

August 14, 2020

Tracy Taylor
Western Hills Water District
9501 Morton Davis Dr.
Patterson, CA 95363

Subject: Payments to WHWD Associated with Angel's Crossing Purchase of Diablo Grande

Dear Ms. Taylor,

Per the discussion at the WHWD Board Meeting on August 12, 2020, Angel's Crossing's plan associated with various WHWD bills and debts is provided below. Our understanding is there are three issues:

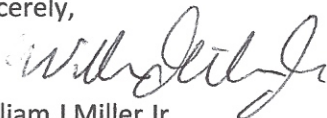
1. Irrigation bill – for golf course and other parcels owned by Angel's Crossing with WHWD service area
2. KCWA bill – water supply bill for community
3. Patterson bill – shortfall in payments to Patterson for sewer service of existing homes

Our plan is as follows:

1. Irrigation – We formally request the irrigation water supplies for the golf course and other Angel's Crossing holdings continue. We will make a good faith payment to Western Hills for irrigation bills by the end of September. We will have all the irrigation bills for the year paid off by the end of the year (December 2020). In the meantime, Angel's Crossing will be working with the community to reopen the golf club, create memberships, and develop a revenue source to ensure the ongoing payment of the irrigation and landscaping bills.
2. KCWA bill – We will have a good faith payment for KCWA by the end of September. Our intent is to pay the entire water bill to KCWA for 2020 before the end of the year and before the January 60% bill from KCWA is received for the 2021 water year.
3. Paterson bill – It is our understanding the community will be adjusting the wastewater rate soon to eliminate the subsidy being requested from Angel's Crossing to the community associated with unpaid sewer rates to the City of Patterson. Patterson has asked they be made whole by the end of the Patterson fiscal year, June 30, 2021. We propose a monthly payment plan (if needed) with the intent of making Patterson whole by the end of their fiscal year. The payments will be negotiated after we see how the community chooses to adjust sewer rates.

Thank you for working with us as we begin our path, working with you, to build out this wonderful community. Please call me if you have any questions (916) 612.0052.

Sincerely,



William J Miller Jr
Development Manager, Angel's Crossing

CC: Seth W. Scott, Angel's Crossing LLC
Don Hale Jr., Angel's Crossing LLC
Rob Donlan, ELLISON SCHNEIDER HARRIS & DONLAN LLP
Gary SAWYERS, New Current Water and Land