date, the following shall occur simultaneously with the purchase (the " **Prior Share Purchase**") of 1,500 Class A Shares by TL from TCG pursuant to the Share Purchase Agreement dated June 29, 2011, between TCG and TL:

(a) TCG shall loan $67,302,647 to TAP, pursuant to that certain Demand Loan Facility, dated June 30, 2011 (the "**Loan**"), between TCG and TAP.

(b) TMCL, as sole owner of TAP, shall direct TAP to direct TCG to use the proceeds of the Loan to repay $67,302,647 principal amount of the Secured Notes by TMCL pursuant to the TMCL Indenture.

(c) TMCL shall contribute to TAP (i) twelve and one half of one percent (12.5%) of the Class A Containers (as defined in the Members Agreement) owned by TMCL as of May 31, 2011 (the "**Designated Containers**"), subject to adjustment for Class A Containers sold during the month of June 2011, free and clear of all indebtedness and encumbrances including the lien of the TMCL Indenture and Secured Notes, plus (ii) the Containers Proceeds Claim to be paid by TL, as described in **Sections 2(f)** and **2(g)** below. TMCL shall execute and deliver to TAP a bill of sale, substantially in the form of **Exhibit A** hereto, that sets forth the Class A Containers to be contributed to TAP.

(d) TMCL shall contribute the Contribution Claim to TAP.

(e) TMCL shall distribute all of the shares of TAP (the "**Transferred Shares**") to TCG, in redemption of all Class A Shares remaining held by TCG after the effectiveness of the Prior Share Purchase, so that after the redemption, TL will own all of the Class A Shares and Class B Shares of TMCL. TMCL shall execute and deliver to TCG an instrument of transfer of the Transferred Shares, substantially in the form of **Exhibit B** hereto (the "**Instrument of Transfer**"), and all other documents received or reasonably requested by TCG to transfer the Transferred Shares.

(f) On or after July 1, 2011 but before July 8, 2011, TL shall pay to TAP, on behalf of TMCL, an amount equal to the Estimated Contribution Claim.

(g) On or after July 1, 2011, but no later than August 15, 2011, TL shall pay to TAP on behalf of TMCL (i) the amount of the Containers Proceeds Claim and (ii) the excess of the Contribution Claim over the Estimated Contribution Claim previously paid to TAP; provided, however, that if the Estimated Contribution Claim shall exceed the Contribution Claim then TAP shall refund such excess to TL.

3. Tax Treatment of the Transactions.

(a) For U.S. Federal income tax purposes, TAP will elect to be treated as a disregarded entity of TMCL under Treasury Regulations Section 301.7701-3(c)(1) and not as an entity separate and apart from TMCL for all purposes of the Code.

(b) For U.S. Federal income tax purposes and specifically for purposes of Section 752 of the Code, the Loan between TCG and TAP will be treated as indebtedness of TMCL.

(c) For U.S. Federal income tax purposes, the proceeds of the Loan will be treated as having been received by TMCL and used simultaneously to repay $67,302,647 principal amount of the Secured Notes so that the Loan and repayment of the Secured Notes will be treated as a single transaction.

(d) For U.S. Federal income tax purposes, the contribution of the Class A Containers and the Contribution Claim will be treated as a contribution of property by TMCL to TAP, a disregarded entity, and will be ignored so that no gain or loss will be recognized by TMCL, TCG, TL or TAP.

(e) For U.S. Federal income tax purposes, the distribution of the Transferred Shares by TMCL to TCG in redemption of all of its Class A Shares in TMCL shall be treated as a distribution of property in liquidation of TCG's interest in TMCL under Section 731 of the Code in which no gain or loss is recognized by TCG, TL or TMCL and TCG will have a basis in the Transferred Shares equal to its basis in its Class A Shares of TMCL immediately prior to the distribution.

(f) For U.S. Federal income tax purposes, after the redemption of all of TCG's Class A Shares TMCL shall be treated as a disregarded entity of TL under Treasury Regulations Section 301.7701-3(f) and any payment of the Containers Proceeds Claim, the Estimated Contribution Claim or the Contribution Claim, by TL shall be treated as made by TMCL in accordance with the Containers Proceeds Claim, the Estimated Contribution Claim or the Contribution Claim, as the case may be, and treated as an additional amount paid by TL to TCG for the redemption of all Class A Shares remaining held by TCG after the effectiveness of the Prior Share Purchase.

4. Other Treatment. The parties agree not to take any position for U.S. Federal, state or local income tax purposes inconsistent or contrary to the tax treatment described in **Section 3** above with respect to the transactions contemplated by this Agreement, unless required by law.

5. Good Title. TMCL represents and warrants that it is the lawful owner of the Transferred Shares and that its title to the Transferred Shares is conveyed, pursuant to the Instrument of Transfer, free and clear of all liens, charges, security interests, claims and encumbrances whatsoever.

6. Authorization and Execution. This Agreement has been duly authorized, executed and delivered by TCG, TL and TMCL and constitutes a legal, valid and binding obligation of TCG, TL and TMCL, enforceable in accordance with its terms. The execution of this Agreement and any other documents required by this Agreement, and the performance by TCG, TL and TMCL of their obligations are within the powers of TCG, TL and TMCL and will not violate any provisions of any law, regulation, decree or governmental authorization applicable to TCG, TL and TMCL or any agreements of TCG, TL and TMCL with any other person.

7. Execution. This Agreement may be executed separately in counterparts by TCG, TL and TMCL.

8. Choice of Law. This Agreement shall be interpreted and be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties have executed this Contribution and Distribution Agreement on the date set forth above.

TEXTAINER MARINE CONTAINERS LIMITED

By: /S/ DUDLEY R. COTTINGHAM
Dudley R. Cottingham, Secretary

TEXTAINER LIMITED

By: /S/ CHRISTOPHER C. MORRIS
Christopher C. Morris, Secretary

TCG FUND I, L.P.
By: TCG Fund I GP, LLC,
its general partner

By: /S/ MILTON J. ANDERSEN
Name:
Title:

By: [SIGNATURE ILLEGIBLE]
Name:
Title:

Exhibit A

Form of Bill of Sale – Class A Containers

TEXTAINER MARINE CONTAINERS LIMITED, an exempted company organized under the laws of Bermuda (the " **Transferor**"), for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, hereby absolutely assigns, transfers, grants and conveys to TAP Ltd., an exempted company organized under the laws of Bermuda (the " **Transferee**"), good and marketable title to (i) each of the containers listed on Exhibit A attached hereto (the "**Containers**"), subject to adjustment for Class A Containers sold during June 2011, and (ii) the rights under any manufacturer's or other seller's warranties relating to the Containers.

Subject to adjustment for Class A Containers sold during June 2011, the Transferor hereby warrants that it is the lawful owner of the Containers and that its title to the Containers is hereby conveyed to the Transferee free and clear of all liens, charges, security, interests, claims and encumbrances whatsoever other than Permitted Encumbrances (as hereinafter defined). In this regard, " **Permitted Encumbrance**" means 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 maintained; (ii) 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; and (iii) leases entered into in the ordinary course of business with respect to a Container.

This Bill of Sale shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF this Bill of Sale is executed on June 30, 2011.

TEXTAINER MARINE CONTAINERS LIMITED

By ______________________________

Dudley R. Cottingham, Secretary

Exhibit B

FORM OF TRANSFER OF A SHARE OR SHARES

TAP Ltd. (the "Company")

FOR VALUE RECEIVED

We, Textainer Marine Containers Limited (the "Transferor") hereby sell, assign and transfer unto TCG Fund I, L.P (the "Transferee") of Queensgate Trust Company Limited, PO Box 30464, Grand Cayman, Cayman Islands, KY-1-1202, 1 common share of the Company.

DATED this 30th day of June, 2011

Signed by:

Transferor

TEXTAINER MARINE CONTAINERS LIMITED

By ______________________________
Dudley R. Cottingham, Secretary

In the presence of:

____
Witness

Transferee

TCG FUND I, L.P.
By TCG Fund I GP, LLC, its general partner

By ______________________________
Name:
Title:

By ______________________________
Name:
Title:

____
Witness

Exhibit 8.1

LIST OF SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Organization	Name under which Subsidiary does Business
Textainer Limited	Bermuda	Textainer Limited
Textainer Equipment Management Limited	Bermuda	Textainer Equipment Management Limited
Textainer Equipment Management (S) Pte Ltd.	Singapore	Textainer Equipment Management (S) Pte Ltd
Textainer Equipment Management (U.S.) Limited	Delaware	Textainer Equipment Management (U.S.) Limited
Textainer Equipment Management (U.K.) Limited	United Kingdom	Textainer Equipment Management (U.K.) Limited
Textainer Marine Containers Limited	Bermuda	Textainer Marine Containers Limited
TW Container Leasing, Ltd.	Bermuda	TW Container Leasing, Ltd.

Exhibit 12.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
REQUIRED BY RULE 13A-14(A) OR RULE 15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Philip K. Brewer, certify that:

1. I have reviewed this annual report on Form 20-F of Textainer Group Holdings Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 15, 2012

/s/ Philip K. Brewer

Philip K. Brewer
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(A) OR RULE 15D-14(A)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Hilliard C. Terry, III, certify that:

1. I have reviewed this annual report on Form 20-F of Textainer Group Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 15, 2012

/s/ Hilliard C. Terry, III

Hilliard C. Terry, III
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 13.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
REQUIRED BY RULE 13A-14(B) AND SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Textainer Group Holdings Limited (the "**Company**"), hereby certifies, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2011 (the " **Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2012

/s/ Philip K. Brewer

Philip K. Brewer
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 13.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
REQUIRED BY RULE 13A-14(B) AND SECTION 1350
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Textainer Group Holdings Limited (the " **Company**"), hereby certifies, to such officer's knowledge, that:

1. The Annual Report on Form 20-F for the year ended December 31, 2011 (the " **Report**") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 15, 2012

/s/ Hilliard C. Terry, III

Hilliard C. Terry, III
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Textainer Group Holdings Limited:

We consent to the incorporation by reference in the registration statements (Nos. 333-171409 and 333- 147961) on Form S-8 and registration statement (No. 333-171410) on Form F-3 of Textainer Group Holdings Limited of our reports dated March 15, 2012, with respect to the consolidated balance sheets of Textainer Group Holdings Limited and subsidiaries as of December 31, 2011 and 2010, 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, 2011, and the related financial statement schedules, and the effectiveness of internal control over financial reporting as of December 31, 2011, which reports appear in the December 31, 2011 annual report on Form 20-F of Textainer Group Holdings Limited.

/s/ KPMG LLP
San Francisco, California
March 15, 2012