

OCTOBER 1, 2021

Michael S. Mountanos,  
Trustee of the Michael S. Mountanos Living Trust  
Grantor(s)

**REAL PROPERTY PURCHASE CONTRACT**  
**THE LAKE COUNTY WATERSHED PROTECTION DISTRICT**  
**Middle Creek Flood Damage Reduction and Ecosystem Restoration Project**  
**Assessor's Parcel Nos. 031-031-090 & 031-041-320**

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A document in the form of a Grant Deed covering the property particularly described in the said instrument has been executed and delivered to Cheryl DeMucci, Principal Right-of-Way Agent, Paragon Partners Consultants LLC, acting on behalf of the Lake County Watershed Protection District, hereinafter referred to as District, who is acquiring the aforesaid real property for the District, from the Seller, Michael S. Mountanos, Trustee of the Michael S. Mountanos Living Trust, hereinafter referred to as Grantor.

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

1. (A) The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said documents and shall relieve the District of all further obligation or claims on this account, or on account of the proposed public improvement.
- (B) The District requires said property for the purpose of flood control protection as provided in the State of California Water Code Section 79037, Division 26, Chapter 5, Article 2.5.

Both Grantor and Grantee recognize that Grantor is being displaced by the District, a public entity, and Grantor(s) is entitled to uniform and equitable treatment under 49 Code of Federal Regulations, Part 24.

2. The District shall:

- (A) Pay the undersigned Grantor the sum of One Million Four Hundred Ninety-Five Thousand Six Hundred Dollars (\$1,495,600), for the property or interest conveyed by the above document when title to said property vests in the District, free and clear of all liens, encumbrances, assessments, easements and leases (recorded and/or unrecorded), and taxes, except:
  - a. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow.
  - b. Covenants, conditions, restrictions, and reservations of record, or contained in the above-referenced documents.

c. Easements or rights of way over said land for public or quasi-public utility or public street purposes, if any.

(B) Pay all escrow and recording fees incurred in this transaction and, if title insurance is desired by the District, the premium charged therefore.

(C) Have the authority to deduct and pay from the amount shown in Clause 2(A) above, any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which this escrow closes, together with penalties and interest thereon, and/or delinquent and unpaid nondelinquent assessments, which have become a lien at the close of escrow.

3. Any or all monies payable under this contract up to and including the total amount of unpaid principal and interest on a note secured by a mortgage or deed of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said trust deed or mortgage, shall, upon demand be made payable to mortgagee or beneficiary entitled thereunder; said mortgagee or beneficiary to furnish grantor with good and sufficient receipt showing said monies credited against the indebtedness secured by said mortgage or deed of trust.

4. Grantor warrant(s) that there are no oral or written leases on all or any portion of the property exceeding a period of one month, and the Grantor further agree(s) to hold the District harmless and reimburse the District for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor for a period exceeding one month.

5. Grantor hereby represents and warrants that during the period of Grantor's ownership of the property, there have been no disposals, releases or threatened releases of hazardous substances or hazardous wastes on, from, or under the property. Grantor further represents and warrants that Grantor has no knowledge of any disposal, release, or threatened release of hazardous substances or hazardous wastes, on, from, or under the property that may have occurred prior to Grantor taking title to the property.

The acquisition price of the property being acquired in this transaction reflects the fair market value of the property without the presence of contamination. If the property being acquired is found to be contaminated by the presence of hazardous waste that requires mitigation under Federal or State law, the District may elect to recover its cleanup costs from those who caused or contributed to the contamination.

6. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right of possession and use of the subject property by the District or its authorized agents, including the right to remove and dispose of improvements, shall commence on December 1, 2021, or the close of escrow controlling this transaction, whichever occurs first, and that the payment shown in Clause 2(A) herein includes, but is not limited to, full payment for such possession and use, including damages, if any from said date.

7. Should the property be materially destroyed by fire, earthquake or other calamity without fault of either party, this contract may be rescinded by the District; in such an event, the District may reappraise the property and make an offer thereon.

8. It is understood and agreed by and between the parties hereto that the payment in Clause 2(A) above includes, but is not limited to, payment for a 124.61± acre parcel including all improvements of which are considered to be part of the realty and are being acquired by the District in this transaction.

9. It is understood and agreed that the acquisition price of the property being acquired in this transaction reflects the fair market value of all the real property without the presence of any personal property. Personal property includes but is not limited to; all water pumps, valving and piping, the pressure tank and all related above ground irrigation equipment, non-operative vehicles and vehicle parts, non-operative farm equipment and farm equipment parts, non-operative appliances and appliance parts, unattached playground equipment, children vehicles and toys, gardening, household, and farming tools, fencing and gate material, pipe, post, firewood, bottles, cans, clothing and other miscellaneous personal items that could be of value or could be considered rubbish.

It is further understood and agreed that Grantor(s) shall remove all personal property from real property prior to vacating said real property. Any personal property remaining on real property, for any reason, after Grantor(s) vacates said real property shall become the property of the District and District may dispose of said personal property as it may see fit. Grantor(s) agree that District is entitled to be reimbursed by Grantor(s) for reasonable cost associated with the removal, if necessary, of Grantor(s) personal property if personal property is not removed by Grantor(s) prior to or upon Grantor(s) vacating said real property.

10. It is agreed that the Grantor(s) shall have a 15-day grace period commencing on the day following the date of recordation of the deed conveying title to the District.

11. It is understood and agreed that the Grantor(s) shall eliminate to the satisfaction of the below named title company the effect of the following title exceptions disclosed on that certain preliminary title report prepared by First American Title Company, Escrow No. 4904-6554010 (SZ).

See attached report.

12. No Brokers. Each Party warrants and represents to the other that no brokers or finders have been retained or consulted in connection with this transaction. Each Party agrees to defend, indemnify, protect and hold harmless the other Party from any claims, expenses, costs, or liabilities arising in connection with a breach of that Party's representations, warranties, or covenants under this Agreement.

13. Tax-Deferred Exchange. At the request of Seller and/or Buyer, the parties agree to cooperate in effecting the conveyance of the Property by Seller to Buyer as part of an exchange qualifying for non-recognition of gain pursuant to Internal Revenue Code Section 1031 and the applicable provisions of the California Revenue and Taxation Code, provided, however,

that: (a) the consummation of the transaction provided for in this Agreement is not predicated or conditioned on the completion of the exchange and the exchange shall not delay the Closing; (b) neither party shall have any obligation to pay, incur or assume any cost, expense or liability, contingent or otherwise, not expressly provided for in this Agreement; and (c) neither party shall have any obligation to take title to any property. Seller and Buyer agree to consent to the assignment of the rights of either party under this Agreement to the exchange accommodator **Old Republic Exchange Company as Qualified Intermediary for Michael S. Mountanos, Trustee of the Michael S. Mountanos Living Trust** for the purpose of facilitating the exchange. Seller and Buyer also agree to execute all escrow instructions, documents and agreements reasonably required in connection with the exchange.

14. This transaction will be administered through an escrow with First American Title Company, 627 College Avenue, Santa Rosa CA, 95404, Ph: (707) 544-1560, Escrow No. 4904-6554010 (SZ).

**IN WITNESS WHEREOF**, the parties have executed this agreement the day and year first above written.

RECOMMENDED FOR APPROVAL:



Cheryl DeMucci, Principal Right of Way Agent

Paragon Partners Consultants LLC  
On behalf of the Lake County Watershed  
Protection District



**Michael S. Mountanos, Trustee of the  
Michael S. Mountanos Living Trust**  
Grantor

APPROVED AS TO FORM  
ANITA L. GRANT  
County Counsel

APPROVED:

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

LAKE COUNTY WATERSHED  
PROTECTION DISTRICT

ATTEST:

Carol J. Huchingson  
Clerk of the Board

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

By: \_\_\_\_\_  
Chair, Board of Directors

**No Further Obligation Other Than Those Set Forth Herein Will Be Recognized.**



*First American Title*

## **First American Title Company**

**627 College Avenue  
Santa Rosa, CA 95404**

California Department of Insurance License No. 151

Celia Hoberg  
Lake County Watershed Protection, District, a Public Entity  
255 North Forbes Street, Suite 309  
Lakeport, CA 95453  
Phone: (707)263-2341  
Customer Reference:

Order Number: 4904-6554010 (SZ)

Title Officer: Stephanie Zavala  
Phone: (707)544-1560  
Fax No.: (866)497-3429  
E-Mail: SZavala@firstam.com

Buyer: Lake County Watershed Protection  
Owner: Michael S. Mountanos Living Trust  
Property: 2200 Point Land Farms Drive and, 1830 Nice-Lucerne Cutoff  
Nice, CA 95464

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of March 26, 2021 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

MICHAEL S. MOUNTANOS, TRUSTEE OF THE MICHAEL S. MOUNTANOS LIVING TRUST

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2021-2022, a lien not yet due or payable.
2. All taxes - secured, supplemental, defaulted, escaped and including bonds and assessments are not available at this time. Please verify any/all tax amounts and assessment information with the County Tax Collector prior to the close of the contemplated transaction.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Covenants, conditions, restrictions and easements in the document recorded March 16, 1925 as [BOOK 1, PAGE 186](#) OF OFFICIAL RECORDS , but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, marital status, ancestry, disability, handicap, familial status, national origin or source of income (as defined in California Government Code §12955(p)), to the extent such covenants, conditions or restrictions violate 42 U.S.C. §3604(c) or California Government Code §12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

5. An easement for DITCH and incidental purposes, recorded February 24, 1926 as [BOOK 7, PAGE 431](#) OF OFFICIAL RECORDS.

In Favor of: EDMANDS RECLAIMED LAND COMPANY  
Affects: as described therein

6. An easement for POLES, WIRES, HIGHWAY, DITCH and incidental purposes in the document recorded April 03, 1928 as [BOOK 37, PAGE 18](#) OF OFFICIAL RECORDS.

Terms and provisions contained in the above document.

7. The effect of a map purporting to show the land and other property, filed OCTOBER 24, 1980 IN [BOOK 29, PAGE 26](#) of Record of Surveys.
8. The effect of a map purporting to show the land and other property, filed NOVEMBER 24, 1981 IN [BOOK 32, PAGE 31](#) of Record of Surveys.
9. An easement shown or dedicated on the Map as referred to in the legal description  
For: ROADWAY AND PUBLIC UTILITY and incidental purposes.

(Affects PARCEL ONE)

10. The terms and provisions contained in the document entitled "DRAINAGE CRITERIA" recorded December 20, 1984 as [BOOK 1250, PAGE 699](#) OF OFFICIAL RECORDS.
11. The terms and provisions contained in the document entitled "NOTICE OF ENCUMBRANCES" recorded June 11, 1990 as [BOOK 1526, PAGE 263](#) OF OFFICIAL RECORDS.
12. The terms and provisions contained in the document entitled "STATE OF CALIFONRIA, THE RESOURCES AGENCY, THE RECLAMATION BOARD, RESOLUTION NO. 005-05, MAINTENANCE AREA NO. 17 - LAKE COUNTY" recorded August 15, 2000 as INSTRUMENT NO. [2000-013349](#) OF OFFICIAL RECORDS.

The terms and provisions contained in the document entitled "STATE OF CALIFONRIA, THE RESOURCES AGENCY, THE RECLAMATION BOARD, RESOLUTION NO. 005-05, MAINTENANCE AREA NO. 17 - LAKE COUNTY" recorded December 28, 2004 as INSTRUMENT NO. [2004-035961](#) OF OFFICIAL RECORDS.

13. The terms and provisions contained in the document entitled GRANT DEED recorded December 07, 2006 as INSTRUMENT NO. [2006031839](#) of Official Records.
14. The fact that the land lies within the boundaries of the NORTHSORE Redevelopment Project Area, as disclosed by various documents of record.
15. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.

Consideration for the deletion of this exception is highly fact intensive. Please contact the underwriter assigned to your file as soon as possible to discuss.

16. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline or riverbank.
17. Any rights, interests, or easements in favor of the public, which exist or are claimed to exist over any portion of said land covered by water, including a public right of access to the water.
18. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
19. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.
20. Water rights, claims or title to water, whether or not shown by the Public Records.
21. Rights of parties in possession.

**Prior to the issuance of any policy of title insurance, the Company will require:**

22. With respect to the trust referred to in the vesting:
  - a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
  - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
  - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.



<b>INFORMATIONAL NOTES</b>
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Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 2200 POINT LAND FARMS DRIVE, NICE, CALIFORNIA.

(Affects 031-031-090)

2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 1830 NICE-LUCERNE CUTOFF, NICE, CALIFORNIA.

(Affects 031-041-320)

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

4. We find no outstanding voluntary liens of record affecting subject property. Disclosure should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any possible security interest in the subject property.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Lake, State of California, described as follows:

PARCEL ONE: (PORTIONS OF APN: 031-031-090 AND 031-041-320)

"TRACT 1" FORMERLY KNOWN AS PARCELS A, B, AND C AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON AUGUST 20, 1982 IN [BOOK 22 OF PARCEL MAPS AT PAGES 13, 14 AND 15](#), AND

LOTS 332, 333, 334, 335 AND 336 AS SHOWN ON THAT CERTAIN MAP ENTITLED, "CLEAR LAKE VILLAS", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON JULY 1, 1922 IN [BOOK 3 OF TOWN MAPS, AT PAGES 2 TO 9](#), INCLUSIVE, AS CONTAIN IN THAT CERTAIN NOTICE OF MERGER RECORDED DECEMBER 15, 1983 IN [BOOK 1207 PAGE 224](#), LAKE COUNTY RECORDS.

PARCEL TWO: (PORTIONS OF APN: 031-031-090 AND 031-041-320)

BEGINNING AT THE CORNER COMMON TO SECTIONS 20, 21, 28 AND 29, TOWNSHIP 15 NORTH, RANGE 9 WEST, MOUNT DIABLO BASE AND MERIDIAN, THENCE SOUTH 89° 59' 48" EAST, ALONG THE NORTHERLY LINE OF LOT 329 AND LOT 328 AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF SAID LAKE COUNTY ON NOVEMBER 24, 1981 IN [BOOK 32 OF RECORD OF SURVEYS AT PAGE 31](#), 443.15 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE NICE-LUCERNE CUTOFF ROAD AS DESCRIBED IN DOCUMENT RECORDED JULY 9, 1991 AS RECORDING DOCUMENT NO. [91-013611](#), OFFICIAL RECORDS OF SAID LAKE COUNTY; THENCE ALONG SAID RIGHT OF WAY, SOUTH 33° 35' 54" WEST, (SOUTH 34° 09' 53" WEST - RECORD) 661.69 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 3040.00 FEET, THROUGH A CENTRAL ANGLE OF 8° 26' 45", AN ARC LENGTH OF 448.12 FEET; THENCE SOUTH 25° 09' 09" WEST, (SOUTH 25° 43' 08" WEST - RECORD) 639.10 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 2040.00 FEET, THROUGH A CENTRAL ANGLE OF 11° 23' 14", AN ARC LENGTH OF 405.45 FEET; THENCE SOUTH 13° 45' 54" WEST, (SOUTH 14° 19' 53" WEST - RECORD) 296.16 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 960.00 FEET, THROUGH A CENTRAL ANGLE OF 44° 27' 05", AN ARC LENGTH OF 744.79 FEET, TO A POINT ON THE LINE BETWEEN PARCEL "C" AND PARCEL "D" AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF SAID LAKE COUNTY, ON AUGUST 20, 1982 IN [BOOK 22 OF PARCEL MAPS, AT PAGES 13, 14 AND 15](#); THENCE LEAVING SAID RIGHT OF WAY ALONG THE LINE BETWEEN AFORE-MENTIONED PARCEL "C" AND PARCEL "D", NORTH 02° 57' 35" WEST, 1093.74 FEET TO THE POINT IN COMMON TO SAID PARCELS "C" AND "D" AND LOTS 336 AND 337 AS SHOWN ON AFORE-MENTIONED RECORD OF SURVEY; THENCE ALONG THE LINE BETWEEN SAID LOTS 336 AND 337, NORTH 0° 13' 40" WEST, 818.90 FEET TO A POINT INTERSECTING THE CENTER LINE OF LAKEVIEW DRIVE; THENCE ALONG THE CENTER LINE OF LAKEVIEW DRIVE NORTH 86° 00' 40" EAST, 62.35 FEET TO ITS INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THE LINE BETWEEN LOTS 332, AND 331, AS SHOWN ON AFORE-MENTIONED RECORD OF SURVEY; THENCE NORTH 0° 13' 40" WEST, ON THE LINE BETWEEN SAID LOTS 332 AND 331, 858.86 FEET TO THE NORTHEAST CORNER OF SAID LOT 332; THENCE ALONG THE NORTH LINE OF LOTS 331, 330 AND 329 AS SHOWN ON THE AFORE-MENTIONED RECORD OF SURVEY NORTH 89° 51' 47" EAST, 1048.95 FEET TO THE POINT OF BEGINNING.



OCTOBER 1, 2021

Michael S. Mountanos,  
Trustee of the Michael S. Mountanos Living Trust  
Grantor(s)

**REAL PROPERTY PURCHASE CONTRACT**  
**THE LAKE COUNTY WATERSHED PROTECTION DISTRICT**  
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that: (a) the consummation of the transaction provided for in this Agreement is not predicated or conditioned on the completion of the exchange and the exchange shall not delay the Closing; (b) neither party shall have any obligation to pay, incur or assume any cost, expense or liability, contingent or otherwise, not expressly provided for in this Agreement; and (c) neither party shall have any obligation to take title to any property. Seller and Buyer agree to consent to the assignment of the rights of either party under this Agreement to the exchange accommodator **Old Republic Exchange Company as Qualified Intermediary for Michael S. Mountanos, Trustee of the Michael S. Mountanos Living Trust** for the purpose of facilitating the exchange. Seller and Buyer also agree to execute all escrow instructions, documents and agreements reasonably required in connection with the exchange.

14. This transaction will be administered through an escrow with First American Title Company, 627 College Avenue, Santa Rosa CA, 95404, Ph: (707) 544-1560, Escrow No. 4904-6554010 (SZ).


**IN WITNESS WHEREOF**, the parties have executed this agreement the day and year first above written.

RECOMMENDED FOR APPROVAL:

  
Cheryl DeMucci, Principal Right of Way Agent

Paragon Partners Consultants LLC  
On behalf of the Lake County Watershed  
Protection District

APPROVED AS TO FORM  
ANITA L. GRANT  
County Counsel

  
**Michael S. Mountanos, Trustee of the  
Michael S. Mountanos Living Trust**  
Grantor

APPROVED:

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

LAKE COUNTY WATERSHED  
PROTECTION DISTRICT

ATTEST:

Matt Perry  
Clerk of the Board

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

By: \_\_\_\_\_  
Chair, Board of Directors

**No Further Obligation Other Than Those Set Forth Herein Will Be Recognized.**



*First American Title*

## **First American Title Company**

**627 College Avenue  
Santa Rosa, CA 95404**

California Department of Insurance License No. 151

Celia Hoberg  
Lake County Watershed Protection, District, a Public Entity  
255 North Forbes Street, Suite 309  
Lakeport, CA 95453  
Phone: (707)263-2341  
Customer Reference:

Order Number: 4904-6554010 (SZ)

Title Officer: Stephanie Zavala  
Phone: (707)544-1560  
Fax No.: (866)497-3429  
E-Mail: SZavala@firstam.com

Buyer: Lake County Watershed Protection  
Owner: Michael S. Mountanos Living Trust  
Property: 2200 Point Land Farms Drive and, 1830 Nice-Lucerne Cutoff  
Nice, CA 95464

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.



Dated as of March 26, 2021 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

MICHAEL S. MOUNTANOS, TRUSTEE OF THE MICHAEL S. MOUNTANOS LIVING TRUST

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2021-2022, a lien not yet due or payable.
2. All taxes - secured, supplemental, defaulted, escaped and including bonds and assessments are not available at this time. Please verify any/all tax amounts and assessment information with the County Tax Collector prior to the close of the contemplated transaction.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Covenants, conditions, restrictions and easements in the document recorded March 16, 1925 as [BOOK 1, PAGE 186](#) OF OFFICIAL RECORDS , but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, marital status, ancestry, disability, handicap, familial status, national origin or source of income (as defined in California Government Code §12955(p)), to the extent such covenants, conditions or restrictions violate 42 U.S.C. §3604(c) or California Government Code §12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

5. An easement for DITCH and incidental purposes, recorded February 24, 1926 as [BOOK 7, PAGE 431](#) OF OFFICIAL RECORDS.

In Favor of: EDMANDS RECLAIMED LAND COMPANY  
Affects: as described therein

6. An easement for POLES, WIRES, HIGHWAY, DITCH and incidental purposes in the document recorded April 03, 1928 as [BOOK 37, PAGE 18](#) OF OFFICIAL RECORDS.

Terms and provisions contained in the above document.

7. The effect of a map purporting to show the land and other property, filed OCTOBER 24, 1980 IN [BOOK 29, PAGE 26](#) of Record of Surveys.
8. The effect of a map purporting to show the land and other property, filed NOVEMBER 24, 1981 IN [BOOK 32, PAGE 31](#) of Record of Surveys.
9. An easement shown or dedicated on the Map as referred to in the legal description  
For: ROADWAY AND PUBLIC UTILITY and incidental purposes.

(Affects PARCEL ONE)

10. The terms and provisions contained in the document entitled "DRAINAGE CRITERIA" recorded December 20, 1984 as [BOOK 1250, PAGE 699](#) OF OFFICIAL RECORDS.
11. The terms and provisions contained in the document entitled "NOTICE OF ENCUMBRANCES" recorded June 11, 1990 as [BOOK 1526, PAGE 263](#) OF OFFICIAL RECORDS.
12. The terms and provisions contained in the document entitled "STATE OF CALIFONRIA, THE RESOURCES AGENCY, THE RECLAMATION BOARD, RESOLUTION NO. 005-05, MAINTENANCE AREA NO. 17 - LAKE COUNTY" recorded August 15, 2000 as INSTRUMENT NO. [2000-013349](#) OF OFFICIAL RECORDS.

The terms and provisions contained in the document entitled "STATE OF CALIFONRIA, THE RESOURCES AGENCY, THE RECLAMATION BOARD, RESOLUTION NO. 005-05, MAINTENANCE AREA NO. 17 - LAKE COUNTY" recorded December 28, 2004 as INSTRUMENT NO. [2004-035961](#) OF OFFICIAL RECORDS.

13. The terms and provisions contained in the document entitled GRANT DEED recorded December 07, 2006 as INSTRUMENT NO. [2006031839](#) of Official Records.
14. The fact that the land lies within the boundaries of the NORTSHORE Redevelopment Project Area, as disclosed by various documents of record.
15. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.

Consideration for the deletion of this exception is highly fact intensive. Please contact the underwriter assigned to your file as soon as possible to discuss.

16. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline or riverbank.
17. Any rights, interests, or easements in favor of the public, which exist or are claimed to exist over any portion of said land covered by water, including a public right of access to the water.
18. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
19. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.
20. Water rights, claims or title to water, whether or not shown by the Public Records.
21. Rights of parties in possession.

**Prior to the issuance of any policy of title insurance, the Company will require:**

22. With respect to the trust referred to in the vesting:
  - a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
  - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
  - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

<b>INFORMATIONAL NOTES</b>
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Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 2200 POINT LAND FARMS DRIVE, NICE, CALIFORNIA.

(Affects 031-031-090)

2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 1830 NICE-LUCERNE CUTOFF, NICE, CALIFORNIA.

(Affects 031-041-320)

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

4. We find no outstanding voluntary liens of record affecting subject property. Disclosure should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any possible security interest in the subject property.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Lake, State of California, described as follows:

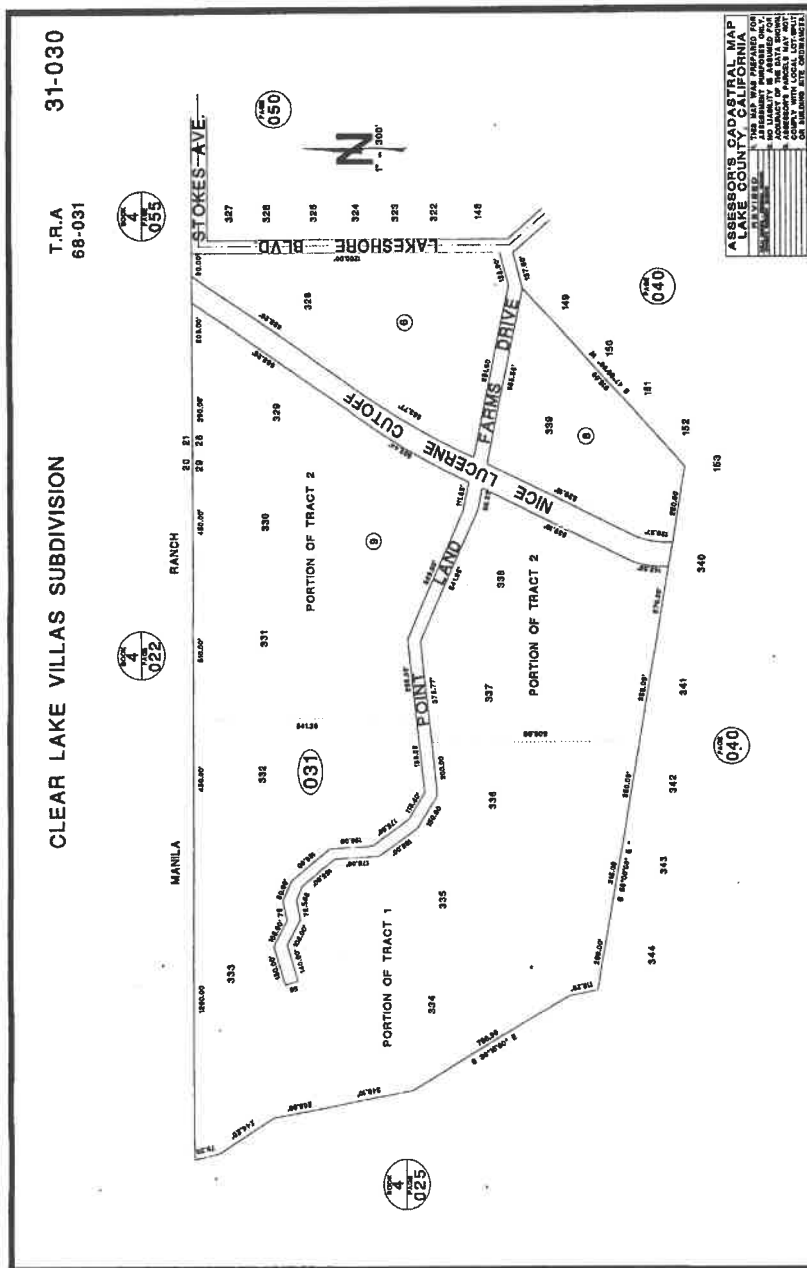
PARCEL ONE: (PORTIONS OF APN: 031-031-090 AND 031-041-320)

"TRACT 1" FORMERLY KNOWN AS PARCELS A, B, AND C AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON AUGUST 20, 1982 IN [BOOK 22 OF PARCEL MAPS AT PAGES 13, 14 AND 15](#), AND

LOTS 332, 333, 334, 335 AND 336 AS SHOWN ON THAT CERTAIN MAP ENTITLED, "CLEAR LAKE VILLAS", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON JULY 1, 1922 IN [BOOK 3 OF TOWN MAPS, AT PAGES 2 TO 9](#), INCLUSIVE, AS CONTAIN IN THAT CERTAIN NOTICE OF MERGER RECORDED DECEMBER 15, 1983 IN [BOOK 1207 PAGE 224](#), LAKE COUNTY RECORDS.

PARCEL TWO: (PORTIONS OF APN: 031-031-090 AND 031-041-320)

BEGINNING AT THE CORNER COMMON TO SECTIONS 20, 21, 28 AND 29, TOWNSHIP 15 NORTH, RANGE 9 WEST, MOUNT DIABLO BASE AND MERIDIAN, THENCE SOUTH 89° 59' 48" EAST, ALONG THE NORTHERLY LINE OF LOT 329 AND LOT 328 AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF SAID LAKE COUNTY ON NOVEMBER 24, 1981 IN [BOOK 32 OF RECORD OF SURVEYS AT PAGE 31](#), 443.15 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE NICE-LUCERNE CUTOFF ROAD AS DESCRIBED IN DOCUMENT RECORDED JULY 9, 1991 AS RECORDING DOCUMENT NO. [91-013611](#), OFFICIAL RECORDS OF SAID LAKE COUNTY; THENCE ALONG SAID RIGHT OF WAY, SOUTH 33° 35' 54" WEST, (SOUTH 34° 09' 53" WEST - RECORD) 661.69 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 3040.00 FEET, THROUGH A CENTRAL ANGLE OF 8° 26' 45", AN ARC LENGTH OF 448.12 FEET; THENCE SOUTH 25° 09' 09" WEST, (SOUTH 25° 43' 08" WEST - RECORD) 639.10 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 2040.00 FEET, THROUGH A CENTRAL ANGLE OF 11° 23' 14", AN ARC LENGTH OF 405.45 FEET; THENCE SOUTH 13° 45' 54" WEST, (SOUTH 14° 19' 53" WEST - RECORD) 296.16 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 960.00 FEET, THROUGH A CENTRAL ANGLE OF 44° 27' 05", AN ARC LENGTH OF 744.79 FEET, TO A POINT ON THE LINE BETWEEN PARCEL "C" AND PARCEL "D" AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF SAID LAKE COUNTY, ON AUGUST 20, 1982 IN [BOOK 22 OF PARCEL MAPS, AT PAGES 13, 14 AND 15](#); THENCE LEAVING SAID RIGHT OF WAY ALONG THE LINE BETWEEN AFORE-MENTIONED PARCEL "C" AND PARCEL "D", NORTH 02° 57' 35" WEST, 1093.74 FEET TO THE POINT IN COMMON TO SAID PARCELS "C" AND "D" AND LOTS 336 AND 337 AS SHOWN ON AFORE-MENTIONED RECORD OF SURVEY; THENCE ALONG THE LINE BETWEEN SAID LOTS 336 AND 337, NORTH 0° 13' 40" WEST, 818.90 FEET TO A POINT INTERSECTING THE CENTER LINE OF LAKEVIEW DRIVE; THENCE ALONG THE CENTER LINE OF LAKEVIEW DRIVE NORTH 86° 00' 40" EAST, 62.35 FEET TO ITS INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THE LINE BETWEEN LOTS 332, AND 331, AS SHOWN ON AFORE-MENTIONED RECORD OF SURVEY; THENCE NORTH 0° 13' 40" WEST, ON THE LINE BETWEEN SAID LOTS 332 AND 331, 858.86 FEET TO THE NORTHEAST CORNER OF SAID LOT 332; THENCE ALONG THE NORTH LINE OF LOTS 331, 330 AND 329 AS SHOWN ON THE AFORE-MENTIONED RECORD OF SURVEY NORTH 89° 51' 47" EAST, 1048.95 FEET TO THE POINT OF BEGINNING.



OCTOBER 1, 2021

Michael S. Mountanos,  
Trustee of the Michael S. Mountanos Living Trust  
Grantor(s)

**REAL PROPERTY PURCHASE CONTRACT**  
**THE LAKE COUNTY WATERSHED PROTECTION DISTRICT**  
**Middle Creek Flood Damage Reduction and Ecosystem Restoration Project**  
**Assessor's Parcel Nos. 031-031-090 & 031-041-320**

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A document in the form of a Grant Deed covering the property particularly described in the said instrument has been executed and delivered to Cheryl DeMucci, Principal Right-of-Way Agent, Paragon Partners Consultants LLC, acting on behalf of the Lake County Watershed Protection District, hereinafter referred to as District, who is acquiring the aforesaid real property for the District, from the Seller, Michael S. Mountanos, Trustee of the Michael S. Mountanos Living Trust, hereinafter referred to as Grantor.

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

1. (A) The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said documents and shall relieve the District of all further obligation or claims on this account, or on account of the proposed public improvement.
- (B) The District requires said property for the purpose of flood control protection as provided in the State of California Water Code Section 79037, Division 26, Chapter 5, Article 2.5.

Both Grantor and Grantee recognize that Grantor is being displaced by the District, a public entity, and Grantor(s) is entitled to uniform and equitable treatment under 49 Code of Federal Regulations, Part 24.

2. The District shall:

- (A) Pay the undersigned Grantor the sum of One Million Four Hundred Ninety-Five Thousand Six Hundred Dollars (\$1,495,600), for the property or interest conveyed by the above document when title to said property vests in the District, free and clear of all liens, encumbrances, assessments, easements and leases (recorded and/or unrecorded), and taxes, except:
  - a. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow.
  - b. Covenants, conditions, restrictions, and reservations of record, or contained in the above-referenced documents.

- c. Easements or rights of way over said land for public or quasi-public utility or public street purposes, if any.
- (B) Pay all escrow and recording fees incurred in this transaction and, if title insurance is desired by the District, the premium charged therefore.
- (C) Have the authority to deduct and pay from the amount shown in Clause 2(A) above, any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which this escrow closes, together with penalties and interest thereon, and/or delinquent and unpaid nondelinquent assessments, which have become a lien at the close of escrow.

3. Any or all monies payable under this contract up to and including the total amount of unpaid principal and interest on a note secured by a mortgage or deed of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said trust deed or mortgage, shall, upon demand be made payable to mortgagee or beneficiary entitled thereunder; said mortgagee or beneficiary to furnish grantor with good and sufficient receipt showing said monies credited against the indebtedness secured by said mortgage or deed of trust.

4. Grantor warrant(s) that there are no oral or written leases on all or any portion of the property exceeding a period of one month, and the Grantor further agree(s) to hold the District harmless and reimburse the District for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor for a period exceeding one month.

5. Grantor hereby represents and warrants that during the period of Grantor's ownership of the property, there have been no disposals, releases or threatened releases of hazardous substances or hazardous wastes on, from, or under the property. Grantor further represents and warrants that Grantor has no knowledge of any disposal, release, or threatened release of hazardous substances or hazardous wastes, on, from, or under the property that may have occurred prior to Grantor taking title to the property.

The acquisition price of the property being acquired in this transaction reflects the fair market value of the property without the presence of contamination. If the property being acquired is found to be contaminated by the presence of hazardous waste that requires mitigation under Federal or State law, the District may elect to recover its cleanup costs from those who caused or contributed to the contamination.

6. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right of possession and use of the subject property by the District or its authorized agents, including the right to remove and dispose of improvements, shall commence on December 1, 2021, or the close of escrow controlling this transaction, whichever occurs first, and that the payment shown in Clause 2(A) herein includes, but is not limited to, full payment for such possession and use, including damages, if any from said date.



7. Should the property be materially destroyed by fire, earthquake or other calamity without fault of either party, this contract may be rescinded by the District; in such an event, the District may reappraise the property and make an offer thereon.

8. It is understood and agreed by and between the parties hereto that the payment in Clause 2(A) above includes, but is not limited to, payment for a 124.61± acre parcel including all improvements of which are considered to be part of the realty and are being acquired by the District in this transaction.

9. It is understood and agreed that the acquisition price of the property being acquired in this transaction reflects the fair market value of all the real property without the presence of any personal property. Personal property includes but is not limited to; all water pumps, valving and piping, the pressure tank and all related above ground irrigation equipment, non-operative vehicles and vehicle parts, non-operative farm equipment and farm equipment parts, non-operative appliances and appliance parts, unattached playground equipment, children vehicles and toys, gardening, household, and farming tools, fencing and gate material, pipe, post, firewood, bottles, cans, clothing and other miscellaneous personal items that could be of value or could be considered rubbish.

It is further understood and agreed that Grantor(s) shall remove all personal property from real property prior to vacating said real property. Any personal property remaining on real property, for any reason, after Grantor(s) vacates said real property shall become the property of the District and District may dispose of said personal property as it may see fit. Grantor(s) agree that District is entitled to be reimbursed by Grantor(s) for reasonable cost associated with the removal, if necessary, of Grantor(s) personal property if personal property is not removed by Grantor(s) prior to or upon Grantor(s) vacating said real property.

10. It is agreed that the Grantor(s) shall have a 15-day grace period commencing on the day following the date of recordation of the deed conveying title to the District.

11. It is understood and agreed that the Grantor(s) shall eliminate to the satisfaction of the below named title company the effect of the following title exceptions disclosed on that certain preliminary title report prepared by First American Title Company, Escrow No. 4904-6554010 (SZ).

See attached report.

12. No Brokers. Each Party warrants and represents to the other that no brokers or finders have been retained or consulted in connection with this transaction. Each Party agrees to defend, indemnify, protect and hold harmless the other Party from any claims, expenses, costs, or liabilities arising in connection with a breach of that Party's representations, warranties, or covenants under this Agreement.

13. Tax-Deferred Exchange. At the request of Seller and/or Buyer, the parties agree to cooperate in effecting the conveyance of the Property by Seller to Buyer as part of an exchange qualifying for non-recognition of gain pursuant to Internal Revenue Code Section 1031 and the applicable provisions of the California Revenue and Taxation Code, provided, however,

that: (a) the consummation of the transaction provided for in this Agreement is not predicated or conditioned on the completion of the exchange and the exchange shall not delay the Closing; (b) neither party shall have any obligation to pay, incur or assume any cost, expense or liability, contingent or otherwise, not expressly provided for in this Agreement; and (c) neither party shall have any obligation to take title to any property. Seller and Buyer agree to consent to the assignment of the rights of either party under this Agreement to the exchange accommodator **Old Republic Exchange Company as Qualified Intermediary for Michael S. Mountanos, Trustee of the Michael S. Mountanos Living Trust** for the purpose of facilitating the exchange. Seller and Buyer also agree to execute all escrow instructions, documents and agreements reasonably required in connection with the exchange.


14. This transaction will be administered through an escrow with First American Title Company, 627 College Avenue, Santa Rosa CA, 95404, Ph: (707) 544-1560, Escrow No. 4904-6554010 (SZ).

**IN WITNESS WHEREOF**, the parties have executed this agreement the day and year first above written.

RECOMMENDED FOR APPROVAL:

  
Cheryl DeMucci, Principal Right of Way Agent

Paragon Partners Consultants LLC  
On behalf of the Lake County Watershed  
Protection District

  
**Michael S. Mountanos, Trustee of the  
Michael S. Mountanos Living Trust**  
Grantor

APPROVED AS TO FORM  
ANITA L. GRANT  
County Counsel

APPROVED:

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

LAKE COUNTY WATERSHED  
PROTECTION DISTRICT

ATTEST:

Matt Perry  
Clerk of the Board

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

By: \_\_\_\_\_  
Chair, Board of Directors

**No Further Obligation Other Than Those Set Forth Herein Will Be Recognized.**



*First American Title*

## **First American Title Company**

**627 College Avenue  
Santa Rosa, CA 95404**

California Department of Insurance License No. 151

Celia Hoberg  
Lake County Watershed Protection, District, a Public Entity  
255 North Forbes Street, Suite 309  
Lakeport, CA 95453  
Phone: (707)263-2341  
Customer Reference:

Order Number: 4904-6554010 (SZ)

Title Officer: Stephanie Zavala  
Phone: (707)544-1560  
Fax No.: (866)497-3429  
E-Mail: SZavala@firstam.com

Buyer: Lake County Watershed Protection  
Owner: Michael S. Mountanos Living Trust  
Property: 2200 Point Land Farms Drive and, 1830 Nice-Lucerne Cutoff  
Nice, CA 95464

### **PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of March 26, 2021 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

To Be Determined

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

MICHAEL S. MOUNTANOS, TRUSTEE OF THE MICHAEL S. MOUNTANOS LIVING TRUST

The estate or interest in the land hereinafter described or referred to covered by this Report is:

FEE

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2021-2022, a lien not yet due or payable.
2. All taxes - secured, supplemental, defaulted, escaped and including bonds and assessments are not available at this time. Please verify any/all tax amounts and assessment information with the County Tax Collector prior to the close of the contemplated transaction.
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
4. Covenants, conditions, restrictions and easements in the document recorded March 16, 1925 as [BOOK 1, PAGE 186](#) OF OFFICIAL RECORDS , but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, sexual orientation, marital status, ancestry, disability, handicap, familial status, national origin or source of income (as defined in California Government Code §12955(p)), to the extent such covenants, conditions or restrictions violate 42 U.S.C. §3604(c) or California Government Code §12955. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

5. An easement for DITCH and incidental purposes, recorded February 24, 1926 as [BOOK 7, PAGE 431](#) OF OFFICIAL RECORDS.

In Favor of: EDMANDS RECLAIMED LAND COMPANY  
Affects: as described therein

6. An easement for POLES, WIRES, HIGHWAY, DITCH and incidental purposes in the document recorded April 03, 1928 as [BOOK 37, PAGE 18](#) OF OFFICIAL RECORDS.

Terms and provisions contained in the above document.

7. The effect of a map purporting to show the land and other property, filed OCTOBER 24, 1980 IN [BOOK 29, PAGE 26](#) of Record of Surveys.

8. The effect of a map purporting to show the land and other property, filed NOVEMBER 24, 1981 IN [BOOK 32, PAGE 31](#) of Record of Surveys.

9. An easement shown or dedicated on the Map as referred to in the legal description  
For: ROADWAY AND PUBLIC UTILITY and incidental purposes.

(Affects PARCEL ONE)

10. The terms and provisions contained in the document entitled "DRAINAGE CRITERIA" recorded December 20, 1984 as [BOOK 1250, PAGE 699](#) OF OFFICIAL RECORDS.
11. The terms and provisions contained in the document entitled "NOTICE OF ENCUMBRANCES" recorded June 11, 1990 as [BOOK 1526, PAGE 263](#) OF OFFICIAL RECORDS.
12. The terms and provisions contained in the document entitled "STATE OF CALIFONRIA, THE RESOURCES AGENCY, THE RECLAMATION BOARD, RESOLUTION NO. 005-05, MAINTENANCE AREA NO. 17 - LAKE COUNTY" recorded August 15, 2000 as INSTRUMENT NO. [2000-013349](#) OF OFFICIAL RECORDS.

The terms and provisions contained in the document entitled "STATE OF CALIFONRIA, THE RESOURCES AGENCY, THE RECLAMATION BOARD, RESOLUTION NO. 005-05, MAINTENANCE AREA NO. 17 - LAKE COUNTY" recorded December 28, 2004 as INSTRUMENT NO. [2004-035961](#) OF OFFICIAL RECORDS.

13. The terms and provisions contained in the document entitled GRANT DEED recorded December 07, 2006 as INSTRUMENT NO. [2006031839](#) of Official Records.
14. The fact that the land lies within the boundaries of the NORTHSHORE Redevelopment Project Area, as disclosed by various documents of record.
15. Any claim that the Title is subject to a trust or lien created under The Perishable Agricultural Commodities Act, 1930 (7 U.S.C. §§499a, et seq.) or the Packers and Stockyards Act (7 U.S.C. §§181 et seq.) or under similar state laws.

Consideration for the deletion of this exception is highly fact intensive. Please contact the underwriter assigned to your file as soon as possible to discuss.

16. Any claim that any portion of the land is below the ordinary high water mark where it was located prior to any artificial or avulsive changes in the location of the shoreline or riverbank.
17. Any rights, interests, or easements in favor of the public, which exist or are claimed to exist over any portion of said land covered by water, including a public right of access to the water.
18. Any claim that any portion of the land is or was formerly tidelands or submerged lands.
19. Rights of the public in and to that portion of the Land lying within any Road, Street, Alley or Highway.
20. Water rights, claims or title to water, whether or not shown by the Public Records.
21. Rights of parties in possession.

**Prior to the issuance of any policy of title insurance, the Company will require:**

22. With respect to the trust referred to in the vesting:
  - a. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
  - b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
  - c. Other requirements which the Company may impose following its review of the material required herein and other information which the Company may require.

<b>INFORMATIONAL NOTES</b>
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Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 2200 POINT LAND FARMS DRIVE, NICE, CALIFORNIA.

(Affects 031-031-090)

2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) COMMERCIAL STRUCTURE known as 1830 NICE-LUCERNE CUTOFF, NICE, CALIFORNIA.

(Affects 031-041-320)

3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

4. We find no outstanding voluntary liens of record affecting subject property. Disclosure should be made concerning the existence of any unrecorded lien or other indebtedness which could give rise to any possible security interest in the subject property.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

**LEGAL DESCRIPTION**

Real property in the unincorporated area of the County of Lake, State of California, described as follows:

PARCEL ONE: (PORTIONS OF APN: 031-031-090 AND 031-041-320)

"TRACT 1" FORMERLY KNOWN AS PARCELS A, B, AND C AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON AUGUST 20, 1982 IN [BOOK 22 OF PARCEL MAPS AT PAGES 13, 14 AND 15](#), AND

LOTS 332, 333, 334, 335 AND 336 AS SHOWN ON THAT CERTAIN MAP ENTITLED, "CLEAR LAKE VILLAS", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID LAKE COUNTY ON JULY 1, 1922 IN [BOOK 3 OF TOWN MAPS, AT PAGES 2 TO 9](#), INCLUSIVE, AS CONTAIN IN THAT CERTAIN NOTICE OF MERGER RECORDED DECEMBER 15, 1983 IN [BOOK 1207 PAGE 224](#), LAKE COUNTY RECORDS.

PARCEL TWO: (PORTIONS OF APN: 031-031-090 AND 031-041-320)

BEGINNING AT THE CORNER COMMON TO SECTIONS 20, 21, 28 AND 29, TOWNSHIP 15 NORTH, RANGE 9 WEST, MOUNT DIABLO BASE AND MERIDIAN, THENCE SOUTH 89° 59' 48" EAST, ALONG THE NORTHERLY LINE OF LOT 329 AND LOT 328 AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF SAID LAKE COUNTY ON NOVEMBER 24, 1981 IN [BOOK 32 OF RECORD OF SURVEYS AT PAGE 31](#), 443.15 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE NICE-LUCERNE CUTOFF ROAD AS DESCRIBED IN DOCUMENT RECORDED JULY 9, 1991 AS RECORDING DOCUMENT NO. [91-013611](#), OFFICIAL RECORDS OF SAID LAKE COUNTY; THENCE ALONG SAID RIGHT OF WAY, SOUTH 33° 35' 54" WEST, (SOUTH 34° 09' 53" WEST - RECORD) 661.69 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT, WITH A RADIUS OF 3040.00 FEET, THROUGH A CENTRAL ANGLE OF 8° 26' 45", AN ARC LENGTH OF 448.12 FEET; THENCE SOUTH 25° 09' 09" WEST, (SOUTH 25° 43' 08" WEST - RECORD) 639.10 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 2040.00 FEET, THROUGH A CENTRAL ANGLE OF 11° 23' 14", AN ARC LENGTH OF 405.45 FEET; THENCE SOUTH 13° 45' 54" WEST, (SOUTH 14° 19' 53" WEST - RECORD) 296.16 FEET; THENCE ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 960.00 FEET, THROUGH A CENTRAL ANGLE OF 44° 27' 05", AN ARC LENGTH OF 744.79 FEET, TO A POINT ON THE LINE BETWEEN PARCEL "C" AND PARCEL "D" AS SHOWN ON THAT CERTAIN MAP FILED IN THE OFFICE OF THE RECORDER OF SAID LAKE COUNTY, ON AUGUST 20, 1982 IN [BOOK 22 OF PARCEL MAPS, AT PAGES 13, 14 AND 15](#); THENCE LEAVING SAID RIGHT OF WAY ALONG THE LINE BETWEEN AFORE-MENTIONED PARCEL "C" AND PARCEL "D", NORTH 02° 57' 35" WEST, 1093.74 FEET TO THE POINT IN COMMON TO SAID PARCELS "C" AND "D" AND LOTS 336 AND 337 AS SHOWN ON AFORE-MENTIONED RECORD OF SURVEY; THENCE ALONG THE LINE BETWEEN SAID LOTS 336 AND 337, NORTH 0° 13' 40" WEST, 818.90 FEET TO A POINT INTERSECTING THE CENTER LINE OF LAKEVIEW DRIVE; THENCE ALONG THE CENTER LINE OF LAKEVIEW DRIVE NORTH 86° 00' 40" EAST, 62.35 FEET TO ITS INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THE LINE BETWEEN LOTS 332, AND 331, AS SHOWN ON AFORE-MENTIONED RECORD OF SURVEY; THENCE NORTH 0° 13' 40" WEST, ON THE LINE BETWEEN SAID LOTS 332 AND 331, 858.86 FEET TO THE NORTHEAST CORNER OF SAID LOT 332; THENCE ALONG THE NORTH LINE OF LOTS 331, 330 AND 329 AS SHOWN ON THE AFORE-MENTIONED RECORD OF SURVEY NORTH 89° 51' 47" EAST, 1048.95 FEET TO THE POINT OF BEGINNING.



