

27940

ASSIGNMENT OF GROUND LEASE

WHEREAS, heretofore that certain Memorandum of Lease by and between City of Long Beach, a Municipal Corporation (Landlord), and Westland Parcel J Partners, LLC, a California Limited Liability Company (Developer), dated March 29, 2001, was recorded at the Los Angeles County Recorder's Office on April 3, 2001, as Recorder's Instrument No. 01 0546878; and

WHEREAS, an Assignment of Ground Lease, dated March 12, 1999, between Westland Parcel J Partners, LLC, a California Limited Liability Company (Lessee) and City of Long Beach, a Municipal Corporation (Lessor), to Rainbow Air Academy, Inc., a California corporation, dated March 19, 2001, was recorded at the Los Angeles County Recorder's Office on April 3, 2001, as Recorder's Instrument No. 01 0546879; and

WHEREAS, that certain Non-Disturbance and Attornment Agreement between City of Long Beach, a Municipal Corporation (Ground Lessor), Rainbow Air Academy, Inc., a California Corporation (Borrower) and Grow America Fund, Inc., a Delaware Corporation (Lender) dated March 29, 2001, was recorded at the Los Angeles County Recorder's Office on April 3, 2001, as Recorder's Instrument No. 01 0546881; and

WHEREAS, that First Leasehold Deed of Trust among Rainbow Air Academy, Inc., (Trustor), Grow America Fund, Inc. (Lender or Beneficiary) and Chicago Title Co. (Trustee), dated March 16, 2001, was recorded at the Los Angeles County Recorder's Office on April 3, 2001, as Recorder's Instrument No. 01 0546880; and

WHEREAS, for good and valuable consideration, Rainbow Air Academy, Inc., as Successor Lessee (Assignor) pursuant to said Ground Lease by and between City of Long Beach (Lessor) and Lessee, dated March 12, 1999, has agreed to assign said Ground Lease to Amazing Grace, LLC, a California Limited Liability Company, subject to the assumption by Amazing Grace, LLC, (Assignee), of all of the Lessee's obligations to perform all terms and conditions set forth in said Ground Lease as well as assumption of all Assignor's obligations to perform all terms and conditions of that First Leasehold Deed of Trust dated April 3, 2001, Recorder's Instrument No. 01 0546880 and the above referred Non-Disturbance and Attornment Agreement dated April 3, 2001, Recorder's Instrument No. 01 0546881;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that RAINBOW AIR ACADEMY, INC., a California Corporation ("ASSIGNOR"), for good and valuable consideration received from Assignee, the receipt and sufficiency of which is hereby acknowledged, does convey, transfer, assign and set over unto Assignee, all of Assignor's right, title and interest in and to that certain Ground Lease for Parcels J8A and J8B ("Ground Lease") by and between CITY OF LONG BEACH, a Municipal Corporation and Lessee, dated March 12, 1999, for the real property described in Exhibit A, attached hereto and incorporated herein by

reference to AMAZING GRACE, LLC, a California Limited Liability Company, to have and to hold UNTO Assignee, Assignee's successors and assigns, subject to the terms, covenants, conditions and obligations set forth in said Ground Lease (TERM 40 YEARS AS OF 3/12/99).

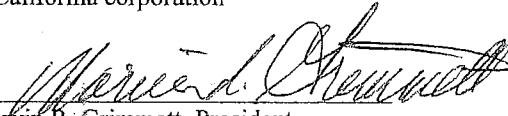
IT IS THE INTENT and purpose of this Assignment to convey and assign unto Assignee, Assignee's successors and assigns, all of the leasehold estate and interest of Assignor in the described real property, subject to all the terms and conditions stated in said Ground Lease.

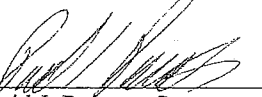
IN CONSIDERATION of this Agreement, Assignee, Assignee's successors and assigns, assume and agree to perform henceforth all of the covenants and agreements undertaken by Lessee in said Ground Lease.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Assignment as of this 32 day of December, 2003.

ASSIGNOR:

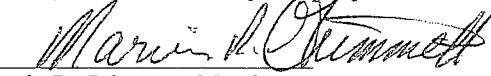
RAINBOW AIR ACADEMY, INC.
a California corporation


By 
Marvin R. Grimmert, President

By 
David J. Parsons, Secretary

ASSIGNEE:

AMAZING GRACE, LLC
a California limited liability company

By 
Marvin R. Grimmert, Member

By 
David J. Parsons, Secretary

[consent of Grow America Fund, Inc. and City of Long Beach on following page]

LEGAL DESCRIPTION

PARCEL J-8A

THAT PORTION OF LOT 28 OF MAP OF THE AMERICAN COLONY TRACT IN SAID CITY AS PER MAP RECORDED IN BOOK 19, PAGES 89 AND 90, OF MISCELLANEOUS RECORDS, AND THAT PORTION OF JUNIPERO AVENUE (FORMERLY VINE AVENUE) AS SHOWN ON SAID MAP OF THE AMERICAN COLONY TRACT, AS VACATED BY RESOLUTION NO. C-3464 OF THE CITY OF LONG BEACH ON JUNE 12, 1928 AND RECORDED ON MARCH 29, 1978 AS INSTRUMENT NO. 78-327086 OF OFFICIAL RECORDS, ALL IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY PROLONGATION OF THE CENTERLINE OF TEMPLE STREET (90 FEET IN WIDTH, THE SIDELINES OF SAID STREET LYING 40 FEET WESTERLY, AND 50 FEET EASTERLY OF SAID STREET CENTERLINE) AS SHOWN ON MAP OF TRACT NO. 27441 RECORDED IN BOOK 723, PAGES 36 AND 37, OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER, SAID POINT BEING A POINT OF INTERSECTION FOR THE TANGENTS OF A CURVE ON THE CENTERLINE OF SPRING STREET (VARYING IN WIDTH), SAID POINT ALSO BEING CITY OF LONG BEACH MONUMENT NO. 2795; THENCE ALONG SAID NORTHERLY PROLONGATION NORTH 0° 08' 28" WEST 40.34 FEET TO A POINT ON A CURVE, CONCAVE SOUTHERLY HAVING A RADIUS OF 1060.00 FEET, IN THE SOUTHERLY LINE OF SPRING STREET VACATED BY RESOLUTION NO. C-26035 OF THE CITY OF LONG BEACH ON MAY 7, 1996 AND RECORDED ON JULY 22, 1996 AS INSTRUMENT NO. 96-1171878 OF OFFICIAL RECORDS IN SAID OFFICE OF THE COUNTY RECORDER, A RADIAL LINE TO SAID POINT BEARS NORTH 11° 50' 17" EAST; THENCE WESTERLY ALONG SAID CURVE 189.58 FEET, THROUGH A CENTRAL ANGLE OF 10° 14' 51" TO A NON-TANGENT LINE, SAID NON-TANGENT LINE ALSO BEING PARALLEL WITH THE CENTERLINE OF SAID SPRING STREET; THENCE SOUTH 89° 50' 28" WEST 271.92 FEET; THENCE NORTH 0° 09' 32" WEST 5.00 FEET; THENCE LEAVING SAID LINE AS DESCRIBED IN SAID RESOLUTION NO. C-26035 AND CONTINUING ON THE SOUTHERLY BOUNDARY OF THE LONG BEACH AIRPORT AS SHOWN ON CITY OF LONG BEACH DRAWING G-572, ON FILE IN THE OFFICE OF THE CITY ENGINEER OF SAID CITY, THE FOLLOWING COURSES AND DISTANCES: SOUTH 89° 50' 28" WEST 132.61 FEET, NORTH 74° 55' 56" WEST 101.48 FEET, NORTH 53° 44' 08" WEST 142.64 FEET, NORTH 68° 02' 27" WEST 38.60 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ALONG SAID SOUTHERLY BOUNDARY OF THE LONG BEACH AIRPORT, NORTH 68° 02' 27" WEST 11.43 FEET; THENCE NORTH 0° 08' 28" WEST 206.30 FEET TO A POINT IN A LINE PARALLEL WITH AND 380.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF AIRPORT RUNWAY 7R-25L AS SHOWN ON CITY OF LONG BEACH DRAWING E-194 ON FILE IN SAID OFFICE OF THE CITY ENGINEER; THENCE ALONG SAID LAST DESCRIBED PARALLEL LINE NORTH 89° 50' 38" EAST 170.00 FEET; THENCE SOUTH 0° 08' 28" EAST 178.75 FEET; THENCE SOUTH 89° 51' 32" WEST 159.41 FEET TO A LINE THAT BEARS NORTH 0° 08' 28" WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 08' 28" EAST 31.90 FEET TO THE TRUE POINT OF BEGINNING

Parcel J8A contains approximately 30,699 square feet (0.705 acres) of ground area.

LEGAL DESCRIPTION

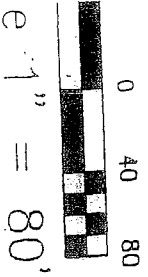
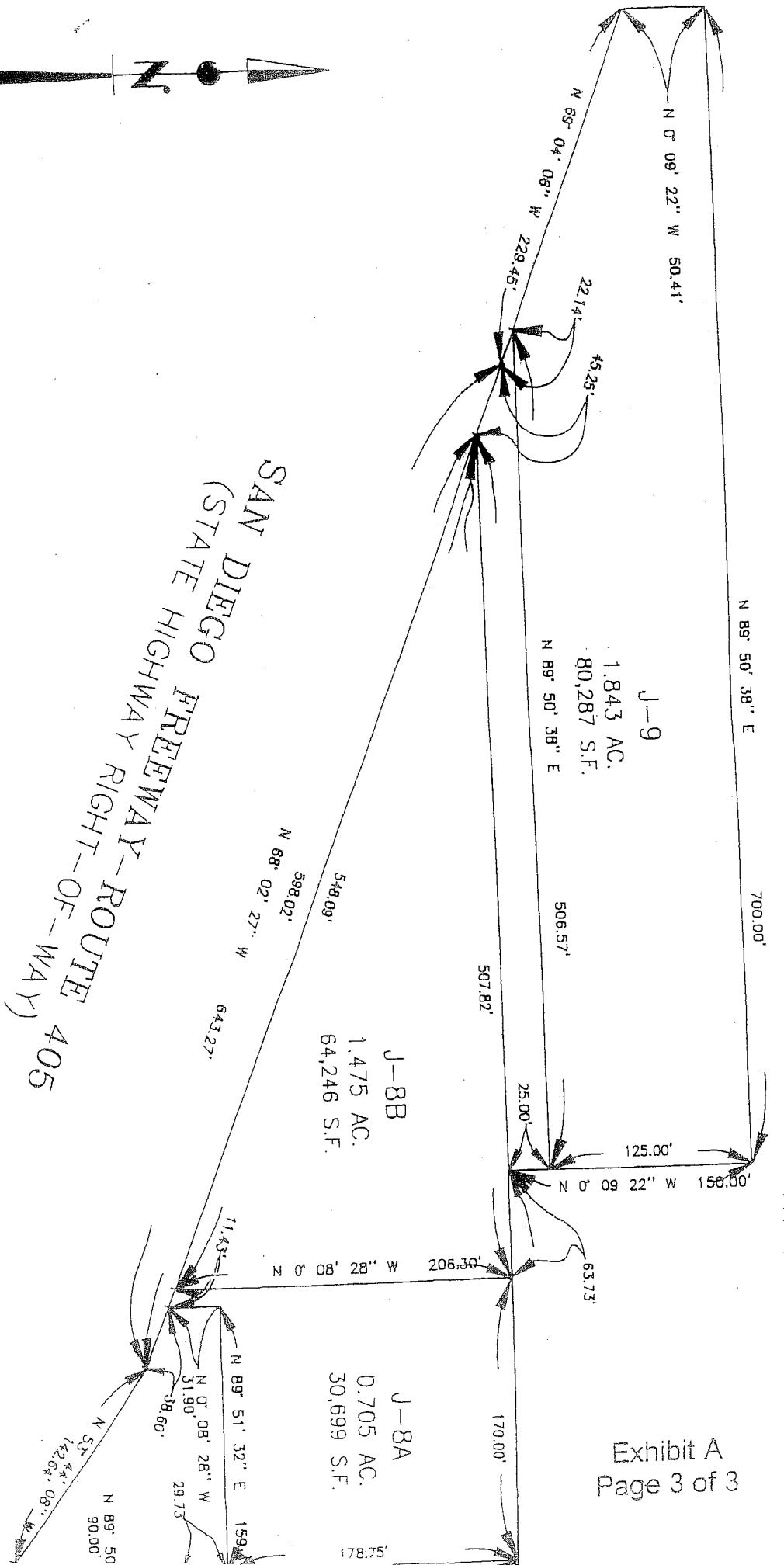
PARCEL J-8B

THOSE PORTIONS OF LOTS 28 AND 29 OF MAP OF THE AMERICAN COLONY TRACT IN SAID CITY AS PER MAP RECORDED IN BOOK 19, PAGES 89 AND 90, OF MISCELLANEOUS RECORDS, AND THAT PORTION OF JUNIPERO AVENUE (FORMERLY VINE AVENUE) AS SHOWN ON SAID MAP OF THE AMERICAN COLONY TRACT, AS VACATED BY RESOLUTION NO. C-3464 OF THE CITY OF LONG BEACH ON JUNE 12, 1928 AND RECORDED ON MARCH 29, 1978 AS INSTRUMENT NO. 78-327096 OF OFFICIAL RECORDS, ALL IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY PROLONGATION OF THE CENTERLINE OF TEMPLE STREET (90 FEET IN WIDTH, THE SIDELINES OF SAID STREET LYING 40 FEET WESTERLY, AND 50 FEET EASTERLY OF SAID STREET CENTERLINE) AS SHOWN ON MAP OF TRACT NO. 27441 RECORDED IN BOOK 723, PAGES 36 AND 37, OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER, SAID POINT BEING A POINT OF INTERSECTION FOR THE TANGENTS OF A CURVE ON THE CENTERLINE OF SPRING STREET (VARYING IN WIDTH), SAID POINT ALSO BEING CITY OF LONG BEACH MONUMENT NO. 2795; THENCE ALONG SAID NORTHERLY PROLONGATION NORTH 0° 08' 28" WEST 40.34 FEET TO A POINT ON A CURVE, CONCAVE SOUTHERLY HAVING A RADIUS OF 1060.00 FEET, IN THE SOUTHERLY LINE OF SPRING STREET VACATED BY RESOLUTION NO. C-26035 OF THE CITY OF LONG BEACH ON MAY 7, 1996 AND RECORDED ON JULY 22, 1996 AS INSTRUMENT NO. 96-1171878 OF OFFICIAL RECORDS IN SAID OFFICE OF THE COUNTY RECORDER, A RADIAL LINE TO SAID POINT BEARS NORTH 11° 50' 17" EAST; THENCE WESTERLY ALONG SAID CURVE 189.58 FEET, THROUGH A CENTRAL ANGLE OF 10° 14' 51" TO A NON-TANGENT LINE, SAID NON-TANGENT LINE ALSO BEING PARALLEL WITH THE CENTERLINE OF SAID SPRING STREET; THENCE SOUTH 89° 50' 28" WEST 271.92 FEET; THENCE NORTH 0° 09' 32" WEST 5.00 FEET; THENCE LEAVING SAID LINE AS DESCRIBED IN SAID RESOLUTION NO. C-26035 AND CONTINUING ON THE SOUTHERLY BOUNDARY OF THE LONG BEACH AIRPORT AS SHOWN ON CITY OF LONG BEACH DRAWING G-572, ON FILE IN THE OFFICE OF THE CITY ENGINEER OF SAID CITY, THE FOLLOWING COURSES AND DISTANCES: SOUTH 89° 50' 28" WEST 132.61 FEET, NORTH 74° 55' 56" WEST 101.48 FEET, NORTH 53° 44' 08" WEST 142.64 FEET, NORTH 68° 02' 27" WEST 50.03 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE CONTINUING ALONG SAID SOUTHERLY BOUNDARY OF THE LONG BEACH AIRPORT, NORTH 68° 02' 27" WEST 593.24 FEET, THENCE NORTH 69° 04' 06" WEST 22.14 FEET TO A LINE PARALLEL WITH AND 355.00 FEET SOUTHERLY MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF AIRPORT RUNWAY 7R-25L AS SHOWN ON CITY OF LONG BEACH DRAWING E-194 ON FILE IN SAID OFFICE OF THE CITY ENGINEER; THENCE ALONG SAID PARALLEL LINE NORTH 89° 50' 38" EAST 506.57 FEET; THENCE SOUTH 0° 09' 22" EAST 25.00 FEET TO A LINE PARALLEL WITH AND 380.00 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES FROM SAID CENTERLINE OF AIRPORT RUNWAY 7R-25L, THENCE ALONG SAID LAST DESCRIBED PARALLEL LINE NORTH 89° 50' 38" EAST 63.73 FEET TO A LINE THAT BEARS NORTH 0° 08' 28" WEST FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 0° 08' 28" EAST 206.30 FEET TO THE TRUE POINT OF BEGINNING

Parcel J8B contain approximately 64,246 square feet (1.475 acres) of ground area.

Parcels J8A and J8B contain approximately 94,945 square feet (2.180 acres) of ground area.



ASSUMPTION OF OBLIGATIONS

December 22, 2003

AMAZING GRACE, LLC, a California Limited Liability Company, with its office at 2601 E. Spring Street, Long Beach, California 90806 ("Amazing Grace") makes this Assumption Agreement for the benefit of Grow America Fund, Inc., a Delaware corporation, with its office at 51 East 42nd Street, New York, ("GAF") in order to induce GAF to consent to the transfer of that certain leasehold estate under that certain Ground Lease for Parcels J8A and J8B by and between the City of Long Beach as Lessor and Rainbow Air Academy, Inc., a California corporation ("Rainbow") (the "Ground Lease") which Ground Lease is being assigned by Rainbow to Amazing Grace on the 22nd day of December 2003 (the "Assignment"). Under the Assignment, Amazing Grace assumes all of the covenants and agreements of the lessee under the Lease. A copy of the Assignment is annexed hereto as Exhibit A.

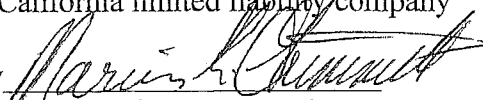
The said leasehold estate under the Ground Lease is the subject of a First Leasehold Deed of Trust dated March 16, 2001, among Rainbow, as Trustor, GAF, as Lender and Beneficiary, and Chicago Title Company, as Trustee, recorded at the Los Angeles County Recorder's Office on April 3, 2001, as Recorder's instrument No. 01 0546880 (the "Deed of Trust"). The Deed of Trust secures a note of Rainbow made to GAF in the original principal amount of \$707,000.00 dated March 16, 2001 (the "Note") and other Indebtedness as that term is defined in the Deed of Trust and it is the condition of the consent of GAF that Amazing Grace unconditionally assumes and agrees to pay the Note and other Indebtedness and agrees to comply with and to perform all of the terms covenants and conditions of the Deed of Trust and all Related Documents (as that term is defined in the Deed of Trust).

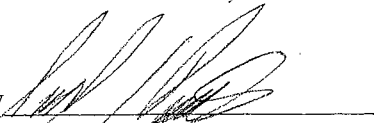
Rainbow and the guarantors of Rainbow's obligations to GAF under the Note, the Deed of Trust and Related Documents (including certain guaranties), have also executed this document to evidence and acknowledge their continuing obligations to GAF.

Now, Therefore, in consideration of the Assignment and the consent of GAF to the Assignment, the undersigned does hereby assume and agree to pay the Note and all other Indebtedness under the Deed of Trust and to comply with and perform all of the terms, covenants and conditions of the Deed of Trust and Related Documents with the same force and effect as if it had been the original Trustor thereunder and the maker of the Note, and further covenants, warrants and agrees (a) that there exists no offset or defense to the said obligations secured by the Deed of Trust and (b) there exists no event which constitutes an Event of Default under the Deed of Trust and no event which with notice or lapse of time, or both, would become such an Event of Default.

Wherefore the undersigned has executed this Assumption of Obligations as of the date set forth above.

Amazing Grace, LLC
a California limited liability company

By 
Marvin R. Grimmert, Member

By 
David J. Parsons, Secretary

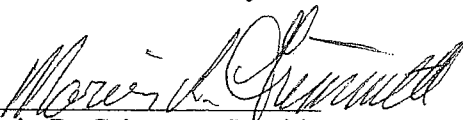
[Consent, confirmation and authorization and signatures appear on Page 2]

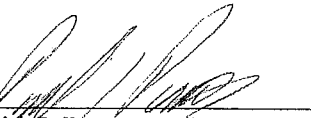
**CONSENT AND CONFIRMATION OF CONTINUING OBLIGATIONS
AND
AUTHORIZATION OF ASSUMPTION OF OBLIGATIONS**

Dated December 22nd, 2003

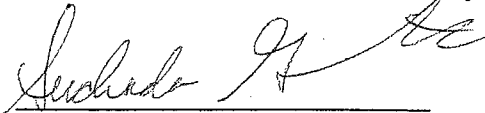
The undersigned hereby agree that their obligations under the Note, Deed of Trust and Related Documents (including guaranties by the individuals named below) referred to in the foregoing Assumption of Obligations by Amazing Grace, LLC, a California limited liability company, shall remain in full force and effect unchanged by the Assignment (and assumption) of the Ground Lease by Amazing Grace, LLC and the foregoing Assumption of Obligations by Amazing Grace, LLC, and the undersigned individuals, being the sole members of Amazing Grace, LLC hereby confirm their consent and authorization of the execution of the Assignment (and assumption) of the Lease and of the foregoing Assumption of Obligations by the duly authorized member and secretary of Amazing Grace, LLC named above.

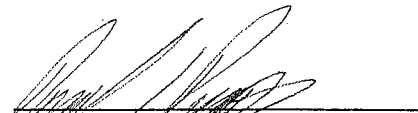
Rainbow Air Academy, Inc.

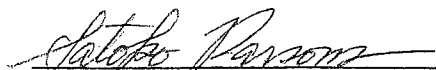
By 
Marvin R. Grimmnett, President

By 
David J. Parsons, Secretary


Marvin R. Grimmnett, individually


Suchada Grimmnett, individually


David J. Parsons, individually


Satoko Parsons, individually

CONSENT

This Assignment of Ground Lease is consented to upon express condition that Rainbow Air Academy, Inc., Assignor, is not relieved of any of its obligations to the City of Long Beach or to Grow America Fund, Inc., relative to any of the Agreements by and between Rainbow Air Academy, Inc. and the City of Long Beach or Grow America Fund, Inc.

This Assignment of Ground Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

Dated: December 23, 2003

GROW AMERICA FUND, INC.

BY Charles I. Hull
CHARLES I. HULL Title PORTFOLIO
MANAGER

Dated: December __, 2003

CITY OF LONG BEACH, a Municipal Corporation

BY Marc A. Turner
4-2-04 Title

APPROVED AS TO FORM.

2/25, 2004
ROBERT E. SHANNON, City Attorney

By [Signature]
DEPUTY CITY ATTORNEY