

RECORDING REQUESTED BY: )  
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)  
)  
)  
AND WHEN RECORDED MAIL TO: )  
)  
Heffernan & Boortz )  
Suite 100 )  
26 Corporate Plaza Drive )  
Newport Beach, CA 92660 )  
Attn: Donald L. Boortz, Esq. )

(Space Above for Recorder's Use)

**AGREEMENT IMPOSING TRANSFER CONTRIBUTION ON TRANSFERS**  
(Rosedale -Tract No. 062150)

This Agreement Imposing Transfer Contribution on Transfers (the "Agreement") is made between the City of Azusa/Monrovia Nursery Co. Foundation, a California nonprofit public benefit corporation (the "Foundation"), and Azusa Land Partners, LLC, a Delaware limited liability company (the "Master Developer"). The additional capitalized terms used in the Recitals are defined in Section 1 below.

**RECITALS**

A. The Master Developer owns that certain real property more particularly described in Exhibit "A" attached hereto (the "Property").

B. Pursuant to that certain Development Agreement between the City of Azusa, a California municipal corporation (the "City"), and Monrovia Nursery Company, a California corporation ("MNC"), dated May 27, 2004, and recorded on July 29, 2004, as Document No. 04-1952514 in the Official Records of Los Angeles County, California (the "Development Agreement"), MNC has heretofore formed and established the Foundation for the purpose of providing financial benefits to non-profit charitable organizations, civic organizations and public facilities within the City.

NOW, THEREFORE, in consideration of the above Recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS. When the following words and phrases are used in this Agreement, they will have the meanings given in this Section and be subject to the limits described in this Section.

1.1 Beneficiary. A beneficiary under a Mortgage and the assignees of such beneficiary.

1.2 Close of Escrow. The date on which the deed conveying a Residence in a Transfer is recorded. The term "Close of Escrow" does not include the recordation of a deed between the Master Developer and (a) any successor to any of the rights of the Master Developer, or (b) any Neighborhood Builder.

1.3 First Mortgage. Any Mortgage with lien priority over all other Mortgages.

1.4 Mortgage. Any recorded mortgage or deed of trust or other conveyance of a Residence, or any interest therein, to secure performance of an obligation, which will be reconveyed upon completion of such performance.

1.5 Neighborhood Builder. A person or entity that acquires all or any portion of the Property from Master Developer for the purposes of the development and construction thereon of Residences for sale.

1.6 Owner. Any person or entity, including the Master Developer and the Neighborhood Builders, holding fee simple interest of record to a Residence. The term "Owner" includes a seller under an executory contract of sale but excludes Beneficiaries.

1.7 Property. That certain real property described on Exhibit "A" attached hereto.

1.8 Residence. A single family dwelling, townhouse or condominium unit constructed upon a lot or parcel within the Property.

1.9 Transfer. The sale or exchange of a Residence by an Owner (other than the Master Developer or a Neighborhood Builder) to a third-party bona fide purchaser for value. None of the following transactions involving Residences shall constitute "Transfers" under this Agreement:

(a) A transfer to secure the performance of an obligation, such as a Mortgage or a lien, which will be reconveyed upon the completion of such performance.

(b) A transfer resulting from a foreclosure (by judicial foreclosure or trustee's sale) by the Beneficiary of a First Mortgage or a transfer in lieu thereof.

(c) A transfer to a trust established for the benefit of the transferor, the spouse of the transferor and/or any lineal descendants of the transferor.

(d) An interspousal transfer (as defined in California Revenue and Taxation Code Section 63) or transfer between parents and any of their children (as defined in California Revenue and Taxation Code Section 63.1).

(e) A transfer by reason of the dissolution of the marriage of an Owner or the death of an Owner.

1.10 Transfer Consideration. The total purchase price or other consideration given by the transferee to the transferor in a Transfer, including any portion of the purchase price represented by a loan or loans, exchange property, or other forms of non-cash consideration, but excluding any third-party transactional costs or charges incurred by the transferor in connection with the Transfer including, but not limited to, escrow and title charges and fees, brokerage commissions, documentary transfer taxes and recording fees.

1.11 Transfer Contribution. The Transfer Contribution to be made to the Foundation in connection with each Transfer. The amount of each such Transfer Contribution shall be equal to one-half of one percent (0.50%) of the applicable Transfer Consideration.

2. ACKNOWLEDGMENT OF BENEFIT. The Foundation represents that it will use the Transfer Contributions for the purposes described in Paragraph B of the Recitals. Decisions regarding all aspects of events and activities to be provided shall be made by the Foundation in its sole discretion; nonetheless, the services, activities and programs to be provided by the Foundation will benefit the Owners of each Residence now existing or hereafter created in the Property. Each Owner who acquires a Residence by such acquisition evidences such Owner's agreement with the statements made in this Section.

### 3. TRANSFER CONTRIBUTION.

3.1 When Due and Paid. A Transfer Contribution shall be paid by the transferor to the Foundation on or before the Close of Escrow of the Transfer; provided, however, if the transaction involves more than one (1) Transfer solely because the Residence is held for an interim period (not to exceed 72 hours) by an accommodation party as a part of a tax-deferred exchange under the Internal Revenue Code, and provided there is no increase in consideration given, then for the purposes of this Agreement, only one Transfer shall be deemed to have occurred and only one Transfer Contribution must be paid in connection therewith.

3.2 Notice of Opening Escrow and Demand. Not later than ten (10) days prior to the Close of Escrow, the selling Owner shall cause to be delivered to the Foundation a written notice providing the Foundation with (i) names and addresses of the transferor and transferee, (ii) the address of the Residence which is the subject of the Transfer, (iii) the name, address, telephone number and escrow number of the applicable escrow agent and (iv) the amount of the Transfer Consideration. The Foundation is authorized to place a demand for payment of the Transfer Contribution with the escrow agent for each Transfer. The demand shall state (a) either the amount of the Transfer

Contribution due or the formula for calculating the Transfer Contribution, and (b) that the Transfer Contribution is due on or before Close of the Escrow.

3.3 Obligation Joint and Several. The obligation to pay the Transfer Contribution in each Transfer is a joint and several obligation of the transferor and the transferee in each transaction, and not an obligation of any other Owner of a Residence subject to this Agreement. The transferor and transferee in each transaction may, as a matter between themselves, allocate the obligation to pay in any manner they so choose. If the transferor and transferee fail to pay the Transfer Contribution, the Foundation may take all actions authorized under law and this Agreement to collect the Transfer Contribution from the transferor and/or the transferee.

4. BINDING EFFECT. Master Developer hereby declares that the Property will be held, leased, transferred, encumbered, used, occupied and improved subject to the reservations, rights, covenants, conditions and equitable servitudes contained in this Agreement, all of which are for the purpose of enhancing the attractiveness and desirability of the Property, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Property. The reservations, rights, covenants, conditions and equitable servitudes set forth in this Agreement shall (a) run with and burden the Property and will be binding upon all persons having or acquiring any interest in the Property or any part thereof, their heirs, successors and assigns; (b) inure to the benefit of every portion of the Property and any interest therein; (c) inure to the benefit of and be binding upon Master Developer, the Foundation and their respective successors-in-interest, and each Owner and each Owner's successors-in-interest; and (d) may be enforced by Master Developer and/or the Foundation.

5. MORTGAGES.

5.1 Rights of Beneficiaries. Nothing in this Agreement nor any amendment to or breach of this Agreement defeats or renders invalid, the rights of the Beneficiary under any recorded Mortgage encumbering any Residence made in good faith and for value.

5.2 Subordination to First Mortgages. The rights and obligations of the parties hereunder concerning any Residence shall be subject and subordinate to the lien of any recorded First Mortgage encumbering that Residence, provided that after the foreclosure or a transfer in lieu of foreclosure of any such Mortgage, such Residence will remain subject to this Agreement.

5.3 Effect of Foreclosure. No foreclosure of a Mortgage on a Residence or a transfer in lieu of foreclosure shall impair or otherwise affect the Foundation's right to pursue payment of any Transfer Contribution due in connection with the Transfer of that Residence from the transferor or a transferee obligated to pay the Transfer Consideration hereunder.

6. GENERAL PROVISIONS.

6.1 Amendment. This Agreement may be amended only with the written consent of the City, the Foundation, the Master Developer and, if applicable, the Neighborhood Builder; provided, however, that upon the sooner to occur of (i) the passage of five (5) years from the date hereof or (ii) the date upon which more than fifty percent (50%) of the Residences within the Property (computed using the maximum number of Residences that can be built upon the Property) have been sold to members of the home buying public, the requirement of obtaining the written consent of the Master Developer and the Neighborhood Builder shall be replaced by the requirement of obtaining the written consent of not less than fifty-one percent (51%) of the Owners of Residences then within the Property.

6.2 Authority. Each individual signatory hereto represents and warrants that he or she is duly authorized to sign this Agreement and is personally bound, or if signing on behalf of another, if authorized to do so and that the other is bound.

6.4 Disclaimers. Nothing herein (a) creates any right or remedy for the benefit of any person not a party hereto, or (b) creates a fiduciary relationship, an agency, or partnership.

6.5 Interpretation. The invalidity of any provision shall not affect the validity of any other provision. Except for the definitions in Section 1 where the heading in each subsection is the word being defined, section headings are for convenience only and may not be used in interpretations.

6.6 Notices. All notices required or allowed shall be in writing and shall be sent to the addresses shown beside the signatures of the parties. A party may change its address for notice by giving notice to the other party. Notice may be delivered by personal delivery, facsimile transmission or e-mail during normal business hours of the recipient, an overnight delivery service, or U.S. Mail sent certified with return receipt requested. Notices are effective on the earlier of the date received, the date of the delivery receipt, or the third day after postmarked, as applicable.

6.7 Time. Time is of the essence of all provisions hereof where time is a factor.

6.8 Waiver. No right or remedy will be waived unless the waiver is in writing and signed by the party claimed to have made the waiver. One waiver will not be interpreted as a continuing waiver.

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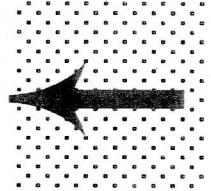
The undersigned have executed this Agreement as of the date first written above, effective upon the recordation hereof.

Foundation:

CITY OF AZUSA/MONROVIA NURSERY CO. FOUNDATION,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_



**SIGN  
HERE**

Master Developer:

AZUSA LAND PARTNERS, LLC,  
a Delaware limited liability company

By: PLC Azusa Land Investment, LLC,  
a Delaware limited liability company,  
its Administrative Member

By: *Paul O'Brien*  
Its: *Secretary*

STATE OF CALIFORNIA )

) ss.

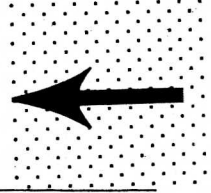
COUNTY OF LOS ANGELES )

On \_\_\_\_\_, 2006, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, and \_\_\_\_\_, personally known to me (or proven 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.

[SEAL]

Signature \_\_\_\_\_



NOTARIZE

STATE OF CALIFORNIA )

) ss.

COUNTY OF ORANGE )

On February 2, 2006, before me, Roberta M. Kern, Notary Public, personally appeared Daniel O'Bannon, personally known to me (~~or proven to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his ~~her~~ authorized capacity, and that by his ~~her~~ signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

[SEAL]

Signature \_\_\_\_\_

