

# 25418

## FIRST AMENDMENT TO GROUND LEASE

1. Parties. This First Amendment to Ground Lease ("Amendment"), dated for identification purposes only April 27, 1999, is entered into by and between the CITY OF LONG BEACH, a municipal corporation ("Landlord") and ADVANCED AERODYNAMICS & STRUCTURES, INC., a Delaware corporation ("Tenant").

2. Recitals.

2.1 Landlord and Tenant are parties to that certain Long Beach Municipal Airport Lease dated October 17, 1997 (the "Lease") whereby Landlord leased to Tenant certain property located at Long Beach Municipal Airport, as more particularly described in the Lease (the "Premises").

2.2 The terms used herein shall have the same meanings as defined in the Lease.

3. Amendments. In consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant hereby agree that the Lease is amended as follows:

3.1 Performance by Subtenant. Any obligation of Tenant under the Lease may be performed by any subtenant of the Premises, and Landlord shall accept such performance as if rendered by Tenant.

3.2 Retail Sales Tax Credit. Paragraph 4(c)(2) is revised to provide that in calculating the Sales Tax Credit, Landlord shall include in its calculations all Sales Taxes, if any, levied by the City upon taxable sales and uses on the Premises attributable to the operations of AASI or a similar aircraft airframe manufacturer approved by the City Council.

3.3 Operation of Business. The following language is added to the end of paragraph 6(a):

"Notwithstanding the provisions of this paragraph 6(A), if Tenant or any subtenant shall cease to operate its business at the Premises to an extent that would otherwise constitute a default under this paragraph 6(A), such cessation shall not constitute a default so long as Tenant is using reasonable efforts to locate a subtenant or assignee that will operate a business at the Premises

as required hereunder and provided further there is no Event of Default by Tenant which has not been cured in accordance with the provisions of paragraph 17 of the Lease.

4. No Other Changes. Except as expressly amended by this Amendment, the Lease shall remain unmodified and in full force and effect in accordance with its terms.

5. Conflicts. If there are any conflicts or inconsistencies between the terms of the Lease and the terms of this Amendment, this Amendment shall control.

6. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same original.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

"LANDLORD"

CITY OF LONG BEACH,  
a municipal corporation

By: [Signature]  
Its: ASSISTANT CITY MANAGER

"TENANT"

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

ADVANCED AERODYNAMICS & STRUCTURES, INC.  
a Delaware corporation

By: [Signature]  
Its: President

By: [Signature]  
Its: EXECUTIVE VP

APPROVED AS TO FORM this 18 day of May, 1999.

ROBERT SHANNON, City Attorney

By: [Signature]  
Deputy