

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.44
(ID # 23145)**

MEETING DATE:
Tuesday, November 28, 2023

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Approval and execution of the Partial Assignment and Assumption of Improvement Credit/Reimbursement Agreement between Cal Hearthstone Lot Option Pool 03, L.P., Lennar Homes of California, LLC, and the County of Riverside associated with Tract No. 36430-2 Lot Nos. 2 through 5 and 9 through 20, Tract No. 36430-3 Lot Nos. 118 through 124 and 175 through 186, and Tract No. 36430-4 Lot Nos. 34 through 37, 92 through 104, and 114 through 117. Not a Project under CEQA per State CEQA Guidelines Section 15378. District 3. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the Partial Assignment and Assumption of Improvement Credit/Reimbursement Agreement between Cal Hearthstone Lot Option Pool 03, L.P., Lennar Homes of California, LLC, and the County of Riverside associated with Tract No. 36430-2 Lot Nos. 2 through 5 and 9 through 20, Tract No. 36430-3 Lot Nos. 118 through 124 and 175 through 186, and Tract No. 36430-4 Lot Nos. 34 through 37, 92 through 104, and 114 through 117; and
2. Authorize the Chairman of the Board of Supervisors to execute the same.

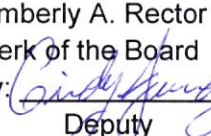
ACTION:Policy


Mark Lancaster, Director of Transportation 9/27/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington and Perez and Gutierrez
Nays: None
Absent: None
Date: November 28, 2023
xc: Trans.

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Developer funded 100%. No General Funds will be used on this project.			Budget Adjustment: No	
			For Fiscal Year: 23/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Lennar Homes of California, LLC (Assignee) acquired Tract No. 36430-2 Lot Nos. 2 through 5 and 9 through 20, Tract No. 36430-3 Lot Nos. 118 through 124 and 175 through 186, and Tract No. 36430-4 Lot Nos. 34 through 37, 92 through 104, and 114 through 117 (Assigned Property) from Cal Hearthstone Lot Option Pool 03, L.P. (Assignor). The Assigned Property consists of fifty-six (56) single-family residential homes and is located east of Briggs Road just north of Matthews Road and south of State Route 74.

On December 13, 2022 (Agenda Item 3.44), the County Board of Supervisor approved the Improvement and Credit/Reimbursement Agreement Transportation Uniform Mitigation Fee (TUMF) Program (TUMF Agreement) between Cal Hearthstone Lot Option Pool 03, L.P., and the County of Riverside for improvements on Briggs Road. The TUMF Agreement allows Cal Hearthstone Lot Option Pool 03, L.P. to receive TUMF credits for the improvements to Briggs Road.

Cal Hearthstone Lot Option Pool 03, L.P., now desires to assign to Lennar Homes of California, LLC certain rights to TUMF credits under the TUMF Agreement relating to the Assigned Property. Each residential home within the Assigned Property will be eligible to receive TUMF credits in an amount set forth in this Partial Assignment and Assumption of Improvement Credit/Reimbursement Agreement (Assignment Agreement).

Assignee desires to assume all of the Assignor's rights and obligations under the TUMF Agreement relating to the Assigned Property.

The Assignment Agreement is not a "project" pursuant to Section 15378(b)(5) of the State CEQA Guidelines, which states that a "project" does not include "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." The Assignment Agreement merely transfers all rights and obligations from the Assignor to the Assignee and does not modify any of the terms of the TUMF Agreement for the Assigned Property. This transfer of rights and obligations will not, in and of itself, result in a significant environmental effect and does not authorize to any extent whatsoever actual physical development. Any future development, if it occurs at all, will be the result of subsequent actions

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subject to further CEQA review. Therefore, the Assignment Agreement is not a project under CEQA.

Impact on Residents and Businesses

This Assignment Agreement represents a change in real property ownership and will have no impact on local residents and businesses.

Additional Fiscal Information

N/A

ATTACHMENTS:

Vicinity Map

Assignment Agreement



Jason Farin, Principal Management Analyst 11/20/2023



Aaron Gettis, Deputy County Counsel 11/8/2023

**PARTIAL ASSIGNMENT AND ASSUMPTION
OF IMPROVEMENT CREDIT/REIMBURSEMENT AGREEMENT**

This Partial Assignment and Assumption of Improvement Credit/Reimbursement Agreement (this "Assignment Agreement") is made as of November 28, 2023 by and between Cal Hearthstone Lot Option Pool 03, L.P. ("Assignor"), Lennar Homes of California, LLC ("Assignee") and the County of Riverside ("County").

RECITALS

A. Assignor is a "Developer" under that certain agreement titled "Improvement and Credit/Reimbursement Agreement, Transportation Uniform Mitigation Fee Program" dated as of December 13, 2022 (Contract No. 20-12-004) (the "TUMF Agreement") with respect to that certain real property described in Exhibit A attached hereto (the "Assigned Property"), which comprises a portion of the Project. The Assigned Property contains fifty-six (56) single-family residential homes. Any capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in the TUMF Agreement.

B. Assignor and Assignee are parties to that Real Estate Purchase and Sale Contract (the "Contract") dated as of February 18, 2021, respecting the sale of the Assigned Property. The ownership of said Assigned Property was transferred to Assignee by Assignor via Deed of Trust Document Nos. 2022-0508541, 2023-0176511, and 2023-0198617 (Tract No. 36430-2), 2023-0145949 and 2023-0176511 (Tract No. 36430-3), and 2023-0198617 (Tract No. 36430-4).

C. Assignor desires to assign to Assignee all of Assignor's rights to Credit against the TUMF Obligation under the TUMF Agreement relating to the Assigned Property, and Assignee desires to assume all of Assignor's obligations thereunder relating to the Assigned Property and such TUMF Credit, all on the terms and conditions set forth below.

D. County is an express intended beneficiary of the rights, duties and obligations undertaken by Assignor and Assignee.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby assigns to Assignee all of Assignor's rights, title, interest, and obligations in and under the TUMF Agreement to the extent relating to the Assigned Property, including, without limitation, the TUMF Credit in an amount equal to ONE THOUSAND ONE HUNDRED EIGHTY-NINE DOLLARS (\$1,189) (the "TUMF Credit") per each single-family residential home within the Assigned Property. At no time will the TUMF Credit exceed the Assignee's TUMF Obligation. The Assignee agrees that should the TUMF in effect on the date a certificate of occupancy is secured for each single-family residential home is greater than the TUMF Credit per said single-family residential home, the Assignee shall pay the differential

Assignment Agreement
R-Hearthstone Lot Option Pool 03, L.P. & Lennar Homes of California, LLC
Tract No. 36430-2 Lot Nos. 2-5, 9-20, Tract No. 36430-3 Lot Nos. 118-124, 175-186, and Tract No. 36430-4 Lot Nos. 34-37, 92-104, 114-117
Briggs Road

NOV 28 2023 3.44

amount in cash prior to securing the certificate of occupancy for said single-family residential home.

2. Assignee hereby accepts this Assignment Agreement and agrees to be bound by all applicable provisions of the TUMF Agreement with respect to the Assigned Property.

3. Assignor hereby covenants that it will, at any time and from time to time upon written request therefor, but at no out-of-pocket cost to Assignor, execute and deliver to Assignee, its nominees, successor and/or permitted assigns, any new or confirmatory instructions and do and perform any other acts which Assignee, its nominees, successors and/or assigns, may reasonably request in order to fully transfer and assign such rights of Assignor in and under the TUMF Agreement to such TUMF Credit with respect to the Assigned Property.

This Assignment Agreement shall be binding upon and inure to the benefit of the successors and assignees of all respective parties hereto. All rights, title, and interest to all benefits accruing under this Assignment Agreement shall only be assigned to a subsequent assignee pursuant to the execution of an assignment and assumption agreement among the subsequent assignor, the subsequent assignee and the County, in a form acceptable to the County, whereby the parties consent to such assignment and the subsequent assignee expressly agrees to assume all duties, liabilities, obligations or responsibilities under the TUMF Agreement and to be bound thereby.

This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

This Assignment Agreement may be executed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

[Signature page follows]

IN WITNESS WHEREOF, Assignor, Assignee, and the County have executed and delivered this Assignment Agreement as of the day and year first above written.

ASSIGNOR:

Cal Hearthstone Lot Option Pool 03, L.P.,
a Delaware limited partnership

By: Cal Hearthstone PBLO GP, LLC, a Delaware
limited liability, its General Partner

By: Cal Hearthstone Public Builder Lot Option,
LLC, a Delaware limited liability company, its
Sole Member

By: Hearthstone Professional – CS, L.P.,
a Delaware limited partnership, its Manager

By: 

Steven C. Porath
Authorized Person

ASSIGNEE:

Lennar Homes of California, LLC, a California
limited liability company,

By: 

Geoffrey Smith
Vice President

[Signature continues on next page]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Los Angeles

On September 11, 2023 before me, Karen S. Hornback, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Steven C. Porath
Name(s) of Signer(s)

who 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.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Karen S. Hornback*
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian of Conservator

Other: _____

Signer is Representing: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Riverside

On 09/19/2023 before me, Kim Strutton, Notary Public
(insert name and title of the officer)

personally appeared Geoffrey Smith
who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



COUNTY OF RIVERSIDE:

By: 

KEVIN JEFFRIES
Chairman, County Board of Supervisors

APPROVED AS TO FORM:
County Counsel

By: 

Stephanie Nelson
Deputy County Counsel

ATTEST:
Kimberly Rector
Clerk of the Board

By: 

Deputy

EXHIBIT A

DESCRIPTION OF ASSIGNED PROPERTY

LOTS 2 THROUGH 5, INCLUSIVE OF TRACT NO. 36430-2, AS SHOWN BY MAP FILED ON NOVEMBER 3, 2022, IN BOOK 486, PAGES 73 THROUGH 80, INCLUSIVE, OF MAPS IN THE OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

LOTS 118 THROUGH 124, INCLUSIVE, OF TRACT NO. 36430-2, AS PER MAP FILED ON NOVEMBER 3, 2022, IN BOOK 386, AT PAGES 73 THROUGH 80, INCLUSIVE, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, AS SAME MAY BE AMENDED FROM TIME TO TIME.

LOTS 9 THROUGH 14, INCLUSIVE, 175, 176, 185 AND 186, OF TRACT NO. 36430-2, AS PER MAP FILED ON NOVEMBER 3, 2022, IN BOOK 386, AT PAGES 73 THROUGH 80, INCLUSIVE, OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, AS SAME MAY BE AMENDED FROM TIME TO TIME.

LOTS 15 THROUGH 20, INCLUSIVE, 34 THROUGH 37, INCLUSIVE, 92 THROUGH 104, INCLUSIVE, 114 THROUGH 117, INCLUSIVE, AND 177 THROUGH 184 INCLUSIVE, OF TRACT NO. 36430-2, AS PER MAP FILED ON NOVEMBER 3, 2022, IN BOOK 386, AT PAGES 73 THROUGH 80, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, AS SAME MAY BE AMENDED FROM TIME TO TIME.

Vicinity Map

Tract No. 36430-2 Lot Nos. 2-5 and 9-20

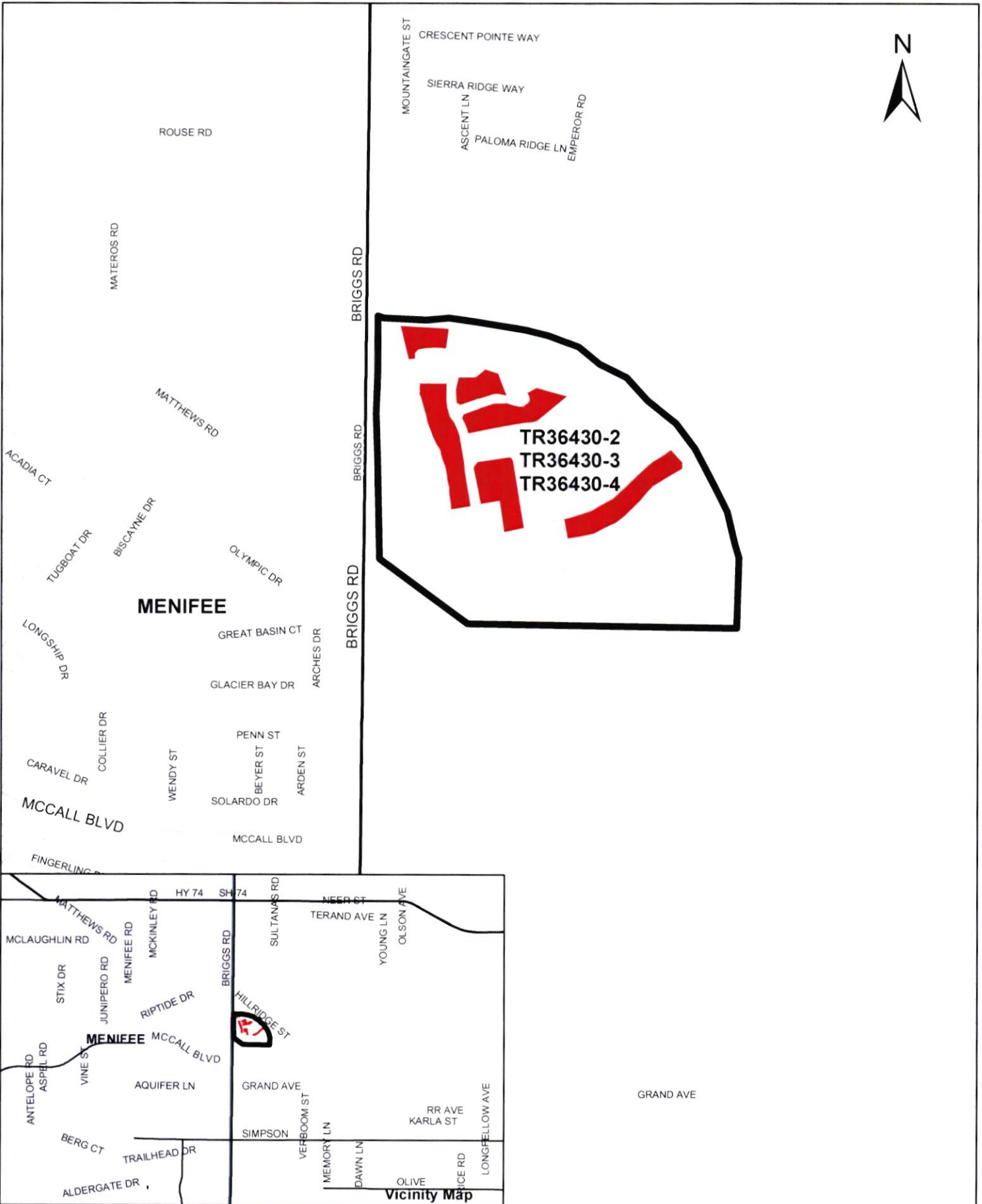
Tract No. 36430-3 Lot Nos. 118-124 and 175-186

Tract No. 36430-4 Lot Nos. 34-37, 92-104, and 114-117

The County of Riverside assumes no warranty or legal responsibility for the information contained on this map. Data and information represented on this map is subject to updates, modifications and may not be complete or appropriate for all purposes. County GIS and other sources should be queried for the most current information. Do not copy or resell this map.



0 335 670 1,340 Feet
1 inch = 667 feet
Orthophotos Flown 2016
Printed by CSegarra on 8/17/2023



Vicinity Map