

# WHWD PUBLIC HEARING

## Status of Assignment, Assumption and Release dated April 30, 2020

November 8, 2023

# NOTICE OF HEARING MAILED; OVERNIGHT DELIVER AND VIA EMAIL WHERE APPLICABLE ON 10-6-2023

## **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,

# OVERVIEW OF 5 ISSUES TO BE DETERMINED

- **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.*?

# Issue No. 1: Did the Condition Precedent Required in the Assignment Occur?

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,

## World/AC Purchase Agreement Terms Re Property to Be Transferred:

**“Property” Means Phase 1 and “Phase 1” Means the PDP Lands and the WHWD Lands**

### AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

THIS AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT (as amended and restated the "Agreement") is made and entered as of April 30, 2020 (the "Effective Date"), by and between WORLD INTERNATIONAL, LLC, a Delaware limited liability company ("Seller"), and ANGEL'S CROSSING, LLC, a California limited liability company ("Buyer").

#### 2. Purchase and Sale.

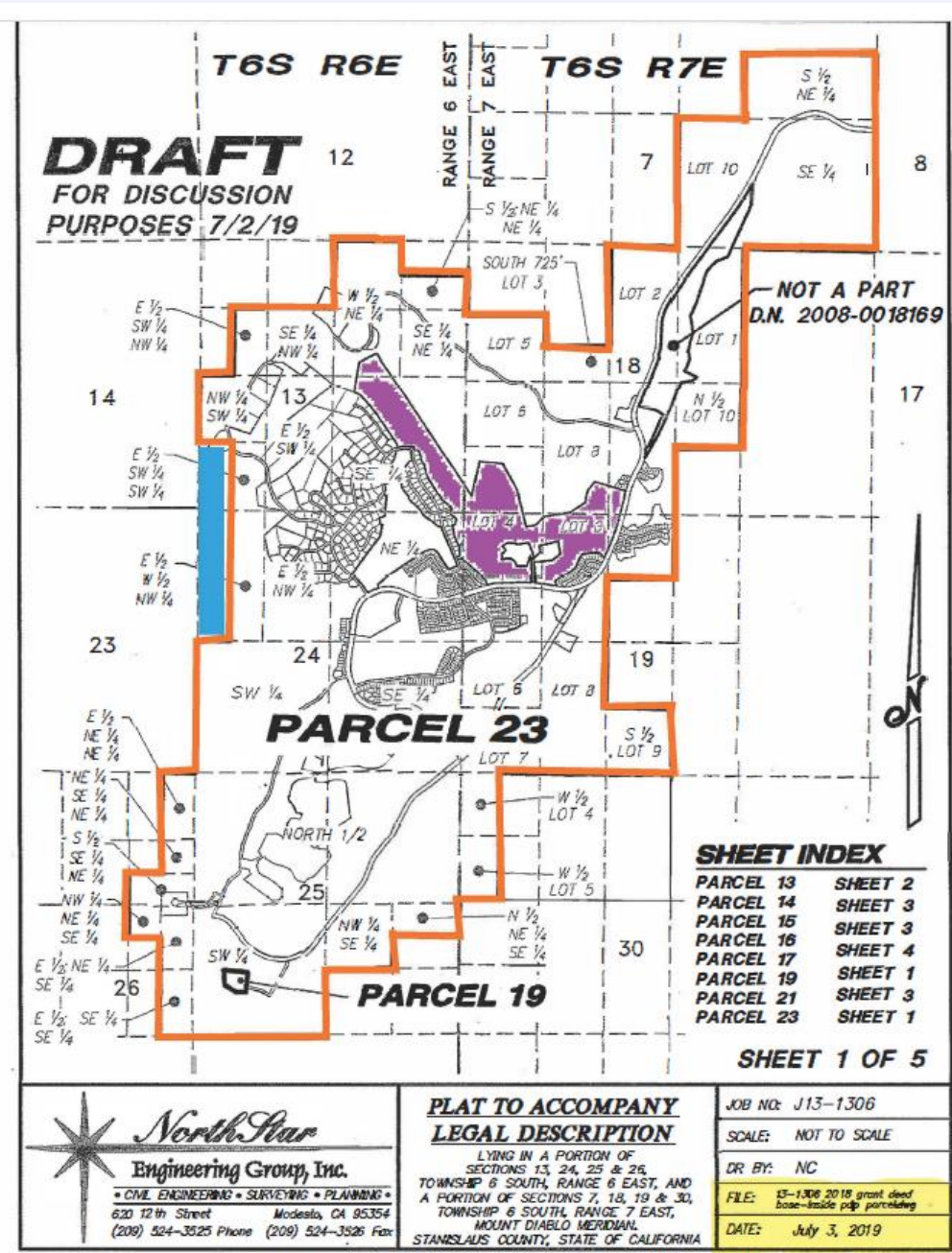
2.1 Purchase and Sale. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase Property from Seller, upon all of the terms, covenants and conditions set forth in this Agreement. Buyer agrees and acknowledges that at Closing, that the transfer of the portion of Property corresponding to the WHWD Land will not be perfected through the execution of a deed transferring title to the WHWD Land to Buyer since a legal description of the WHWD Land does not currently exist. After Closing, Buyer and Seller agree to cooperate in an expeditious manner at Buyer's sole cost and expense in obtaining a legal description for the WHWD Land

1.18 Property. The term "Property" shall mean Phase 1, the Phase 1 Assets and the Intangible Property.

1.14 Phase 1. The term "Phase 1" is defined as the real property owned by Seller inside the boundaries of the Preliminary Development Plan depicted on Exhibit B.1 ("PDP Land") plus the land outside the boundaries of the PDP but within the boundaries of the Western Hills Water District Service Area as depicted on Exhibit B.2 (the "WHWD Land"), together with all improvements, including the maintenance building, club house or any other structure on the golf course and the office, easements, liabilities, obligations and rights appurtenant thereto.



EXHIBIT "B-1" TO  
PURCHASE AGREEMENT  
WHICH DESIGNATES THE  
"PDP LANDS"

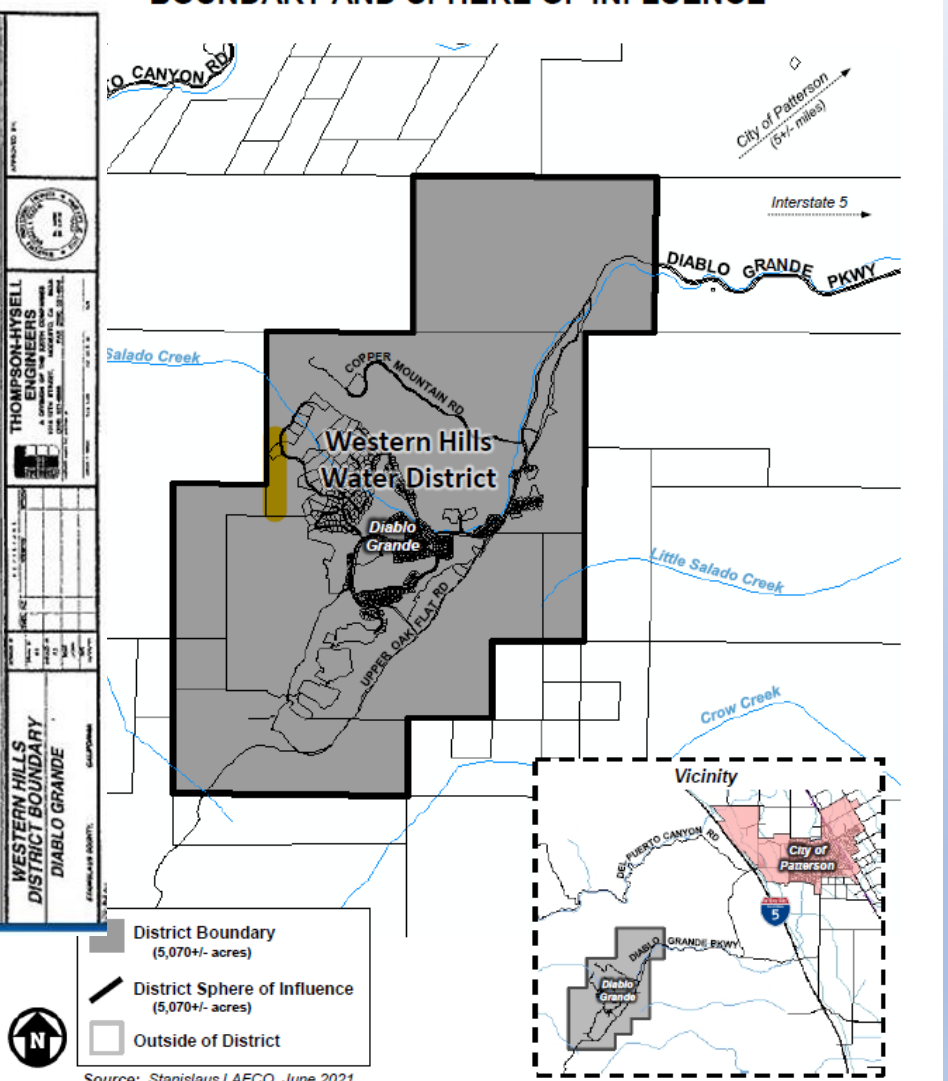
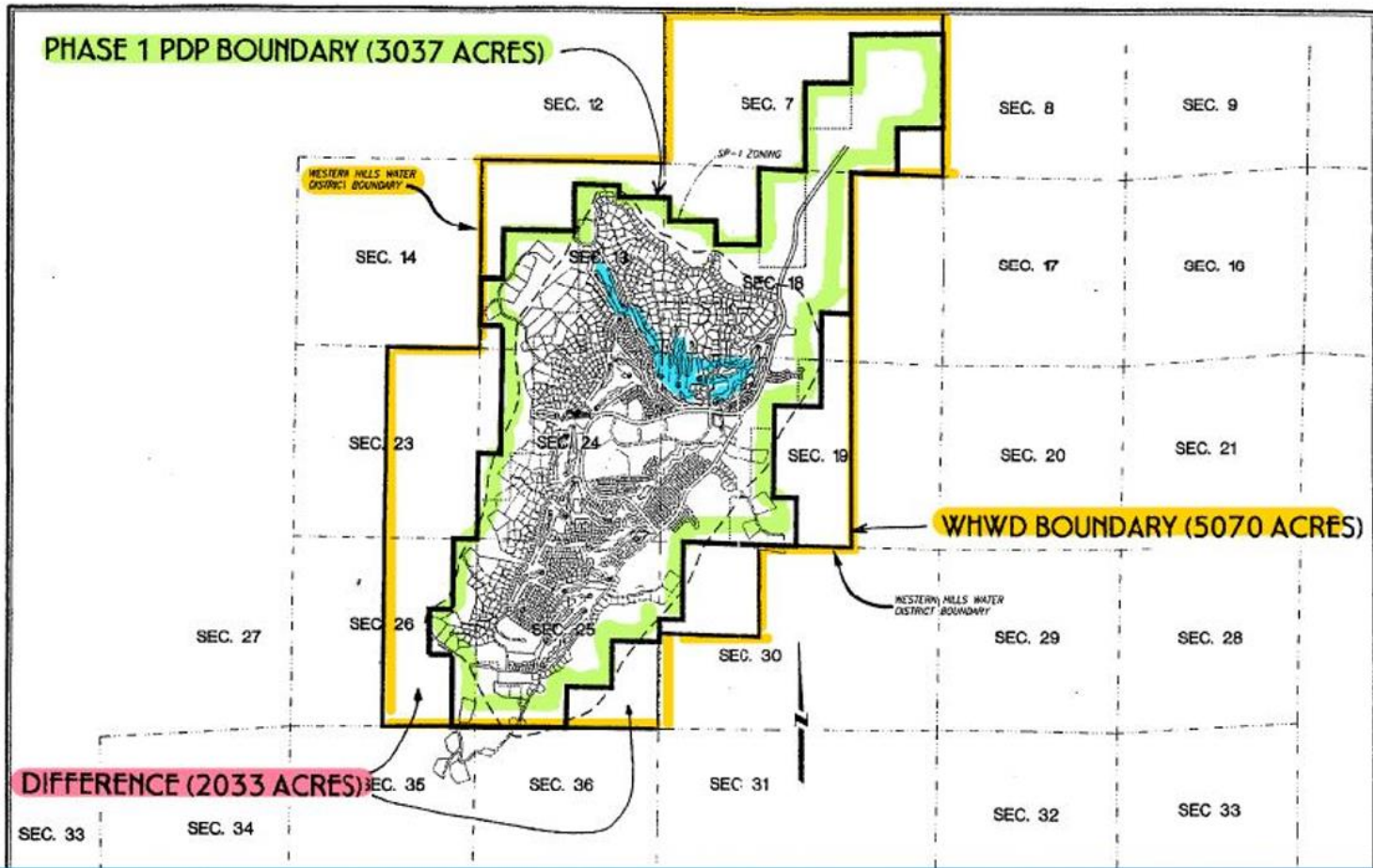


FROM: 025-023, 025-011  
DRAWN: 08/02/06 CS  
REVISED: 10/10/06 MB, 10/12/06MB, 02/29/08 DH, 12/07/2018 (G) DB

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Stanislaus  
County  
Assessor  
07.09.19


(011)025 — 039



Source: Stanislaus LAFCO, June 2021




# WHWD Purchased Litigation Guarantees in the Mello Roos Foreclosure Lawsuits:

|  |  |
|--|--|
| <br><b>Schedule A</b> | <b>Litigation Guarantee</b><br>ISSUED BY<br><b>First American Title Insurance Company</b><br>GUARANTEE NUMBER<br><b>5007-6561213</b> |
|--|--|

File No.: 5007-6561213      Liability: \$1,332,990.08  
Fee: \$2,592.00

- Name of Assured: Western Hills Water District and Burke, Williams & Soerenson, LLP
- Date of Guarantee:**  
May 04, 2021 at 7:30 A.M.
- This Litigation Guarantee is furnished solely for the purpose of facilitating the prosecution of a judicial foreclosure action to collect delinquent special taxes.
- The estate or interest in the Land which is covered by this Guarantee is: Fee Simple
- Title to the estate or interest in the Land is vested in: WORLD INTERNATIONAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS TO PARCEL 1,**  
  
ANGEL'S CROSSING, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AS TO PARCEL'S 2 AND 3
- The Land referred to in this Guarantee is described as follows:  
  
Real property in the unincorporated area of the County of Stanislaus, State of California, described as follows:  
  
**PARCEL 1: (APN: 025-039-21-000)**  
  
LYING IN A PORTION OF SECTIONS 13 & 24, TOWNSHIP 6 SOUTH, RANGE 6 EAST AND A PORTION OF SECTIONS 18 & 19, TOWNSHIP 6 SOUTH, RANGE 7 EAST, MOUNT Diablo Base AND

|  |  |
|--|--|
| <br><b>Schedule A</b> | <b>Litigation Guarantee</b><br>ISSUED BY<br><b>First American Title Insurance Company</b><br>GUARANTEE NUMBER<br><b>5007-6561212</b> |
|--|--|

File No.: 5007-6561212      Liability: \$70,293.84  
Fee: \$3,700.00

- Name of Assured: Western Hills Water District and Burke, Williams & Sorensen, LLP
- Date of Guarantee:**  
May 12, 2021 at 7:30 A.M.
- This Litigation Guarantee is furnished solely for the purpose of facilitating the filing of an action to The Litigation is furnished solely for the purpose of facilitating the prosecution of a judicial foreclosure action to collect delinquent special taxes.
- The estate or interest in the Land which is covered by this Guarantee is: Fee
- Title to the estate or interest in the Land is vested in: WORLD INTERNATIONAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY**
- The Land referred to in this Guarantee is described as follows:  
  
ALL OF THE LOTS AND STREETS 5 RECORDED MAY 13, 2003 IN [BOOK 17-0004429](#), STANISLAUS COUNTY RECORDS.  
  
THAT CERTAIN PROPERTY LYING IN THE UNINCORPORATED AREA OF THE COUNTY OF CALIFORNIA WATER DISTRICT, BY [2017-0004429](#), STANISLAUS COUNTY RECORDS.  
  
THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF LOT LINE ADJUSTMENT NO. PLN2017-0108, RECORDED JUNE 25, 2018, AS INSTRUMENT NO. [2018-0043270](#) OF OFFICIAL RECORDS.  
  
APN: **025-039-014-000**, 025-005-011-000, 025-046-007-000, 025-047-007-000, 025-004-002-000, 025-010-004-000, 025-010-016-000, 025-015-011-000 AND 025-015-005-000

Form 5015800 (7-1-14)      Page 7 of 22      **CLTA #1 Litigation Guarantee (12-16-92)**

**WHWD v. World International, LLC – Stanislaus County  
Superior Court Case No. 21-CV-003177**

Judgment dated January 19, 2023

**WHWD v. World International, LLC – Stanislaus County  
Superior Court Case No. 21-CV-002840**

Judgment dated January 19, 2023

further and legally described in **Exhibit “3”** attached hereto and fully incorporated herein by this reference (“PROPERTY”), with:

(a) ANGELS CROSSING being the current owner of APNs 025-005-010-00 [No. 1], 025-038-001-000 [No. 2], 025-039-013-000 [No. 3], 025-039-015-000 [No. 4], 025-039-018-000 [No. 5], 025-039-020-000 [No. 6], 025-040-003-000 [No. 8], 025-040-005-000 [No. 9], 025-040-016-000 [No. 10], 025-046-008-000 [No. 11], 025-046-014-000 [No. 12], 025-047-003-000 [No. 13], 025-047-010-000 [No. 14] and 025-048-001-000 [No. 15], as listed in Exhibit “2.”

(b) WORLD being the current owner of APN 025-039-021-000 [No. 7], as listed in Exhibit “2.”

RIV #4868-4799-5206 v2

- 2 -

~~[PROPOSED]~~ JUDGMENT IN JUDICIAL FORECLOSURE; ORDER OF SALE THEREON

The principal amounts of the delinquent special taxes total \$108,525.84. UMF No. 18.

On December 14, 2018, October 11, 2019, and April 19, 2021, plaintiff caused Notices of Intent to Remove Delinquent Special Tax Installments from Tax Roll to be recorded for tax years 2017/2018, 2018/2019 and 2019/2020. UMF No.’s 19, 20 & 21.

Subsequently the Board of Directors for plaintiff authorized the bringing and prosecution of this foreclosure action to recover the delinquencies. UMF No. 22.

Defendant World International LLC is the current owner of the property. UMF No. 23.

Defendant Bank of Scotland PLC, which owned an interest in the parcel pursuant to a deed of trust, released the deed of trust and was subsequently dismissed from this action. UMF No. 24.

Plaintiff has shown that defendant has not paid the special taxes levied

## 2. Purchase and Sale.

2.1 Purchase and Sale. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase Property from Seller, upon all of the terms, covenants and conditions set forth in this Agreement. Buyer agrees and acknowledges that at Closing, that the transfer of the portion of Property corresponding to the WHWD Land will not be perfected through the execution of a deed transferring title to the WHWD Land to Buyer since a legal description of the WHWD Land does not currently exist. After Closing, Buyer and Seller agree to cooperate in an expeditious manner at Buyer's sole cost and expense in obtaining a legal description for the WHWD Land

3

including filing any lot line adjustment applications and to execute any documents as may be reasonably necessary so that the WHWD Land the transfer of the WHWD Land to Buyer may be perfected after the Closing, provided that no legal description created for this purposes shall interfere with or adversely impact land reserved and identified as the Wetlands and Conservation Easement. Notwithstanding the foregoing, Buyer shall not be required to pay any additional

The Purchase Agreement obligated AC to perform a parcel boundary adjustment to create the WHWD Lands so that title could be perfected in accordance with the Purchase Agreement. Per World's cross-complaint against AC, the lot line adjustment never occurred.

9. On or about May 7, 2020, Cross-Complainant subsequently conveyed a Grant Deed for the Golf Course Property to AC.

10. Pursuant to the PSA agreement, AC was specifically obligated to create discrete legal parcels for all lands owned by Cross-Complainant within the District but which could not be conveyed at the closing ("remaining lands"), so Cross-Complainant could legally convey all of its remaining land within the District to AC after the sale.

11. The PSA further expressly provided that AC would defend and indemnify Cross-Complainant with respect to all District land-related liabilities.

12. Following the Grant Deed conveyance on May 7, 2020, AC has failed to abide by its contractual obligations under the PSA. These failures include the defense of this action and AC's failure to process lot line adjustments necessary for the conveyance of the remaining lands

{3276630.DOCX:3}

3

Cross Complaint of Defendant  
World International, LLC

1 to AC—including the Golf Course Property which is the subject of the District's Action.

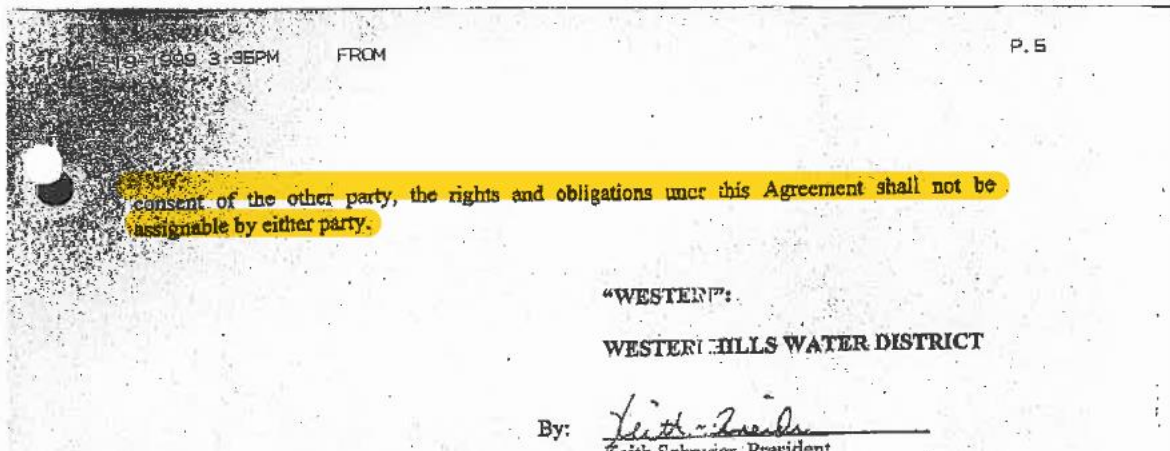
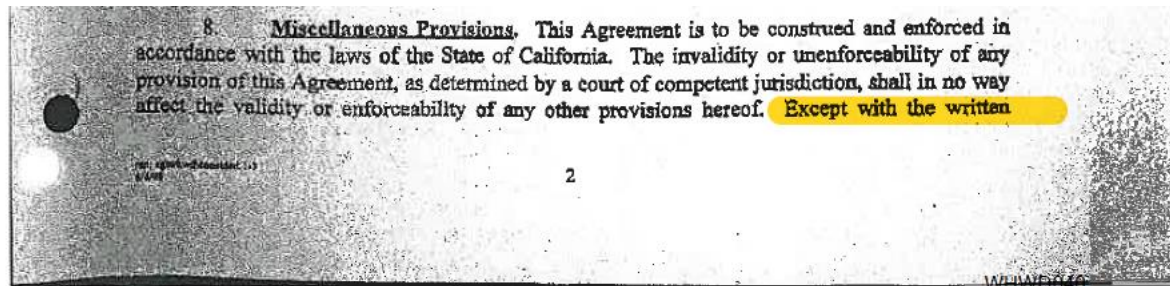
2 13. Cross-Complainant is further informed and believes, and on that basis alleges,

# Issue No. 1 Findings:

- Stanislaus County A.P.N. 025-039-021 is located within the PDP Lands and was not conveyed from World to AC.
- Stanislaus County A.P.N. 025-039-014 is located within the WHWD Lands and was not conveyed from World to AC.
- The Purchase Agreement required AC to perform lot line adjustments to create and perfect the legal description for the WHWD Lands to be conveyed from World to AC. This never occurred.
- Because “that the part of the Property described in the Purchase Agreement” was not conveyed to AC from World, as required in Section 3 of the Assignment, the condition precedent to obtain WHWD’s consent did not occur.



# Issue No. 2: Does World Remain Liable Under the Master Agreement?



under this Agreement shall not be assignable by either party.

Moreover, Cal. Civil Code §1457 states in relevant part: **"The burden of an obligation may be transferred with the consent of the party entitled to its benefit, but not otherwise...."** In *Baer v. Associated Life Ins. Co.*, (1988) 202 Cal. App. 3d 117, 123 the Court explained this provision as follows:

This section was enacted in 1872, and from its inception has been interpreted to mean that **the assignor of the contract cannot be released from his/her burden of obligation to the other contracting party absent a novation.** (internal citations omitted.) Throughout the years, our courts have interpreted this statute liberally and held that: **"The obligations of an assignor of a contract continue to rest upon him and he will be required to respond to the other party to the contract in the event of a default on the part of the assignee. [Citations.]"**  
(*Wiseman v. Sklar* (1930) 104 Cal App. 369, 374 [285 P. 1081].)

## Issue No. 2 Findings:

- Because WHWD's written consent to assignment of the Master Agreement was not obtained, as per Issue No. 1, World continues to remain obligated under the terms of the Master Agreement/Amended Master Agreement.

# Issue No. 3: What Are the Delinquent Amounts for Which World is Liable to WHWD?

budget.

c. Upon approval of each annual operational budget by the Western Board of Directors and the approval of each annual capital budget by both Western's Board of Directors and World, World agrees to advance funds in accordance with the approved budget and in accordance with the projected monthly timing of the proposed expenditures contained within the approved budgets.

d. World is not required to advance funds needed to pay the costs for the

**To Determine The Amounts World Should Have Contributed, WHWD Used Annual Budget Requirements and Deducted Budget Revenues:**

| YEAR      | WHWD Budget  | WHWD Revenues | WHWD Funding Shortfall <sup>4</sup> |
|-----------|--------------|---------------|-------------------------------------|
| 2019-2020 | N/A          | N/A           | 1,130,000.00                        |
| 2020-2021 | 3,813,500.94 | 2,365,107.05  | 1,458,393.89                        |
| 2021-2022 | 3,820,700.88 | 2,452,971.14  | 1,367,729.74                        |
| 2022-2023 | 4,083,553.32 | 2,110,664.00  | 1,972,889.32                        |
| 2023-2024 | 3,997,958.32 | 2,110,664.00  | 1,887,294.32                        |
|           |              | <b>TOTAL:</b> | <b>7,816,307.29</b>                 |

## Issue No. 3 Findings:

- As of November 3, 2023, World is currently liable to WHWD under the Amended Master Agreement in the amount of **\$7,816,307.29**. It is anticipated this amount will continue to grow with each successive year to the extent WHWD's revenues do not meet its cost of providing utility services.



# Issue No. 4: What is the Effect of AC's Failure to Make Payments to WHWD in Accordance with the Assignment?

**Discussion:** Despite the fact that WHWD's consent to the Assignment was not obtained per Issue No. 1, the general rule is that where a party (i.e., World) attempts to assign contractual obligations to another party (i.e., AC) and the new party fails fulfill those obligations, the assigning party remains liable.

"The obligations of an assignor of a contract continue to rest upon him and he will be required to respond to the other party to the contract in the event of a default on the part of the assignee."

Wiseman v. Sklar, (1930) 104 Cal. App. 369, 374; internal citations omitted.

There is no record in WHWD's possession which evidences payments of any amounts from AC because AC has never paid WHWD any funds.

**Issue No 4 Findings:** In addition to the finding of Issue No. 1 that WHWD's consent to the Assignment was not obtained, because AC failed to may any payments to WHWD in accordance with the Master Agreement or Amended Master Agreement, World remains obligated to WHWD in accordance with the Amended Master Agreement.

# Issue No. 5: Does G. Marrero's Undisclosed Financial Interest in the Assignment Render it Void Pursuant to Government Code Sec. 1090?

## 3. Gov't. Code Sections Prohibiting Conflicts of Interest.

-Gov't. Code §1090: (a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall

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<sup>6</sup> The WHWD Agenda and Minutes at the WHWD Board Meeting at which the Assignment was considered note a potential conflict due to a financial interest to World only. (Staff Report Attachments, Exhibits "U and "V".)

state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

-Gov't. Code §1092: (a) Every contract made in violation of any of the provisions of Section 1090 may be avoided at the instance of any party except the officer interested therein. No such contract may be avoided because of the interest of an officer therein unless the contract is made in the official capacity of the officer, or by a board or body of which he or she is a member.

Filed 08/03/23

Case 23-22593

Doc 1

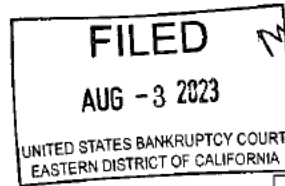
# AC CHAPTER 11 BANKRUPTCY FILING

Fill in this information to identify the case:

United States Bankruptcy Court for the:

Eastern District of California

Case number (if known): 23-22593 Chapter 11



☐ Check if this is an amended filing

3:58 p.m.

## Official Form 201

### Voluntary Petition for Non-Individuals Filing for Bankruptcy

04/22

If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and the case number (if known). For more information, a separate document, *Instructions for Bankruptcy Forms for Non-Individuals*, is available.

1. Debtor's name

Angels Crossing, LLC

2. All other names debtor used in the last 8 years

Include any assumed names, trade names, and doing business as names

3. Debtor's federal Employer Identification Number (EIN)

84-4517303

4. Debtor's address

Principal place of business

1055 West 7th St

Number Street

Suite 3260

Los Angeles CA 90017

City

State

ZIP Code

Los Angeles

County

Mailing address, if different from principal place of business

Number Street

P.O. Box

City

State

ZIP Code

Location of principal assets, if different from principal place of business

Number Street

## Official Form 204

### Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an *insider*, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

| Name of creditor and complete mailing address, including zip code | Name, telephone number, and email address of creditor contact | Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts) | Indicate if claim is contingent, unliquidated, or disputed | Amount of unsecured claim         |   |                          |
|---|---|---|--|-----------------------------------|---|--------------------------|
|   |   |   |  | Total claim, if partially secured | Deduction for value of collateral or setoff | Unsecured claim          |
| 1 <del>WEST</del> Western Hills Water Company                     |   | Contract  |  |                                   |   | \$9,128.53               |
| 2 WHWD Western Hills Water District                               |   | Property Taxes  |  |                                   |   | \$4,690.36<br>\$1,230.00 |
| 3 WHWD Western Hills Water District                               |   | Contract  |  |                                   |   | \$886,643.00             |
| 4 WHWD Western Hills Water District                               |   | Contract  |  |                                   |   | \$187,041.00             |
| 5 GEHR Hospital, comp.  |   | Contract  |  |                                   |   | \$302,327.13             |
| 6 Sunset Canyon Golf  |   | Contract  |  |                                   |   | \$208,555.16             |
| 7 COA-DG Commercial OA  |   | Contract  |  |                                   |   | 184,854.94               |
| 8 IPG   |   | Contract  |  |                                   |   | 165,085.02               |

rights, assessments, losses, damages and costs.

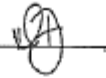
1.12 **Material Contracts.** The term "Material Contracts" shall mean the contracts identified on Schedule 1.11, hereto that includes the WHWD Agreement.

1.13 **Mello-Ross Bonds.** The term "Mello-Ross Bonds" shall mean The Western

right to prosecute or settle the Souza Action and any settlement entered into by Seller shall not require the authorization or consent of Buyer.

3. **Material Contracts.** As condition to Closing, Buyer shall assume all of the Material Contracts (the "Assumed Contracts"), provided that as a condition Closing, the WHWD shall approve the assignment of the WHWD Agreement to Buyer as set forth in Section 6.2.

Buyer hereby specifically acknowledges that Buyer has carefully reviewed this subsection 4.1 and discussed its import with legal counsel and that the provisions of this subsection are a material part of this Agreement.

Buyer 

#### 5. **Assumption of Liabilities and Indemnification.**

5.1 **Assumption of Liabilities.** As a condition to Closing, Seller shall assign and Buyer shall at Closing assume pursuant to the term of the Assignment Agreement in the form attached to this Agreement as Exhibit "F" (the "Assumption Agreement"):

- (a) Any and all Liabilities arising or in connection with the Property;
- (b) **The Assumed Contracts including any and all Liabilities arising therefrom; and**
- (c) Any and all Liabilities arising from the Mello-Ross Bonds.

(d) Additionally, Seller shall assign and Buyer shall assume the WHWD Agreement any and all Liabilities and funding obligations arising therefrom, pursuant to the terms of an assignment, release and indemnification agreement reasonably acceptable to Seller and WHWD (the "WHWD Assumption Agreement").

5.2 **Indemnification by Buyer.** Except as stated herein in this Agreement, from and after the Closing, Buyer shall indemnify and hold harmless Seller and its agents, affiliates, successors, assigns and representatives (each a "Seller Party") against, and arising out of, resulting from or related to any and all Liabilities relating to or arising from: (a) the ownership and operation

## PURCHASE AGREEMENT REFERENCES TO AC'S ASSUMED CONTRACTS:

12.4 **Notices.** All written notices required to be given pursuant to the terms hereof shall be either delivered personally, by email (so long as a copy of any such notice is also sent by one of the other methods), or by commercial messenger service or international overnight courier service, addressed as follows:

**To Seller:**

**World International, LLC**

Jaime Balmes 8 - PH,  
Los Morales Polanco, 11510, CDMX.  
Attn: Linda Marcos  
Email: linda@frel.mx

**with a copy to:**

**International Practice Group**

1350 Columbia Street, Suite 500  
San Diego, CA 92101  
Attn: Guillermo Marrero, Esq  
Tel: (619) 515-1485  
Email: gmarrero@ipelaw.com



STATEMENT OF ECONOMIC INTERESTS  
COVER PAGE

Date Received  
Official Use Only

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)  
**MARRERO GUILLERMO**

1. Office, Agency, or Court

Agency Name  
**WESTERN HILLS WATER DISTRICT**  
Division, Board, Department, District, if applicable  
Your Position  
**DIRECTOR, PRESIDENT**

► If filing for multiple positions, list below or on an attachment.

Agency: \_\_\_\_\_ Position: \_\_\_\_\_

2. Jurisdiction of Office (Check at least one box)

☐ State ☐ Judge or Court Commissioner (Statewide Jurisdiction)  
☐ Multi-County \_\_\_\_\_ ☒ County of **STANISLAUS**  
☐ City of \_\_\_\_\_ ☐ Other \_\_\_\_\_

3. Type of Statement (Check at least one box)

☒ Annual: The period covered is January 1, 2011, through December 31, 2011.  
-or- The period covered is \_\_\_\_/\_\_\_\_/\_\_\_\_ through \_\_\_\_/\_\_\_\_/\_\_\_\_  
☐ Assuming Office: Date assumed \_\_\_\_/\_\_\_\_/\_\_\_\_  
☐ Leaving Office: Date Left \_\_\_\_/\_\_\_\_/\_\_\_\_ (Check one)  
☐ The period covered is January 1, 2011, through the date of leaving office.  
☐ The period covered is \_\_\_\_/\_\_\_\_/\_\_\_\_ through \_\_\_\_/\_\_\_\_/\_\_\_\_  
☐ Candidate: Election Year \_\_\_\_\_ Office sought, if different than Part 1: \_\_\_\_\_

4. Schedule Summary

Check applicable schedules or "None."

► Total number of pages including this cover page: **3**

☐ Schedule A-1 - Investments - schedule attached  
☒ Schedule A-2 - Investments - schedule attached  
☐ Schedule B - Real Property - schedule attached  
☐ Schedule C - Income, Loans, & Business Positions - schedule attached  
☐ Schedule D - Income - Gifts - schedule attached  
☐ Schedule E - Income - Gifts - Travel Payments - schedule attached

-or-  
☐ None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS STREET CITY STATE ZIP CODE  
(Business or Agency Address Recommended - Public Document)  
**9521 MORTON DAVIS DRIVE PATTERSON CA 95636**  
DAYTIME TELEPHONE NUMBER E-MAIL ADDRESS (OPTIONAL)

EXAMPLE OF G. MARRERO FORM 700  
(2011):

SCHEDULE A-2  
Investments, Income, and Assets  
of Business Entities/Trusts  
(Ownership Interest is 10% or Greater)

1. BUSINESS ENTITY OR TRUST

**INTERNATIONAL PRACTICE GROUP**  
Name  
**1350 Columbia Street, Suite 500, San Diego, CA 92101**  
Address (Business Address Acceptable)  
Check one  
☐ Trust, go to 2 ☒ Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:  
☐ \$0 - \$1,999  
☐ \$2,000 - \$10,000  
☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000  
☒ Over \$1,000,000  
ACQUIRED **11** DISPOSED **11**

NATURE OF INVESTMENT  
☒ Sole Proprietorship ☐ Partnership ☐ Other

YOUR BUSINESS POSITION **Owner**

2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

☐ \$0 - \$499 ☐ \$10,001 - \$100,000  
☐ \$500 - \$1,000 ☒ OVER \$100,000  
☐ \$1,001 - \$10,000

3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary)

**World International, LLC**

4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:  
☐ INVESTMENT ☐ REAL PROPERTY

1. BUSINESS ENTITY OR TRUST

Name  
Address (Business Address Acceptable)  
Check one  
☐ Trust, go to 2 ☐ Business Entity, complete the box, then go to 2

GENERAL DESCRIPTION OF BUSINESS ACTIVITY

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:  
☐ \$0 - \$1,999  
☐ \$2,000 - \$10,000  
☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000  
☐ Over \$1,000,000  
ACQUIRED **11** DISPOSED **11**

NATURE OF INVESTMENT  
☐ Sole Proprietorship ☐ Partnership ☐ Other

YOUR BUSINESS POSITION

2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)

☐ \$0 - \$499 ☐ \$10,001 - \$100,000  
☐ \$500 - \$1,000 ☐ OVER \$100,000  
☐ \$1,001 - \$10,000

3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary)

4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD BY THE BUSINESS ENTITY OR TRUST

Check one box:  
☐ INVESTMENT ☐ REAL PROPERTY

# WHWD AGENDA AND MINUTES FROM 4-24-2020

## SPECIAL MEETING: NO DISCLOSURES RE ANGEL'S CROSSING

### WESTERN HILLS WATER DISTRICT MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

April 24, 2020

*Director Disclosures required by California Code of Regulations, Title 2, Section 18708 as to any matter involving World International, LLC.*

- a. Consider Approval of resolution 2020-03, Resolution of the WHWD Board of Directors Approving Assignment, Assumption and Release Agreement re Master Agreement, as amended.

#### 4. Reports by District Staff

None

#### 5. Reports of Board Members

*Members of the Board may give verbal reports on activities or request that future matters be placed upon a Board agenda*

#### 6. Public Comment on Items Not on the Agenda

#### 1. Call to Order

The special meeting of the Board of Directors of the Western Hills Water District was called to Order in regular session by B. Ivy. Meeting was held via telephone pursuant to the Governor's Stay at Home Executive Order N-33-20.

#### 2. Roll Call

Present Directors on the call were: Director Barry Ivy, Director D. Kearney, Director M. Manning, President Guillermo Marrero & Treasurer Carmen Kearney, General Manager Jerry Phillips & Secretary Tracy Taylor and General Counsel David Hobbs. It is unknown how many members of the public called in.

#### 3. Action Items

- a. Consider Approval of resolution 2020-03, Resolution of the WHWD Board of Directors Approving Assignment, Assumption and Release Agreement re Master Agreement, as amended. The resolution was approved with the condition that Angel's Crossing, LLC is also in agreement with the amended master agreement. Due to the conflict with World International, LLC, and in order to have a quorum, the Board Secretary drew at random among C. Kearney, D. Kearney & G. Marrero. C. Kearney was pulled to vote. Motion was made by Director B. Ivy and Seconded by M. Manning, C. Kearney was in favor.

#### 6. Reports by District Staff

## Issue No. 5 Findings:

- Former WHWD President/Director G. Marrero was the owner of International Practice Group (“IPG”), which is a law firm which included World as one of its clients.
- Pursuant to the Purchase Agreement, which was contingent on WHWD approving the Assignment, AC was to assume an obligation to pay IPG \$165,085.02.
- AC’s promise to pay IPG was a direct financial interest to G. Marrero, which was never disclosed and not discovered by WHWD until August 2023.
- Because Director/President Marrero had an undisclosed direct financial interest in the approval of the Assignment, the Assignment violates Gov’t. Code §1090.