

THIRD AMENDMENT TO SUBLEASE AGREEMENT
BETWEEN THE INTERMODAL CONTAINER TRANSFER
FACILITY JOINT POWERS AUTHORITY AND THE
SOUTHERN PACIFIC TRANSPORTATION COMPANY

This Third Amendment to Sublease Agreement (the "Third Amendment to Sublease") is made and entered into Sept 10, 1986, by and between the INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWERS AUTHORITY, a joint powers authority created by The City of Los Angeles and The City of Long Beach in accordance with the laws of the State of California ("Authority"), and SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation ("Corporation").

WITNESSETH:

WHEREAS, Authority and Corporation have entered into a Sublease Agreement (the "Sublease") dated September 14, 1984, as amended and supplemented by the First Amendment to the Sublease Agreement dated October 9, 1984 (the "First Sublease Amendment") and the Second Amendment to the Sublease Agreement dated as of February 1, 1985 (the "Second Sublease Amendment"); and

WHEREAS, Authority and Corporation desire to modify the description of the Premises, as defined in the Sublease, by minor increases and decreases in the area granted by the Sublease and Authority desires to waive its right to establish storage charges on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, the mutual promises and agreements of the parties hereto as hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Exhibit A to the Sublease is hereby amended in its entirety by Exhibit A to this Third Amendment to Sublease, and the Authority hereby subleases the real property described in Exhibit A hereto to the Corporation pursuant to the terms and conditions set forth in the Sublease, as amended and supplemented.

Section 2. Section 5.05 of the Sublease is hereby amended to read in its entirety as follows:

Section 5.05. Corporation shall have the right and authority to establish the level of, and to collect, the Gate Charge. Corporation hereby irrevocably appoints Authority as its sole agent with the power to establish the Gate Charge. In setting the Gate Charge Authority shall consider, but shall not be bound by, the advice of Corporation. Corporation hereby irrevocably waives its right to set the Gate Charge and agrees to be bound by the Authority's decisions. The Gate Charge shall be not less than thirty dollars (\$30.00) per movement.

Section 3. The definition of the words "Storage Charge" set forth in Schedule A shall be deleted in its entirety.

Section 4. This Third Amendment to Sublease shall be submitted to the FMC for review or a determination by the FMC that this Third Amendment to Sublease is not subject to the Shipping Act of 1984. This Third Amendment to Sublease shall not be effective until it becomes effective in accordance with the Shipping Act or a finding of no jurisdiction is received by the Authority.

Section 5. This Third Amendment to Sublease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

Section 6. It is expressly understood and agreed that this Third Amendment to Sublease and all questions arising hereunder shall be construed in accordance with the laws of the State of California except to the extent such laws may be preempted by the laws of the United States.

Section 7. It is expressly understood and agreed that the changes to the Premises shall not change the rent required by the Sublease.

Section 8. The Sublease as amended and supplemented by the First Sublease Amendment and the Second Sublease Amendment is hereby ratified and confirmed in all respects, and all terms, conditions and provisions of the Sublease as amended and supplemented, except as amended by this Third Amendment to Sublease, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Sublease on the date first hereinabove written.

SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation

By DK M. M. President

Attest R. R. Secretary

INTERMODAL CONTAINER TRANSFER FACILITY JOINT POWERS AUTHORITY

By [Signature] Executive Director

Attest [Signature] Assistant Secretary

APPROVED AS TO FORM
April 9, 1986
JAMES K. HAHN, City Attorney

By [Signature]
GERALD F. SWAN, Assistant

Morgan Guaranty Trust Company of New York, as Trustee under that certain Indenture of Trust dated as of November 1, 1984 by and between the Intermodal Container Transfer Facility Joint Power Authority, is the beneficiary of the Deed of Trust, Security Agreement, Assignment of Rents, and Fixture Filing made by Southern Pacific Transportation Company (the "Deed of Trust"), and, as beneficiary under the Deed of Trust, hereby consents to this Third Amendment to Sublease.

[Signature] Trust Officer
Morgan Guaranty Trust Company
of New York

GFS:kls
3/20/86

SCHEDULE A

Accountant's Certificate shall mean a certificate signed by an independent public accountant or a firm of independent public accountants selected by the Corporation and approved by the Trustee in the exercise of reasonable care, or if the Corporation fails to act, selected by the Trustee in the exercise of reasonable care. The acceptance by the Trustee of, and its action in reliance on, such a certificate shall be sufficient evidence that such accountant or firm of accountants has been approved by the Trustee.

Act shall mean the Joint Exercise of Powers Act of the State of California, being California Government Code Sections 6500-6579.5, inclusive, as amended and supplemented.

Additional Authority Contribution shall mean the amounts designated as such in Sections 13.10 and 13.14 of the Sublease.

Additional Bonds shall mean Bonds, whether issued in one or more Series, authenticated and delivered on original issuance pursuant to Sections 304 and 305 of the Indenture.

Additional Corporation Contribution shall mean (i) the amounts designated as such in Sections 13.10 and 13.14 of the Sublease, (ii) any amount contributed by the Corporation for the construction of the Facilities for which it is not reimbursed from amounts on deposit in the Construction Fund or from amounts paid by the Authority pursuant to Section 13.14 of the Sublease or otherwise, (iii) any amount deposited by the Corporation with the Trustee in respect of principal of, premium, if any, and interest on the Bonds and (iv) the amount by which (a) any amount paid by the Corporation during any Payment Period pursuant to Section 5.01(a)(2) of the Sublease plus the amount paid by the Corporation during that Payment Period as annual fees for any credit facility maintained in respect of the Bonds exceeds (b) the amount by which the Facilities Revenues received during that Payment Period exceeds the payments of principal of and interest on the Bonds during that Payment Period.

Additional Payments shall mean the payments referred to as Additional Payments in Section 4.03 of the Agreement.

Additional Project shall mean additions, extensions or improvements to, of or for the Facilities and any equipment, machinery or other facilities added to, of or for the Facilities as contemplated by the Plans and financed by Bonds.

Adjustment Date shall mean the first day of each Adjustment Period designated pursuant to the Permit.

Adjustment Period shall mean each period of five Permit Years beginning on the first day of the eleventh Permit Year and on the first day of every fifth year thereafter.

Agreement shall mean the Amended and Restated Installment Sale and Security Agreement, dated as of March 1, 1989, by and between the Authority and the Corporation, including any amendments and supplements thereto.

Alternate Letter of Credit shall mean one or more irrevocable letters of credit substituted for the Letter of Credit in accordance with the Indenture.

Annual Budget shall mean the annual budget, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 5.01(c) of the Sublease.

Appraisers' Certificate or the calling for a certificate or opinion made by an engineer, appraiser or other expert means a certificate or opinion signed by an engineer or engineers, appraiser or appraisers or other expert or experts, or firm or firms of the same, each having a favorable repute for skill and experience as an engineer or engineers, appraiser or appraisers or other expert or experts or firm or firms of the same, selected by the Governing Board and approved by the Trustee in the exercise of reasonable care, or if the Governing Board fails to act, selected by the Trustee in the exercise of reasonable care. The acceptance by the Trustee of, and its actions in reliance on, such a certificate shall be sufficient evidence that such engineer or engineers, appraiser or appraisers, or other expert or experts, or firm or firms of the same, has been approved by the Trustee.

Architects' Certificate shall mean a certificate signed by an architect or architects, or firm or firms of architects, each having a favorable reputation for skill and experience as consulting architects, or an engineer or engineers, or firm or firms of engineers, each having a favorable reputation for skill and experience as an engineer

or engineers, selected by the Corporation and approved by the Trustee in the exercise of reasonable care, or if the Corporation fails to act, selected by the Trustee in the exercise of reasonable care. Such architect or architects, engineer or engineers or firm or firms of the same may be employees of the Corporation. The acceptance by the Trustee of, and its action in reliance on, such a certificate shall be sufficient evidence that such architect or architects, engineer or engineers, or firm or firms of the same, has been approved by the Trustee.

Assuming Subtenant shall mean any person subletting the Premises from the Authority who, pursuant to Section 15 of the Permit, expressly assumes the rights, privileges and obligations addressed to "Tenant" in the Permit.

Authority shall mean the Intermodal Container Transfer Facility Joint Powers Authority, a joint powers authority created by Los Angeles and The City of Long Beach in accordance with the Joint Powers Agreement and the Act.

Authority Contribution shall mean the sum of the Initial Authority Contribution plus any Additional Authority Contribution.

Authority Expenses shall mean the costs, expenses and fees incurred by the Authority in carrying out its duties, responsibilities and obligations, and exercising its rights, under the Act and the Sublease. These costs, expenses and fees shall include, but shall not be limited to, fees and expenses of the Authority's legal counsel and accountants and the annual fee paid by the Authority to the City of Carson, as required by Section 4.B of the Carson Agreement.

Authorized Authority Representative shall mean the Chairman of the Authority or any officer or employee of the Authority authorized to perform specific acts or duties by resolution duly adopted by the Authority or appointed by a written certificate signed by the Chairman and delivered to the Trustee, the Bank and the Corporation.

Authorized Corporation Representative shall mean the person or persons at the time designated to act on behalf of the Corporation by written certificate furnished to the Authority and the Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by the President, any Vice President or Treasurer of the Corporation.

Authorized Denomination shall mean \$5,000 and any integral multiple thereof.

Available Moneys shall mean (a) with respect to any payment date occurring during the term of the Letter of Credit (i) moneys which have been paid to the Trustee by the Corporation and the proceeds from the investment of all moneys held by the Trustee, which in each case have been on deposit with the Trustee for at least 123 days during which no Event of Bankruptcy shall have occurred, and (ii) moneys on deposit with the Trustee representing proceeds from the issuance and sale of the 1989 Bonds or representing proceeds from the remarketing by the Remarketing Agent of 1989 Bonds purchased as described in Section 1016 of the Indenture which in each case were at all times since their receipt by the Trustee held in a separate and segregated account or accounts or sub-account or sub-accounts in which no moneys which were not Available Moneys were at any time held, and (iii) moneys drawn under the Letter of Credit which in each case were at all times since their receipt by the Trustee held in a separate and segregated account or accounts or sub-account or sub-accounts in which no moneys (other than those drawn under the Letter of Credit) were at any time held, and (b) with respect to any payment date not occurring during the term of the Letter of Credit, any moneys furnished to the Trustee and the proceeds from the investment thereof.

Bank shall mean The Industrial Bank of Japan, Limited, Los Angeles Agency, in its capacity as issuer of the Letter of Credit, its successors in such capacity, and its assigns. If any Alternate Letter of Credit is issued and delivered in accordance with the Agreement, "Bank" shall mean the issuer of such Alternate Letter of Credit, in its capacity as issuer of such Alternate Letter of Credit, its successors in such capacity and its assigns. If other credit facilities are provided in accordance with the Agreement, "Bank" shall mean the provider thereof, in its capacity as provider of such credit facilities, its successors in such capacity and its assigns.

Bank Bonds shall mean any 1989 Bonds purchased with funds drawn under the Letter of Credit for the account of the Corporation and pledged to the Bank.

Board shall mean the Board of Harbor Commissioners of Los Angeles.

Bond or Bonds shall mean the 1984 Bonds, the 1989 Bonds and any Additional Bonds.

Bond Counsel shall mean any attorney or a firm of attorneys of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Register shall mean the registration books of the Authority maintained by the Bond Registrar for any Series of Bonds.

Bond Registrar shall mean the Trustee or other Bond Registrar appointed in accordance with Section 205 of the Indenture.

Bond Service shall mean, with respect to any Series of Bonds for any period of time, the aggregate of the payments to be made in respect to principal and interest on that Series of Bonds; provided that if interest on such Series of Bonds is payable at a variable rate, the interest rate in such Series of Bonds for each period when the actual interest rate cannot be determined shall be assumed to be the maximum interest rate permitted by the indenture under which such Series of Bonds is issued; provided further that any calculation of Bond Service shall exclude any requirement to pay principal and interest to the extent that an irrevocable deposit in trust of cash in an amount (or such securities as may be permitted by the indenture authorizing such Series of Bonds, the principal and interest on which will be in an amount) and under term sufficient to pay such principal and interest, as the same shall become due.

Bond Year shall mean the twelve-month period commencing on November 2 of each year and ending on November 1 of each year.

Bondholder or Holder or Owner or Registered Owner shall mean the Person or Persons in whose name or names any Bond shall be registered upon the Bond Register in accordance with the terms of the Indenture.

Break Even Points shall be the amounts designated as such in Section 5(d) of the Permit.

Business Day shall mean a day on which banks located in the city in which the principal office of the Trustee is located and the city in which is located the principal office of the Bank at which Letter of Credit drawings shall be made are not required or authorized to remain closed by law or regulation and on which The New York Stock Exchange is not closed.

Carson Agreement shall mean the Agreement, dated as of December 3, 1984, by and among the Authority, the Corporation and the City of Carson, a municipal corporation duly organized and existing under the Constitution and laws of the State of California.

Certificate of Completion shall mean a certificate executed by an Authorized Authority Representative, stating that the 1984 Project or any Additional Project has been completed pursuant to the Plans.

Certified Resolution shall mean a copy of a resolution of the Governing Board certified by the Secretary or an Assistant Secretary of the Authority to have been duly adopted by the Governing Board and to be in full force and effect on the date of such certification.

Cities shall mean Los Angeles and The City of Long Beach, a municipal corporation duly organized and existing under its charter and the Constitution and laws of the State of California.

Closing Date shall mean the date on which the Bonds of any Series are first authenticated and delivered pursuant to the Indenture.

Code shall mean the United States Internal Revenue Code of 1986, as amended.

Completion Date shall mean, with respect to the 1984 Project, the date on which the Authority filed with the Trustee a Certificate of Completion, together with an Architect's Certificate, regarding the 1984 Project pursuant to Section 303 of the 1984 Indenture, and shall mean, with respect to any Additional Project, the date on which the Authority files with the Trustee a Certificate of Completion, together with an Architect's Certificate, regarding the Additional Project.

Construction Fund shall mean the fund created by Section 303 of the Indenture or any fund created by a separate or supplemental indenture to pay costs of construction for any Additional Project.

Container shall mean an intermodal container or highway trailer of any dimension.

Container Charge shall mean the amount per Movement that the Tenant shall pay to the City as rent for the use of the Premises under the Permit.

Contractor shall mean the person or persons with whom the Authority has contracted for the construction and installation of the 1984 Project or any Additional Project.

Contribution Repayment Date shall mean the first day of the month following the date on which the aggregate amount of Net Revenues made available to the Corporation pursuant to the Indenture first equals the Corporation Contribution, unless such date is the first day of the month in which case the Contribution Repayment Date shall be such date.

Corporation shall mean the Southern Pacific Transportation Company, a Delaware corporation, and its successors or assigns in accordance with the Sublease and the Agreement.

Corporation Contribution shall mean the Initial Corporation Contribution plus any Additional Corporation Contribution.

Cost of Construction shall mean the cost to the Authority and the Corporation of the construction and development of the Facilities and the financing thereof, and shall include, without limitation, the cost of engineering, architectural services, plans, specifications and surveys and estimates of costs; the cost of preparation of the Premises for the Facilities; all costs of removing any Hazardous Waste discovered on the Premises; the cost of any indemnity and surety bonds or other insurance coverage with respect to the Facilities during construction; interest on the Bonds during construction; any reimbursements and payments to the Corporation required or permitted by the Agreement; the initial acceptance fee of the Trustee and the fees and expenses of the Trustee in connection with the preparation, issuance and delivery of the Bonds; the fees and charges of the Remarketing Agent and the Bank incurred in connection with the preparation, issuance and delivery of the Bonds or which can be capitalized as part of the cost of the construction or installation of the Facilities; the administrative expenses of the Authority attributable to the Facilities and the issuance of the Bonds, including, without limitation, compensation of employees, agents, attorneys, accountants and consultants of the Authority and any fees and expenses (including Counsel fees) of the Trustee during construction; the cost of issuance of the Bonds, including, without limitation, discounts, commissions, financing charges and fees and expenses of underwriters, attorneys, accountants, advisers and consultants, the cost of audits, the costs of any registration of the Bonds or of the obligation of the Corporation to pay Installment Payments under the Agreement under federal and state securities laws

and any qualification of the Indenture under the Trust Indenture Act of 1939; and shall also include, without limitation, such other costs and expenses to and including the date of completion of the 1984 Project or any Additional Project, whether or not specified herein, as may be necessary or incidental to the construction and development of the Facilities, the financing of the Facilities and the placing of the same in operation so that the Facilities are completed.

Counsel shall mean an attorney-at-law or a firm of attorneys (who may be an employee of or counsel for the Authority, the Corporation or the Trustee) duly admitted to practice law before the highest court of any state of the United States of America.

Deed of Trust shall mean that certain Amended and Restated Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing, executed by the Corporation, as Trustor, in favor of the Trustee and the Bank, as Beneficiaries.

Department shall mean the Harbor Department of Los Angeles.

Depository shall mean any bank or trust company organized under the laws of any state of the United States or any national banking association having capital stock and surplus aggregating at least \$50,000,000 and selected by the Authority and approved in writing by the Trustee as a depository of moneys and securities held under the provisions of the Indenture, and may include the Trustee; provided that, if the Trustee shall fail to approve of any Depository selected by the Authority, it shall deliver to the Authority a statement of its reasons for such failure.

Earnings Fund shall mean the fund created by Section 603 of the Indenture.

Event of Bankruptcy shall mean the commencement of a case by or against the Corporation, any of its insiders, affiliates or subsidiaries or the Authority under any domestic bankruptcy act or under any similar act which may be hereafter enacted which shall have been filed (other than bankruptcy proceedings initiated by the Corporation, any of its insiders, affiliates or subsidiaries or the Authority against third parties) unless such petition shall have been dismissed and such dismissal shall be final and not subject to appeal.

Excess Earnings Account shall mean the account of that name established in the Earnings Fund as described in Section 603 of the Indenture.

Executive Director shall mean the Executive Director of the Department or his designee.

Facilities shall mean, collectively, the 1984 Project and any Additional Project and all other facilities, whether now existing or to be acquired, constructed or installed, which shall comprise all or part of or shall be for use in connection with the intermodal container transfer facility located on the Premises and consist of a railroad yard, storage and marshalling areas for the transfer of Containers between land, water or rail modes of transportation, including but not limited to, all works, buildings, structures, foundations, footings, pavement, rails, ties, pipes, switches, equipment, machinery, fences, walls, tanks and any additions or modifications thereto.

Facilities Revenues shall mean all receipts, revenues, income and other moneys received by the Corporation from Gate Charges including any business interruption insurance awards and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights and the proceeds of such rights, whether now owned or held or hereafter coming into being, and all moneys derived by the Corporation from the sale, lease, sublease or other disposition of the Facilities.

Fiscal Year shall mean the twelve-month period commencing at 12:01 a.m. Los Angeles time on July 1 of each year and ending at 12:01 a.m. on the following July 1.

FMC shall mean the Federal Maritime Commission.

Force Majeure Event shall mean any Force Majeure occurrence listed in Section 13 of the Permit.

Gate Charge shall mean the charge established for each Movement by the Authority, as agent for the Corporation under the Sublease, paid by Persons other than the Corporation using the Facilities and collected by the Corporation.

Governing Board shall mean the Governing Board of the Authority established pursuant to the Joint Powers Agreement, as constituted from time to time, or if said Governing Board shall be abolished, such other entity or entities succeeding to the principal functions thereof or to

whom the power and duties granted or imposed by the Indenture shall be given by law.

Grading Contract shall mean a construction contract awarded by the Authority that includes the grading and recompaction of the soil within the Premises for the Facilities and the construction of acoustical masonry walls, perimeter fencing, temporary storm water draining facilities and other features that may be required.

Graduated Guaranteed Annual Rent shall mean the amount of rent which the Tenant may elect to pay pursuant to Section 5(g) of the Permit which will be calculated in accordance with the formula provided in Exhibit B to the Permit.

Guaranteed Annual Rent shall mean the minimum amount of rent to be paid pursuant to the Permit by Tenant to City for the use of the Premises in any Permit Year.

Harbor Engineer shall mean the Chief Harbor Engineer of the Department, or his designee.

Hazardous Waste shall mean any substance defined as Hazardous Waste in Article 2 of Chapter 6.5 of Division 20 of the California Health and Safety Code, as amended.

ICC shall mean the Interstate Commerce Commission.

Indenture shall mean the Indenture of Trust, dated as of March 1, 1989, by and between the Authority and the Trustee, including any amendments and supplements thereto.

Independent Certified Public Accountant shall mean any accountant or firm of accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the Corporation or the Authority and satisfactory to and approved by the Trustee, and who, or each of whom:

(a) is in fact independent and not under the domination of the Corporation or the Authority;

(b) does not have any substantial interest, direct or indirect, in the Corporation or the Authority;

(c) is not connected with the Corporation or the Authority as a member of the board of directors of the Corporation or the Authority, or as an officer or employee of the Corporation or the Authority, but who may be regularly retained to make annual or other

similar audits of the books of the Corporation, and to certify the income, expenses and balance sheet, as well as related financial information, in accordance with generally accepted accounting principles; and

(d) satisfies Rule 101 of the Code of Professional Ethics of the American Institute of Certified Public Accountants.

Initial Authority Contribution shall mean the sum of \$5,000,000 contributed by the Authority to be used for the acquisition, construction and installation of the Facilities.

Initial Corporation Contribution shall mean the sum contributed by the Corporation for the construction of the Facilities or for the acquisition, improvement and construction of certain other rights or properties related to the Facilities, including improvements at the Dolores Yard, container/trailer handling equipment for the Facilities and the grade separation over Alameda Street as set forth in the letter required by Section 2.02 of the Sublease.

Installment Payments shall mean the payments referred to as such and required to be paid by the Corporation pursuant to Section 4.02 of the Agreement.

Interest Account shall mean the account of that name established in the 1989 Bond Fund as described in Section 402 of the Indenture.

Interest Eligible Moneys Sub-Account shall mean the sub-account of that name established in the Interest Account as described in Section 403 of the Indenture.

Interest Ineligible Moneys Sub-Account shall mean the sub-account of that name established in the Interest Account as described in Section 403 of the Indenture.

Interest Payment Date shall mean November 1 and May 1, in any year that Bonds are Outstanding.

Interim Rent shall mean an amount which is equal to one twelfth (1/12) of the amount set forth in Section 5(c) of the Permit as the Guaranteed Annual Rent for the first Permit Year.

Investment Earnings shall mean interest and income received in respect to the investment of money on deposit in any fund, account or sub-account maintained under the Indenture.

Investment Earnings Account shall mean the account of that name established in the Earnings Fund as described in Section 603 of the Indenture.

Investment Securities shall mean and include any of the following securities, if and to the extent the same are at the time legal for investment of the Authority's funds:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the Federal agencies set forth in clause (ii) below to the extent they are unconditionally guaranteed by the United States of America;

(ii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation, or any successor to any thereof;

(iii) New Housing Authority Bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an Annual Contributions Contract or Contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(iv) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase under the Indenture such obligations are rated in either of the two highest rating categories by Moody's or S&P;

(v) certificates of deposit, whether negotiable or non-negotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee), provided that such certificates of deposit shall be purchased directly from such a bank, trust company or national banking association and shall be either (1) continuously and

fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities as are described above in clauses (i) through (iv) above, inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee, as custodian, by the bank, trust company or national banking association issuing such certificates of deposit, and the bank, trust company or national banking association issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking; and

(vi) any repurchase agreement with any Depository or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (i), (ii) or (iii) above.

Joint Powers Agreement shall mean the Joint Exercise of Powers Agreement, dated October 5, 1983, by and between the Cities as originally executed and as supplemented and amended.

Lease Term shall mean the term of the Sublease as set forth in Section 3.01 of the Sublease.

Letter of Credit shall mean the irrevocable Letter of Credit issued by the Bank to the Trustee contemporaneously with the issuance of the Bonds; provided that upon the issuance and delivery of an Alternate Letter of Credit in accordance with Section 4.05 of the Agreement, "Letter of Credit" shall mean such Alternate Letter of Credit.

Letter of Credit Interest Sub-Account shall mean the sub-account of that name established in the Interest Account as described in Section 403 of the Indenture.

Letter of Credit Principal Sub-Account shall mean the sub-account of that name established in the Principal Account as described in Section 403 of the Indenture.

Letter of Credit Premium Sub-Account shall mean the sub-account of that name established in the Premium Account as described in Section 403 of the Indenture.

Los Angeles shall mean The City of Los Angeles, a charter city and municipal corporation duly organized and existing under its charter and the Constitution and laws of the State of California.

Managerial Consultant shall mean any firm of national reputation qualified to report on questions relating to the financial condition of facilities such as the Facilities, selected by the Corporation and acceptable to the Trustee.

Maximum Annual Bond Service shall mean, as of any date of calculation, the maximum amount due on the Bonds then Outstanding in any year between the date of calculation and the final maturity date of the Bonds.

Moody's shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, approved by the Remarketing Agent and acceptable to the Trustee.

Movement shall mean the passing of a Container, whether empty, partially loaded or fully loaded, other than an empty Tenant controlled or furnished Container, either into or out of the Facilities by rail or truck; provided that such passing shall be counted only once for each Container entering or leaving the Facilities.

Net Revenues for any Payment Period shall mean the excess of Facilities Revenues received in that Payment Period over payments in respect of principal of, premium, if any, and interest on the Bonds, payments of that portion of Rent required by Sections 5.01(a)(2) and 5.01(a)(4) of the Sublease, payments of any annual fees and expenses of the Trustee, Bond Registrar and any paying agents for the Bonds designated under the Indenture and payments of any annual fees in respect of any credit facility obtained in connection with the Bonds paid by the Corporation for that Payment Period; provided that after Bonds cease to be Outstanding, Net Revenues for any Payment Period shall be equal to Facilities Revenues received in that Payment Period minus said portion of Rent paid by the Corporation pursuant to Sections 5.01(a)(2) and 5.01(a)(4) of the Sublease in that Payment Period.

1984 Bonds shall mean the Intermodal Container Transfer Facility Revenue Bonds, 1984 Series A, authorized and issued pursuant to the 1984 Indenture.

1984 Indenture shall mean the Indenture of Trust, dated as of November 1, 1984, as supplemented by the First Supplemental Indenture, dated as of February 1, 1985, and by the Second Supplemental Indenture, dated as of March 1, 1989, each by and between the Authority and the Trustee.

1984 Project shall mean that portion of the Facilities described in Exhibit A of the Agreement which was constructed with the proceeds of the 1984 Bonds.

1989 Bond Fund shall mean the fund created by Section 402 of the Indenture.

1989 Bond Purchase Fund shall mean the fund created by Section 405 of the Indenture.

1989 Bond Revenues shall mean (i) that portion of Revenues required by the Indenture to be deposited in the 1989 Revenue Account, (ii) all Installment Payments payable by the Corporation pursuant to the Agreement and required to be deposited in the 1989 Bond Fund; (iii) moneys drawn by the Trustee under the Letter of Credit to pay principal and interest on the 1989 Bonds, and (iv) all other revenues, proceeds, charges, income, receipts and benefits derived by the Authority from the ownership or use of the Trust Estate, including any interest or other income derived from the investment or reinvestment of any of the funds provided for in the Indenture which are part of that Trust Estate.

1989 Bonds shall mean the Intermodal Container Transfer Facility Refunding Revenue Bonds, 1989 Series A, authorized and issued pursuant to the Indenture.

1989 Revenue Account shall mean the account of that name established in the Revenue Fund as described in Section 401(b) of the Indenture.

Nonarbitrage Certificate shall have the meaning assigned to such term in Covenant 19 of Section 801 of the Indenture.

Officer's Certificate or Certificate of the Authority, when used with respect to the Authority shall mean a certificate signed by the Chairman of the Governing Board or the President or any Vice-President or the Treasurer or the Secretary or any Assistant Treasurer or any Assistant Secretary of the Authority.

Opinion of Counsel shall mean an opinion in writing, signed by legal counsel, who may be Bond Counsel or any employee of, or of counsel to, the Authority or the Corporation, or other counsel satisfactory to the Trustee.

Outstanding shall mean, subject to the provisions of Section 1102 of the Indenture and as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture, except: (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation; (b) Bonds deemed not to be outstanding by reason of Section 407 or Article XIII of the Indenture; (c) Bonds which have been paid or in exchange for or in lieu of which other Bonds shall have been authenticated and delivered pursuant to the terms of Section 207 of the Indenture, unless proof satisfactory to the Trustee is presented that any such Bonds are held by bona fide holders in due course; and (d) Undelivered Bonds.

Payment Date shall mean any date on which any payment of Sublease Rent is due pursuant to Section 5.01(b) of the Sublease.

Payment Period shall mean the periods designated as such in Section 5.01(b) of the Sublease.

Permit shall mean that certain Permit for Use of Land, Los Angeles Harbor Department Permit Number 529, dated September 14, 1984, by and between the Authority and Los Angeles, including any amendments and supplements thereto.

Permit Rents shall mean all sums accruing pursuant to Section 5 of the Permit including, without limitation, the Container Charges, the Guaranteed Annual Rent, and sums, if any, due under Section 5(a) of the Permit.

Permit Year shall mean the twelve month periods beginning on the first day of the month following the Completion Date and each anniversary thereof during the term of the Permit.

Permitted Encumbrances shall mean and include:

(i) Undetermined liens and charges incident to construction or maintenance and liens and charges incident to construction or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to judgment, provided that the Corporation shall have filed the lien release bond contemplated by California Civil Code Section 3143;

(ii) The lien of taxes and assessments which are not delinquent;

(iii) Purchase money financings entered into by the Corporation in connection with the construction and installation of the 1984 Project or any Additional Project;

(iv) Minor defects and irregularities in the title to the Facilities which in the aggregate do not materially impair the use of the Facilities for the purposes for which they are or may reasonably be expected to be held;

(v) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, drainage and sewerage purposes, dikes, canals, laterals, ditches, and removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which in the aggregate do not materially impair the use of such property for the purposes for which it is or may reasonably be expected to be held;

(vi) Rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Facilities which do not materially impair the use of the Facilities for the purposes for which they are or may reasonably be expected to be held;

(vii) Any obligations or duties affecting any portion of the Facilities to any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license, or permit;

(viii) Present or future valid zoning laws and ordinances;

(ix) The rights of the Trustee under the Deed of Trust;

(x) Liens securing indebtedness for the payment, redemption or satisfaction of which money (or evidences of such indebtedness) in the necessary amount shall have been deposited in trust with a trustee or other holder of such indebtedness;

(xi) The lien and charge of the Indenture;

(xii) Statutory liens arising in the ordinary course of business with respect to obligations which are not delinquent or are being contested in good faith; and

(xiii) The Southern Pacific Railroad Company First Mortgage, dated as of July 1, 1945, by and between Southern Pacific Railroad Company and The Chase National Bank of the City of New York, as trustee, as supplemented and amended to date, including by the Tenth Supplemental Indenture, dated November 26, 1969, by which the Corporation assumed all obligations thereunder.

Person shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

Plans shall mean the plans and specifications for the Facilities prepared by the Design and Construction Group of the Corporation and on file with the Corporation, the Trustee and the Authority, as the same may be revised from time to time prior to the Completion Date in accordance with the terms of the Agreement.

Ports shall mean the Port of Los Angeles, The City of Los Angeles and the Port of Long Beach, The City of Long Beach.

Premises shall mean certain parcels of real property as more fully described in Exhibit A to the Permit.

Premium Account shall mean the account of that name established in the 1989 Bond Fund as described in Section 402 of the Indenture.

Premium Eligible Moneys Sub-Account shall mean the sub-account of that name established in the Premium Account as described in Section 403 of the Indenture.

Premium Ineligible Moneys Sub-Account shall mean the sub-account of that name established in the Premium Account as described in Section 403 of the Indenture.

Prime Rate shall mean that rate of interest announced by the Trustee from time to time at its Principal Office as its prime lending rate for domestic commercial loans.

Principal Account shall mean the account of that name established in the 1989 Bond Fund as described in Section 402 of the Indenture.

Principal Eligible Moneys Sub-Account shall mean the sub-account of that name established in the Principal Account as described in Section 403 of the Indenture.

Principal Ineligible Moneys Sub-Account shall mean the sub-account of that name established in the Principal Account as described in Section 403 of the Indenture.

Principal Office shall mean, with respect to the Trustee, 30 West Broadway, New York, New York, 10015, Attention: Corporate Trust Department, or such other office designated by the Trustee in writing to the Corporation, the Authority, the Bank and the Remarketing Agent, and with respect to the Remarketing Agent, 1251 Avenue of the Americas, New York, New York, Attention: Tax Exempt Securities Department, or such other office designated by the Remarketing Agent in writing to the Authority, the Corporation, the Bank and the Trustee, and with respect to the Bank, such office designated by the Bank in writing to the Authority, the Corporation, the Trustee and the Remarketing Agent.

Purchase Date shall mean the date on which 1989 Bonds are to be purchased in lieu of redemption thereof pursuant to Section 701(c) of the Indenture.

Record Date shall mean, with respect to any Interest Payment Date, the close of business on the fifteenth day immediately preceding such Interest Payment Date, or, if such day shall not be a Business Day, the immediately preceding Business Day.

Redemption Notice shall have the meaning assigned to such term in Section 702 of the Indenture.

Reimbursement Agreement shall mean the reimbursement agreement between the Corporation and the Bank pursuant to which the Letter of Credit is issued by the Bank and delivered to the Trustee, and any and all modifications, alterations, amendments and supplements thereto.

Remarketing Agreement shall mean the remarketing agreement between the Corporation and the Remarketing Agent pursuant to which Bonds are to be remarketed as contemplated in the Indenture and any and all modifications, alterations, amendments and supplements thereto.

Remarketing Agent shall mean Morgan Stanley & Co. Incorporated or any successor Remarketing Agent appointed as set forth in the Indenture.

Rent or Rents shall mean all sums accruing pursuant to Section 501 of the Sublease.

Required Reserve shall mean, for so long as The Industrial Bank of Japan, Limited, Los Angeles Agency, is the Bank, as of any date of calculation, the lesser of (i) Maximum Annual Debt Service on the 1989 Bonds, or (ii) 10% of the aggregate principal amount of the 1989 Bonds Outstanding as of the date of calculation, and thereafter the amount specified in writing in a certificate delivered to the Trustee by the Bank and/or the Remarketing Agent as provided in Section 503(d) of the Indenture; provided that following an event of purchase pursuant to Section 913 of the Indenture and the transfer of all amounts held in the Reserve Account to the Principal Account and the Interest Account pursuant to Section 404(d)(3) of the Indenture, the Required Reserve shall be zero.

Reserve Account shall mean the account of that name established in the 1989 Bond Fund as described in Section 402 of the Indenture.

Revenue Fund shall mean the fund created by Section 401(a) of the Indenture.

Revenues shall mean (i) Facilities Revenues, (ii) all insurance or condemnation awards deposited in the Revenue Fund, (iii) all moneys received by the Trustee in respect of the Deed of Trust and (iv) all rights to receive the amounts specified in clauses (i), (ii) and (iii).

S&P shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, approved by the Remarketing Agent and acceptable to the Trustee.

Scheduled Redemption Date shall mean the date designated by the Corporation or the Remarketing Agent to occur not less than 14 days prior to the final expiration or termination of the Letter of Credit.

Section 406 Fund shall mean the fund of that name established pursuant to Section 406 of the Indenture.

Section 701(c)(3) Fund shall mean the fund of that name established pursuant to Section 701(c)(3) of the Indenture.

Series shall mean all Bonds authenticated and delivered on original issuance in a simultaneous transaction and identified pursuant to the Indenture or any separate or supplemental indenture authorizing Bonds pursuant to Sections 304 and 305 of the Indenture, as a separate Series of Bonds.

Statement of Operations shall mean a document submitted by the Corporation to the Authority pursuant to Section 5.01(a)(3) of the Sublease stating the results of operations at the Facilities during each monthly Payment Period.

Storage Charge shall mean the charge established by the Authority as agent for the Corporation under the Sublease, for the storage of Containers at the Facilities.

Sublease shall mean that certain Sublease Agreement, dated September 14, 1984, by and between the Authority and the Corporation, including any amendments and supplements thereto.

Sublease Rent shall mean the amounts referred to as such in Section 5.01(a)(3) of the Sublease.

Sublease Rent Payment Request shall mean a document submitted by the Authority to the Corporation and the Trustee pursuant to Section 5.01(b) of the Sublease which directs the Trustee to make payment of Sublease Rent on behalf of the Corporation.

Subleasehold Estate shall mean the interest in the Premises held by the Corporation or any successor thereto as created by the Sublease.

Subleasehold Mortgage shall mean any leasehold mortgage encumbering the Subleasehold Estate and granted by any Assuming Subtenant pursuant to Section 11 of the Sublease.

Subleasehold Mortgagee shall mean any person or entity to whom a Subleasehold Mortgage is granted pursuant to Section 11 of the Sublease.

Substitution Date shall mean any Interest Payment Date on which the Corporation substitutes the Letter of Credit with an Alternate Letter of Credit or other credit facilities or fails to substitute an Alternate Letter of Credit or other credit facilities upon the final expiration or termination of the Letter of Credit, which event results in a reduction or withdrawal of the then prevailing rating of such Bonds by Moody's or S&P.

Tenant shall mean the Authority or any Assuming Subtenant.

Total Bond Service shall mean, for any period of time, the aggregate of all Bond Service on each Series of Bonds.

Total Contribution shall mean the sum of the Authority Contribution plus the Corporation Contribution.

Trust Estate shall mean the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture.

Trustee shall mean Morgan Guaranty Trust Company of New York, a New York banking corporation, and any successor trustee appointed as provided in the Indenture.

Undelivered Bonds shall mean Bonds which have not been surrendered to the Trustee on a Purchase Date for such Bonds.

Written Requisition, Written Consent, Written Order and Written Request shall mean, respectively, a written requisition, consent, order or request signed on behalf of the Authority by its Chairman or by the Executive Director or the Secretary or an Assistant Secretary or by any person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Governing Board to sign or execute such a document on its behalf.