

224-010889-003

THIRD AMENDMENT TO OPERATING AGREEMENT

RECEIVED

WHEREAS, the Board of Trustees of the Galveston Wharves (hereinafter "GW"), a separate utility of the City of Galveston, and Container Terminal of Galveston, Inc., a Texas corporation (hereinafter "CTG"), the Terminal Operator, entered into an Operating Agreement for the Galveston Wharves East End Container Terminal on February 11, 1986, and

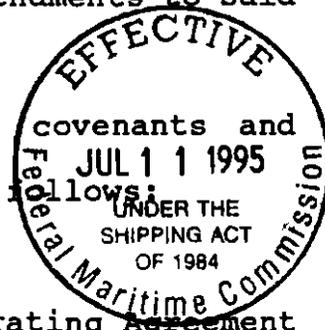
WHEREAS, GW and CTG signed supplemental agreements to said Operating Agreement on June 1, 1986 and June 4, 1987; and

WHEREAS, GW and CTG signed a First Amendment to the Operating Agreement on February 27, 1992, to address the purchase to two container lift trucks, and

WHEREAS, GW and CTG signed a Second Amendment to the Operating Agreement on February 9, 1993, to clarify the insurance requirements of Section 7.2 (e) of the Operating Agreement, and

WHEREAS, GW and CTG desire to make further amendments to said Agreement with respect to insurance requirements;

NOW, THEREFORE, in consideration of mutual covenants and agreements contained herein, the parties agree as follows:



I.

It is agreed that Section 7.2 (b) of the Operating Agreement shall be amended to provide:

"(b) Personal Injury and Terminal Operating Liability Insurance - \$10,000,000. Limit of Liability, each accident or occurrence, covering:

1. Loss of life or personal injury to any person, other than an employee of CTG, caused by, resulting

from or arising out of the operations or activities of CTG at or away from the Facilities.

2. Loss of or damage to the property of others including Pollution Liability and including but not limited to vessels or cargoes handled and/or in the care, custody or control of CTG caused by, resulting from or arising out of the operations or activities of CTG at or away from the Container Terminal."

II.

It is agreed that this Third Amendment to the Operating Agreement shall be submitted to the Federal Maritime Commission, under Section 5 of the Shipping Act of 1984. The effective date of this Agreement shall be the date that the Commission, by notice, specifies as the effective date pursuant to Section 6 of the Shipping Act of 1984. No part of this Agreement shall be carried out directly or indirectly prior to the effective date of this Third Amendment to the Operating Agreement or upon the notification by the Commission to GW in writing to the effect that the Third Amendment to the Operating Agreement is not required to be filed with the Commission. Upon execution of this Agreement, GW shall promptly file it with the Commission for appropriate Commission action.

III.

Except as amended herein, the Operating Agreement dated February 11, 1986, and amended on February 27, 1992, and February 9, 1993, shall remain in full force and effect.

SIGNED this 12 day of June, 1995.

Container Terminal of Galveston, Inc.

By: [Signature]
Its: President

Board of Trustees of the Galveston Wharves

By: [Signature]
Its: General Manager

ATTEST:
