

# WESTERN HILLS WATER DISTRICT

## NOTICE OF HEARING

**TO:** WORLD INTERNATIONAL, LLC  
1880 CENTURY PARK E, SUITE 106  
LOS ANGELES, CA 90067

ANGEL'S CROSSING, LLC  
3150 WILSHIRE BLVD., SUITE 2722  
LOS ANGELES, CA 90010

[see attached service list]

**RE: Assignment, Assumption and Release Agreement dated April 30, 2020**

**YOU ARE HEREBY NOTIFIED** by the Board of Directors of the Western Hills Water District ("WHWD") that:

**A.** On **November 8 2023** the WHWD will conduct a public hearing at the Diablo Grande Clubhouse, **9521 Morton Davis Drive, Patterson, California** (Diablo Grande) at **7:00 P.M.** to make specific findings on the following issues with regards to the Assignment, Assumption and Release Agreement, dated April 30, 2020 (referred to herein as the "Assignment"). For your reference, a copy of the Assignment is attached hereto as Exhibit "A". For purposes of this Notice, World International, LLC shall be referred to as "World"; Angel's Crossing, LLC shall be referred to as "Angel's Crossing" or "Buyer".

**Issue No. 1:** Did the condition precedent set forth in Section 3 of the Assignment occur, such that WHWD's consent to the Assignment was obtained? Section 3 of the Assignment states in relevant part: "*[O]nly in the event that the part of the Property described in the Purchase Agreement is conveyed to Buyer from World, Western consents and accepts the assignment of World's right, title, interest, obligations and liabilities in and to the Master Agreement and the WHWD Liabilities to Buyer as set forth in this Agreement...*" [emphasis added.]

**Issue No. 2:** If WHWD determines the finding to Issue No. 1 is "no", e.g., the condition precedent in the Assignment did not occur and there was no Assignment of the Master Agreement to Provide Water, Sewer and Storm Drainage Services, as amended by the Addendum to Master Agreement to Provide Water, Sewer and Storm Drainage Services (referred to herein as the "Amended Master Agreement"), then does World remain obligated to WHWD as set forth in the Amended Master Agreement?

**Issue No. 3:** If World continues to be obligated to WHWD under the Amended Master Agreement, what are the delinquent amounts for which World is liable to WHWD?

**Issue No. 4:** Does the failure of Angel's Crossing to perform under the Assignment, e.g., failure to make any payments towards the WHWD Liabilities as defined in the Assignment, result in the Assignment being of no force or effect such that World remains liable to WHWD under the Amended Master Agreement?

**Issue No. 5:** Does former WHWD Director Guillermo Marrero's undisclosed financial interest in the Assignment, e.g., the agreement by Angel's Crossing to assume World's obligation to pay International Practice Group approximately \$165,085.02, result in the Assignment being void pursuant to Gov't. Code §1090, *et seq.*?

**B.** At the above time and location, WHWD will receive and consider relevant records and related information. You may provide information to WHWD to support or oppose a finding to be made at the hearing. Any records or documents to be submitted by you for consideration must be received by WHWD on or before **5:00 P.M. on November 6, 2023**. If by mail, to: WHWD c/o David Hobbs; 517 E. Olive Ave., Turlock, California 95380; if electronically, to: [dhobbs@calwaterlaw.com](mailto:dhobbs@calwaterlaw.com) and [awilkins@whwdist.com](mailto:awilkins@whwdist.com).

**C.** You or your representatives have the right to appear in person at the hearing and present statements or information to the WHWD.

**D.** At the conclusion of the hearing, the WHWD will make a determination of the above issues. As a result of WHWD's determinations, be advised that WHWD may proceed under any remedies authorized by law, including but not limited to those in Water Code §36729 related to liens and enforcement per Water Code §37200.

Issued by the WESTERN HILLS WATER DISTRICT:

Dated: October 6, 2023



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David L. Hobbs, General Counsel  
Western Hills Water District  
517 E. Olive Ave.  
Turlock, California 95381  
Tel: (209) 667-5501  
Email: [dhobbs@calwaterlaw.com](mailto:dhobbs@calwaterlaw.com)

**EXHIBIT “A”**

## ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

This Assignment Assumption and Release Agreement (the “Agreement”), is entered into as of the 30th day of April 2020 (the “Effective Date”), by and between WORLD INTERNATIONAL, LLC, a Delaware limited liability company (“World” or “Seller”), ANGEL’S CROSSING, LLC, a California limited liability company (“Buyer”) and WESTERN HILLS WATER DISTRICT, a California Water District (“Western” or “WHWD”). Collectively World, Buyer and WHWD referred to as the “Parties” and individually a “Party”.

### RECITALS

A. Seller is the owner of approximately 30,000 acres of land located in Stanislaus County, California (the “Property”).

B. On October 7, 2008, Buyer assumed from the Property’s prior owner that certain Master Agreement to Provide Water, Sewer and Storm Drainage Services, as amended by that certain Addendum to Master Agreement to Provide Water, Sewer and Storm Drainage Services (as amended the "Master Agreement").

C. WHWD contends that from 2019 to April 24, 2020, World incurred water charges of \$515,601 (Five Hundred Fifteen Thousand Six Hundred and One Dollar), which to this date remain outstanding (the “Outstanding Water Charges”). World disputes such claims.

D. WHWD contends that World is in default of its obligations under the Master Agreement since among others it has failed to fund the operations of the WHWD for a period of over 12 (twelve) months as required under the Master Agreement (the “Funding Obligations”). World disputes such claims.

E. WHWD contends that World is in default on its obligations (delinquent amount) to pay \$8,742,326.38 in Mello-Roos related to the Property (the “Mello-Roos Obligations”). World disputes such claims.

F. On March 16, 2020, Buyer and Seller entered into that certain purchase agreement by which Buyer to purchase part of the Property ("Purchase Agreement").

G. Pursuant to the Purchase Agreement, Buyer agreed to assume the Master Agreement and any and all outstanding loans to WHWD (\$16,896,995) as well as all outstanding liabilities of World International, including the Outstanding Water Charges (\$515,601), Funding Obligations (\$1,130,000) and the Mello-Roos Obligations (collectively the “WHWD Liabilities”).

H. The parties desire to enter into this Agreement to assign all of Seller’s right, title, obligations and interest in and to the Master Agreement and the WHWD Liabilities to Buyer and to confirm Western's acceptance of the assignment of the Master Agreement and the WHWD Liabilities to Buyer and the release of World from any and all liabilities arising under the Master Agreement and the WHWD and from any and all past, present or future liabilities.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by all parties hereto, the parties hereby agree as follows:

1. Assignment. World hereby assigns, transfers and conveys to Buyer and Buyer hereby assumes and accepts any and all of World's right, title, interest, obligations and liabilities in and to the Master Agreement and the WHWD Liabilities. Buyer hereby assumes and agrees to keep, perform and fulfill all of World's obligations under or with respect to the Master Agreement and the WHWD Liabilities. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Purchase Agreement.

2. Indemnification by Buyer. Buyer hereby agrees to indemnify and defend World, its successors, assigns, affiliates, representatives, members, directors, officers, agents, advisors and consultants against and hold them harmless from all demands, claims, complaints, actions or causes of action, suits, proceedings, investigations, losses, damages, liabilities, costs and expenses, including attorney's fees pertaining to or arising out of: (i) the Master Agreement including the performance or non-performance of World's obligations thereunder; and (ii) the WHWD Liabilities.

3. Consent and Release by WHWD. Only in the event that the part of the Property described in the Purchase Agreement is conveyed to Buyer from World, Western consents and accepts the assignment of World's right, title, interest, obligations and liabilities in and to the Master Agreement and the WHWD Liabilities to Buyer as set forth in this Agreement and hereby on its behalf and on behalf of its, successors and assigns hereby releases and forever discharges World, its successors, assigns, affiliates, representatives, members, directors, officers, agents, advisors and consultants from any and all demands, claims, complaints, actions or causes of action, suits, proceedings, investigations, losses, damages, liabilities, costs and expenses, including attorney's fees pertaining to or relating to the Master Agreement and the WHWD Liabilities, including but not limited to World's performance or non-performance thereunder.

To the extent that the foregoing release is a releases to which Section 1542 of the California Civil Code or similar provisions of other applicable law applies, it is the intention of the Parties that the foregoing releases shall be effective as a bar to any and all actions, fees, damages, losses, claims, liabilities and demands of whatsoever character, nature and kind, known or unknown, suspected or unsuspected specified herein. In furtherance of this intention, the Parties expressly waive any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California Civil Code, which said Section 1542 providing as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

The Parties acknowledge that the foregoing waiver of the provisions of Section 1542, was bargained for separately. Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of World, WHWD expressly acknowledges that this Agreement is intended to include in its effect without limitation all of the claims, causes of action and liabilities otherwise encompassed in the release above which Western, does not know or suspects to exist in their favor at the time of execution of this Agreement, and this Agreement contemplates extinguishment of all such claims, causes of action and liabilities.

4. No Admission of Liability. This Agreement does not constitute an admission of liability by any of the Parties to this Agreement.

5. No Reliance. Each Party acknowledges that it has made such investigation of the facts pertaining to this Agreement, and all matters pertaining thereto, as he or it deems necessary. Each Party to this Agreement represents that: (a) he or it is represented by the attorneys of its choice; (b) prior to the execution of this Agreement each Party's attorney reviewed this Agreement, made all desired changes, and approved this Agreement as to substance and form; (c) the terms of this Agreement and its consequences (including risks, complications, and costs) have been fully explained to it by its attorneys; (d) it fully understands the terms and consequences of this Agreement; (e) it is not relying upon any representation or statement made by any other party hereto, or by such other party's employees, agents, representatives or attorneys regarding this Agreement or its preparation except to the extent such representations are expressly and explicitly incorporated herein; (f) it is not relying upon a legal duty, if one exists, on the part of any other party, or upon the part of such other party's employees, agents, representatives or attorneys, to disclose any information in connection with the execution of this Agreement or its preparation; and (g) it has carefully read and understands the contents of this Agreement and freely signs it of his or its own free act, without any constraint or undue influence, and it is the intention of each party to be legally bound by this Agreement. Further, it is expressly understood that no Party shall ever assert any failure to disclose information by any other Party as a ground for challenging this Agreement.

6. After-Acquired Facts. The Parties acknowledge that they might hereafter discover facts different from or in addition to those they now know or believe to be true with respect to a claim or claims released herein, and they expressly agree to assume the risk of possible discovery of additional or different facts, and agree that this Agreement shall be and remain effective in all respects regardless of such additional or different discovered facts, or any change in circumstances.

7. Choice of Law and Forum Selection. This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced, and governed under the laws of the State of California as if entirely performed within the State of California. Any legal suit, action or proceeding arising out of or related to this Agreement or the rights and obligations of the parties hereunder, shall be instituted exclusively in the federal courts of the United States or the Courts of the State of California in each case located in the City of Modesto and County of Stanislaus, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

8. Waiver of Breach. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provisions hereof.

9. Attorneys' Fees. The prevailing party in any dispute between the parties hereto, or any of them, arising hereunder or relating hereto shall be entitled to an award of reasonable attorneys' fees, costs and expenses at trial and through all appellate levels.

10. Successors. This Agreement shall be binding upon the parties hereto and their permitted respective successors and permitted assigns.

11. Rule of Construction. This Agreement shall be interpreted without regard to any presumption or rule requiring construction against the party causing this Agreement to be drafted.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment, Assumption and Release Agreement as of April \_\_\_\_, 2020.

[Signatures on Following Page]

SELLER:

WORLD INTERNATIONAL, LLC  
a Delaware limited liability company

By: Three60, LLC, its sole member

By:



By: Linda Marcos

Its: Manager

BUYER:

ANGEL'S CROSSING, LLC  
a California limited liability company

By:

\_\_\_\_\_  
Name:

Title:

WESTERN:

WESTERN HILLS WATER DISTRICT  
a California water district

By:

  
\_\_\_\_\_  
Name: Guillermo Marrero

Title: Chairman of Board



SELLER:

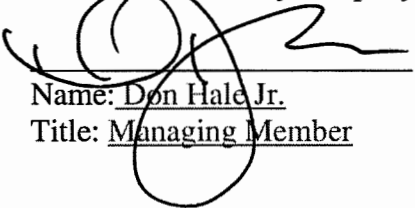
WORLD INTERNATIONAL, LLC  
a Delaware limited liability company

By: Three60, LLC, its sole member

By: \_\_\_\_\_  
By: Linda Marcos  
Its: Manager

BUYER:

ANGEL'S CROSSING, LLC  
a California limited liability company

By:   
Name: Don Hale Jr.  
Title: Managing Member

WESTERN:

WESTERN HILLS WATER DISTRICT  
a California water district

By: \_\_\_\_\_  
Name:  
Title:

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 WS Los Angeles

On 4/25/2020

before me, Hyun Il Lee, Notary Public

a Notary Public, personally appeared

DONALD BERNARD JR HALE

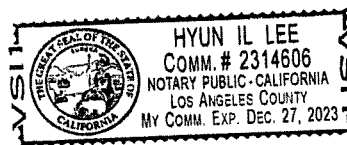
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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

[Handwritten Signature]



(This area for official notarial seal)

ESCROW NO.: AU-55021431-SF

TITLE ORDER NO.: NCS-803241-05--LA2

1 **PROOF OF SERVICE**

2 I, Catherine Pasma, declare:

3 I am employed in the County of Stanislaus, State of California and over the age of  
4 eighteen (18) years, and not a party to the within action. My business address is 517 East  
Olive Avenue, P.O. Box 510, Turlock, California, 95381-0510.

5 On October 6, 2023 I served the within document(s):

6 **WESTERN HILLS WATER DISTRICT/NOTICE OF HEARING RE**  
7 **ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT DATED**  
8 **APRIL 30, 2020**

9 **[X] BY OVERNIGHT DELIVERY.** By enclosing the document(s) in an envelope  
or package provided by an overnight delivery carrier with postage thereon fully prepaid  
addressed to the person(s) set forth below.

10 WORLD INTERNATIONAL, LLC  
11 1880 CENTURY PARK E, SUITE 106  
12 LOS ANGELES, CA 90067

13 ANGEL'S CROSSING, LLC  
14 3150 WILSHIRE BLVD., SUITE 2722  
LOS ANGELES, CA 90010

15 **[X] BY U.S. MAIL.** By placing the document(s) listed above in a sealed envelope  
16 with postage thereon fully prepaid, in the United States mail at Turlock, California, addressed  
as set forth below. I am readily familiar with the firm's practice of collection and processing  
17 correspondence for mailing. Under that practice it would be deposited with the U.S. Postal  
Service on that same day with postage thereon fully prepaid in the ordinary course of business.

18 WORLD INTERNATIONAL, LLC  
19 2710 GATEWAY OAKS DRIVE  
20 SACRAMENTO, CA

21 ANGEL'S CROSSING, LLC  
22 3150 WILSHIRE BLVD., SUITE 2722  
23 LOS ANGELES, CA 90010

24 On behalf of ANGEL'S CROSSING, LLC:  
25 June D. Coleman, Esq.  
26 Messer Strickler Ltd.  
5960 South Land Park Drive #1059  
Sacramento, CA 95822

1 [XX] By Electronic Mail – I served each document on the parties by emailing each  
2 document in PDF format to each email address listed above.

3 On behalf of WORLD INTERNATIONAL, LLC:



7 On behalf of ANGEL'S CROSSING, LLC:

8 [JColeman@MesserStrickler.com](mailto:JColeman@MesserStrickler.com)

9  
10 I declare under penalty of perjury under the laws of the State of California that the  
11 above is true and correct.

12 Executed on October 6, 2023, at Turlock, California.

13 

14 Catherine Pasma