

THIRD AMENDMENT TO INDUSTRIAL DEVELOPMENT LEASE

This Third Amendment to Industrial Development Lease (this "Amendment"), made as of March 10 2000, by and between THE CITY OF SACRAMENTO, a Charter Municipal Corporation ("Landlord") and U.S. NATIONAL LEASING LLC, an Alaska limited liability company ("Tenant") in favor of Heller Financial, Inc., a Delaware Corporation, having an office at 500 West Monroe, Chicago, Illinois.

WITNESSETH:

WHEREAS, pursuant to that certain Industrial Development Lease and Option to Purchase, dated December 15, 1994, as amended by that certain First Amendment to Industrial Development Lease, dated as of December 16, 1994, and as further amended by that certain Second Amendment to Industrial Development Lease, dated as of March 10, 2000, between Landlord and Tenant (successor-in-interest to Packard Bell NEC, Inc.) (the "Lease"), Landlord did demise and let to Tenant, and Tenant did hire and take from Landlord, those certain premises located in the County of Sacramento, State of California, as more particularly described on Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, Landlord and Tenant desire to modify, amend and supplement the Lease to provide for the incorporation of the terms, covenants and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the sum of TEN DOLLARS (\$10.00) paid by Tenant to Landlord and of other good and valuable consideration, the mutual receipt and legal sufficiency of which are hereby acknowledged, the parties hereto agree that the Lease is hereby modified, amended and supplemented as follows:

1. Tenant, and its successors and assigns, shall have the right in accordance with Section 56 of the Lease to mortgage and pledge the Lease without Landlord's consent and encumber the Lease with any Leasehold Mortgage (hereinafter defined). The Leasehold Mortgage shall be superior in priority to any fee mortgage (whether now or hereafter existing) encumbering the Property, except for that certain Army Deed of Trust, dated and recorded April 19, 1995, in Book 9504 -19 and Page 1585 of the Official Records, executed by The City of Sacramento in favor of the United States of America in the amount of \$7,160,000 (the "Army Deed of Trust"), and Landlord agrees to cause the fee mortgagee, except as it relates to the Army Deed of Trust, to execute a written subordination agreement, in form and substance satisfactory to the Leasehold Mortgagee (hereinafter defined), which Amendment shall provide that such fee mortgage is subordinate in all respects to the Leasehold Mortgage. As used herein, the term "Leasehold Mortgage" shall be deemed to mean each and every recorded mortgage,

deed of trust, deed to secure debt, collateral assignment of lease or other similar instrument creating a lien or other encumbrance on Tenant's interest in the Lease (regardless of the priority thereof), any assignment thereof and any modification or amendment of any of the terms thereof, including, without limitation, any extension, renewal or refinancing of any indebtedness secured thereby or an additional advance secured by any Leasehold Mortgage or any additional Leasehold Mortgage given to secure the same.

2. If Tenant shall mortgage or pledge the Lease, then so long as the Leasehold Mortgage shall remain unsatisfied, the following shall apply:

(A) Landlord, upon serving Tenant with any notice hereunder or under the provisions of, or with respect to, the Lease, shall also serve a copy of such notice upon the holder or holders of the Leasehold Mortgage (such holder or holders, and its or their successors and assigns from time to time, each a "Leasehold Mortgagee") (in the same manner as required by the Lease for notices to Tenant) at the address specified in the Leasehold Mortgage, or at such other address as the Leasehold Mortgagee shall designate in writing to Landlord. No notice of default or termination from Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been so served upon Leasehold Mortgagee.

(B) Section 56 (a) (vi) of the Lease shall be amended by inserting the following words as a new sentence at the end of such section: "Furthermore, any termination of the Lease by operation of law as a result of any of the foregoing Events of Default shall not, as between Landlord and Tenant, terminate the Lease."

(C) If, by reason of Tenant's rejection of its right to exercise any renewal option under the Lease without the Leasehold Mortgagee's express written consent or Tenant's failure to exercise in a timely fashion any renewal option under the Lease, Tenant shall not be entitled to renew the Lease for any renewal term, then Landlord shall deliver written notice thereof to the Leasehold Mortgagee. The Leasehold Mortgagee shall thereupon have the option, which option must be exercised by the Leasehold Mortgagee delivering notice to Landlord within forty-five (45) days after the Leasehold Mortgagee's receipt of notice from Landlord that Tenant has failed to exercise a renewal option under the Lease, either to exercise any such renewal option on Tenant's behalf, or to enter into a New Lease of the Property upon the New Lease Terms.

(D) (i) Any notice or other communication which Landlord shall desire or is required to give to or serve upon the Leasehold Mortgagee shall be in writing and shall be served in the same manner as required by the Lease for any notices to Tenant, except that such notice shall be delivered to the Leasehold Mortgagee at the address for notices set forth in the Leasehold Mortgage, or at such other address as the Leasehold Mortgagee shall designate in writing to Landlord.

(ii) Any notice or other communication which the Leasehold Mortgagee shall desire or is required to give to or serve upon Landlord shall be deemed to have been duly given or served if sent to Landlord in accordance with the provisions of the Lease at the address set forth therein.

(E) No union of the interests of Landlord and Tenant shall result in a merger of the Lease into any superior leasehold interest or the fee interest in the Property.

(F) Tenant and Landlord shall not enter into any Amendment providing for the surrender, cancellation, amendment or modification of the Lease or this Amendment, and Landlord shall not accept a surrender of the Lease from Tenant, without the prior written consent of each Leasehold Mortgagee, and no such surrender, cancellation, amendment or modification shall be binding on the Leasehold Mortgagee or Tenant without the prior written consent of the Leasehold Mortgagee.

(G) Concurrently with the execution and delivery of any New Lease and provided that the terms of Section 56 (a) (vii) of the Lease have been met, Landlord shall assign to the tenant named therein all of its right, title and interest in and to moneys (including insurance proceeds and condemnation awards), if any, then held by or payable to Landlord which Tenant would have been entitled to receive but for the termination of the Lease. Upon the execution of any New Lease, the tenant named therein shall be entitled to any rent received under any sublease in effect during the period from the date of termination of the Lease to the date of execution of such New Lease. Effective upon the commencement of the term of any New Lease, all subleases shall be assigned and transferred to the tenant under the New Lease.

(H) Upon the Leasehold Mortgagee's request, the name of such Leasehold Mortgagee may be added to the "Loss Payable Endorsement" of any and all insurance policies required to be carried by the Tenant under the Lease.

(I) Landlord agrees promptly to execute, acknowledge and deliver any modifications to the Lease reasonably requested by any Leasehold Mortgagee in accordance with Section 56 (c) of the Lease. In addition, from time to time upon the reasonable request of the Leasehold Mortgagee, Landlord shall execute and deliver to the Leasehold Mortgagee an estoppel certificate in the form of Exhibit B attached hereto and made a part hereof.

(J) In any circumstances where arbitration is provided for under the Lease, Landlord shall give to each Leasehold Mortgagee notice of any demand for any arbitration at the same time and in the same manner as such notice was given to Tenant, and Landlord shall recognize each Leasehold Mortgagee as a proper party to participate in such arbitration.

3. Nothing contained in this Amendment shall enlarge or increase the rights or remedies available to Landlord to terminate the Lease prior to the expiration of its term as provided therein. The provisions of this Amendment are intended by the parties to benefit only the holders of any Leasehold Mortgage; however, such provisions shall not operate to decrease Landlord's rights and remedies under the Lease.

4. Landlord hereby consents to Tenant's grant, if any, to each Leasehold Mortgagee of a security interest in the personal property owned by Tenant and located at the Property and a collateral assignment of subleases by Tenant of all or any portion of the Property and the rents, issues and profits therefrom, if any. Landlord agrees that any interest that Landlord may have in such personal property or subleases, as the case may be, whether granted pursuant to the Lease or by statute, shall be subordinate to the interest of any such Leasehold Mortgagee. For so long as the Lease or any New Lease shall be in effect, Landlord shall not disturb the possession, interest or quiet enjoyment of any subtenant.

5. Notwithstanding anything in this Amendment or in the Lease to the contrary, in the event of any casualty to or condemnation of the Property or any portion thereof during such time as any Leasehold Mortgage shall remain unsatisfied and provided the Tenant complies with its obligations pursuant to Section 16 and 17 of the Lease, the Leasehold Mortgagee shall be entitled to receive all insurance proceeds and/or condemnation awards (up to the amount of the indebtedness secured by the Leasehold Mortgage) otherwise payable to Tenant or Landlord or both and apply them in accordance with the Leasehold Mortgage and shall have the right, but not the obligation, to restore the Property.

6. Landlord and Tenant agree promptly to execute, acknowledge, deliver and cause this Amendment and a short form memorandum of the Lease to be recorded in the appropriate public records.

7. Landlord's recourse against any Leasehold Mortgagee shall be expressly limited to the Leasehold Mortgagee's interest in the Lease and no other assets of the Leasehold Mortgagee.

8. Landlord and Tenant each represent that it has the necessary power and authority to execute this Amendment and has obtained all the consents or approvals of any party necessary to effectuate the terms of this Amendment.

9. This Amendment, the covenants, terms and conditions hereof and the rights and obligations created hereby shall run with the land and be binding upon and inure to the benefit of Landlord, Tenant, any Leasehold Mortgagee and their respective successors and assigns.

10. This Amendment may be executed in any number of separate

counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which, collectively and separately, shall constitute one and the same Amendment. All signatures need not be on the same counterpart.

11. Except as expressly modified, amended and supplemented by this Amendment, all of the terms, covenants and conditions of the Lease shall remain in full force and effect.

12. There shall be no merger of the Lease or any interest in the Lease or of the leasehold estate created thereby, with the fee estate in the Property, by reason of the fact that the Lease or such interest therein, or such leasehold estate may be directly or indirectly held by or for the account of any person who shall hold the fee estate in the Property, or any interest in such fee estate, nor shall there be such a merger by reason of the fact that all or any part of the leasehold estate created by the Lease may be conveyed or mortgaged in a leasehold mortgage or deed of trust to a mortgagee or beneficiary who shall hold the fee estate in the Property or any interest of Landlord under the Lease.

13. Landlord agrees that it shall not place any mortgage, deed of trust, or other encumbrance on the fee estate in the Property without Leasehold Mortgagee's prior written consent and any mortgage, deed of trust or other encumbrance on the fee estate in the Property consented to by the Leasehold Mortgagee shall be expressly junior and subordinate to the Lease and the Deed of Trust, and Landlord agrees to execute, acknowledge (if appropriate) and deliver any additional documents reasonably requested by Leasehold Mortgagee to confirm the foregoing.

14. Notwithstanding anything contained to the contrary in the Lease, Landlord hereby agrees not to disturb any subtenant's possession of the Property for any reason, including the termination of the Lease, provided Leasehold Mortgagee complies with the terms and conditions of Section 56 (a) (vii) of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this
Amendment to be executed as of the day and year first above written.

Landlord:

THE CITY OF SACRAMENTO,
a Charter Municipal Corporation

By: Patricia Maseola
Name: _____
Title: _____

Approved as to Form:

Richard E. Archibald
City Attorney

Tenant:

U.S. NATIONAL LEASING LLC,
an Alaska Limited Liability Company

By: [Signature]
Name: R. W. Fischer
Title: member

CITY
AGREEMENT NO. 94-194-3

ATTEST:

[Signature]
CITY CLERK

EXHIBIT A

Description of the Property

EXHIBIT A

All that certain real property situate in the City of Sacramento, County of Sacramento, State of California, lying within Section 26, Township 8 North, Range 5 East, Mount Diablo Meridian and being a portion of the Sacramento Army Depot as shown on the "Record of Survey of Sacramento Army Depot", filed in Book 53 of Surveys at page 25, Sacramento County Records, described as follows:

All that portion of Parcels 4 and 5 as said parcels are shown and so designated on said Record of Survey described as follows:

PARCEL 1:

Beginning at a point in the East line of the existing road known as Midway Avenue from which the U.S.C.E. brass disc stamped "126-1 1990" shown on said Record of Survey bears the following two (2) courses: (1) North 89 degrees 17 minutes 30 seconds East 1571.70 feet and (2) North 00 degrees 46 minutes 53 seconds West 2051.38 feet distant; thence, from said point of beginning, along said East line, North 00 degrees 42 minutes 30 seconds West 209.47 feet; thence, leaving said East line, North 89 degrees 17 minutes 30 seconds East 53.11 feet; thence, North 00 degrees 42 minutes 30 seconds West 12.94 feet; thence North 89 degrees 17 minutes 30 seconds East 50.91 feet; thence, North 00 degrees 42 minutes 30 seconds West 57.60 feet to the South line of the existing road known as Attu Street; thence, along said South line North 89 degrees 17 minutes 30 seconds East 683.05 feet; thence, leaving said South line, North 00 degrees 35 minutes 47 seconds West 125.14 feet; thence, South 89 degrees 24 minutes 13 seconds West 141.23 feet; thence, North 00 degrees 35 minutes 47 seconds West 348.66 feet; thence, along a course for convenience designated Course "A", South 89 degrees 18 minutes 46 seconds West 1572.26 feet; thence, South 00 degrees 37 minutes 20 seconds East 9.88 feet; thence, South 89 degrees 19 minutes 32 seconds West 664.10 feet to the East line of Marshall Avenue; thence, along said East line, North 00 degrees 38 minutes 50 seconds West 291.77 feet; thence, leaving said East line North 89 degrees 18 minutes 53 seconds East 1526.36 feet; thence, North 00 degrees 42 minutes 29 seconds West 655.30 feet; thence, South 89 degrees 18 minutes 16 seconds West 1525.66 feet to said East line of Marshall Avenue; thence, along said East line, North 00 degrees 38 minutes 50 seconds West 868.00 feet to the North line of said Section 26; thence, along said North line, North 89 degrees 04 minutes 35 seconds East 2556.13 feet; thence, leaving said North line, South 00 degrees 57 minutes 00 seconds East 473.32 feet; thence, North 89 degrees 21 minutes 29 seconds East 739.89 feet to the East line of said Section 26; thence, along said East line, South 00 degrees 43 minutes 53 seconds East 1341.71 feet; thence, leaving said East line, along a course hereby for convenience designated Course "B", South 89 degrees 18 minutes 46 seconds West 638.74 feet; thence, South 00 degrees 35 minutes 47 seconds East 473.92 feet to the South line of said Attu Street; thence, along said South line and its prolongation Easterly, North 89 degrees 17 minutes 30 seconds East 639.86 feet to said East line of Section 26; thence, along said East line, South 00 degrees 43 minutes 51 seconds East 280.01 feet; thence, leaving said East line, South 89 degrees 17 minutes 30 seconds West 1711.16 feet to the point of beginning.

PARCEL 2:

Beginning at a point from which the U.S.C.E. brass disc stamped "126-1 1990" shown on said Record of Survey bears the following two (2) courses: (1) North 89 degrees 13 minutes 07 seconds East 1166.57 feet and (2) North 00 degrees 46 minutes 53 seconds West 2822.91 feet distant; thence, from said point of beginning, South 89 degrees 15 minutes 06 seconds West 416.18 feet to the East line of the existing road known as Midway Avenue; thence, along said East line, North 00 degrees 44 minutes 54 seconds West 400.70 feet; thence, leaving said East line, North 89 degrees 15 minutes 06 seconds East 416.18 feet; thence, South 00 degrees 44 minutes 54 seconds East 400.70 feet to the point of beginning.

SUBJECT, HOWEVER, to an easement for existing overhead and underground gas, electric, steam distribution, water, sanitary sewer, storm water and telecommunication system facilities as said facilities are delineated on United States Government Maps entitled "Existing Condition Maps at the Sacramento Army Depot" and the right of entry and access to the hereinabove described Parcel 1 and Parcel 2 for the maintenance, repair and replacement of said facilities.

ALSO SUBJECT to the rights of the public in existing rights of way and easements for Fruitridge Road along the Northerly and for Florin-Perkins Road along the Easterly line of the herein described Parcel 1.

TOGETHER WITH an easement for ingress and egress, but not the exclusive right or privilege on, over and across the following:

1. Said existing road known as Midway Avenue and extending from the Westerly prolongation of the South line of the herein described Parcel 2 Northerly to the course designated Course "A" in the herein described Parcel 1.
2. The existing road known as Marianas Avenue and extending from the Easterly prolongation of the South line of said Attu Street Northerly to the course designated Course "B" in the herein described Parcel 1.
3. Said existing road known as Attu Street and extending from said Midway Avenue Easterly to said Marianas Avenue.

EXCEPTING THEREFROM all that portion thereof lying within the herein described Parcel 1.

EXHIBIT B

Form of Estoppel Certificate

GROUND Landlord ESTOPPEL CERTIFICATE

_____, ("Lender"),
its successors and assigns

Re: Leased property located in _____,
and commonly known as _____ (the "Property")

Ladies and Gentlemen:

The undersigned, [_____] a [_____] ("Landlord"), as landlord under that certain lease (the "Lease"), dated [_____] between Landlord and _____ or its predecessor ("Tenant"), as tenant, covering the Property therein described (the "Premises"), hereby warrants, represents and certifies as follows, as of the date hereof:

1. The term of the Lease commenced on [_____] and expires on [_____, 20__].
2. The current fixed rent under the Lease is \$[_____] per annum, payable in [_____] installments, and has been paid in full through [_____]. No additional rent or charge (including, without limitation, as applicable, taxes, maintenance, operating expenses or otherwise) that has been billed to Tenant by Landlord is overdue. There are no provisions for, and Landlord has no rights with respect to, terminating the Lease or increasing the rent payable thereunder, except as expressly set forth in the Lease. The amount of the security deposit presently held by Landlord under the Lease is \$[_____].
3. The Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way whatsoever, except, if at all, as described on Exhibit A attached hereto and made a part hereof.

There are no other Amendments, whether oral or written, between Tenant and Landlord concerning the Premises or the Property. A true, correct and complete description of the documents constituting the Lease is set forth on Exhibit A.

4. Landlord has not delivered or received any notices of default under the Lease; to the best knowledge of Landlord, there is no default by Tenant or Landlord under the Lease, nor has any event or omission occurred which, with the giving of notice or the lapse of time, or both, would constitute a default thereunder. To the best knowledge of Landlord, Tenant has no defense, set-offs, basis for withholding rent, claims or counterclaims against Landlord for any failure of performance of any of the terms of the Lease.
5. Any improvements required by the terms of the Lease to be made by Tenant have been completed to the satisfaction of Landlord, and Tenant's current use and operation of the Premises complies with any use covenants or operating requirements contained in the Lease.
6. Tenant has no options, rights of first refusal, termination, renewal or extension, exclusive business rights or other rights to extend or otherwise modify the Lease[, except as follows]: [describe any such options].
7. Landlord is the record and beneficial owner of the Premises, and the Lease is not subordinate, and has not been subordinated by Landlord, to any mortgage, lien or other encumbrance. Landlord has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Premises, and there are no mortgages, deeds of trust or other security interests encumbering the ground Landlord's fee interest in the Premises other than that certain Army Deed of Trust, dated and recorded April 19, 1995, in Book 9504 -19 and Page 1585 of the Official Records, executed by The City of Sacramento in favor of the United States of America in the amount of \$7,160,000.
8. No third party has any option or preferential right to purchase all or any part of the Premises.
9. Landlord has not received written notice of any pending eminent domain proceedings or other governmental actions or any judicial actions of any kind against Landlord's interest in the Property;
10. Landlord has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Premises

and its operation thereon, including, without limitation, any environmental laws or the Americans with Disabilities Act, and has no reason to believe that there are grounds for any claim of any such violation.

11. Neither Tenant nor any affiliate of Tenant has any direct or indirect ownership interest in Landlord or any affiliate of Landlord.
12. Landlord, and the person or persons executing this certificate on behalf of Landlord, have the power and authority to execute this certificate.

Lender and its successors and assigns may rely upon the truth and accuracy of the certifications contained herein, and said certifications shall be binding upon Landlord and its successors and assigns, and inure to the benefit of Lender and its successors and assigns. This Certificate shall not be deemed to alter or modify any of the terms and conditions of the Lease.

[INSERT NAME OF LANDLORD]

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On _____, before me, the undersigned, personally appeared _____,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for said
County and State

EXHIBIT A TO ESTOPPEL CERTIFICATE

DESCRIPTION OF THE LEASE

STEWART SOKOL & GRAY LLC

ATTORNEYS AT LAW

H. Lee Cook*
Arnold L. Gray
Thomas A. Larkin*
Angela M. Otto*
James C. Prichard*

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September 1, 2000

e-mail: jstewart@lawssg.com

Mr. William Carnazzo
Assistant City Attorney
City of Sacramento
980 Ninth Street, Suite 1000
Sacramento, California 95814

BY FEDERAL EXPRESS

Re: Fischer Properties/U.S. National Leasing LLC/
The Depot Business Park
Our File No. 4453-33217

Dear Bill:

Enclosed is Fourth Amendment to Industrial Development Lease and Option to Purchase, with attached Exhibits A and B, executed by U.S. National Leasing LLC.

Please return the executed original for our file.

Best regards.

Very truly yours,

STEWART SOKOL & GRAY LLC

John Spencer Stewart (Kag)
John Spencer Stewart

JSS:kag
enc.

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CITY
AGREEMENT NO. 94-194-3