

Prepared for

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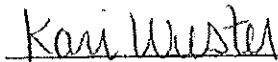
PHASE I ENVIRONMENTAL SITE ASSESSMENT

**870 BROADWAY
SONOMA, CALIFORNIA**

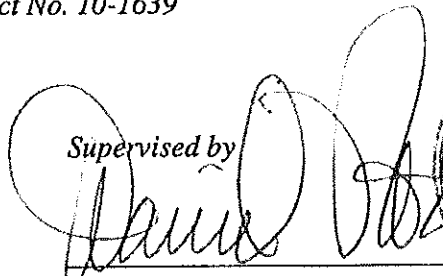
JULY 2010

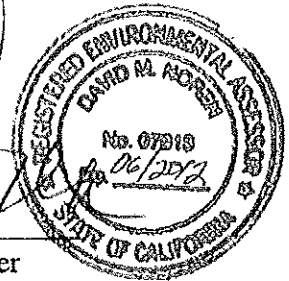
EBA Project No. 10-1639

Prepared by

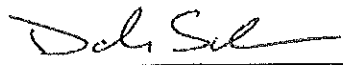

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1.0 INTRODUCTION

The following report presents the findings of a Phase I Environmental Site Assessment (ESA) performed by EBA Engineering (EBA) for the property located at 870 Broadway in Sonoma, California. The property is further identified by Sonoma County Assessor's Parcel Numbers (APNs) 018-412-025 and -030, hereafter identified as the project site. This ESA was completed for Mr. William Shea, Executor of the Estate of Robert Bohna, in conformance with ASTM Standard Practice E.1527-05.

1.1 PURPOSE

The purpose of this environmental site investigation is to assess the possible contamination of the project site with hazardous or toxic substances or wastes. A site may contain these substances or wastes as a result of current or past site activities, unauthorized dumping or disposal, or migration of contaminants from adjacent or nearby properties.

The Client should be aware that strict interpretation of California and federal legislation and case law may hold the landowner responsible for any toxic liability including future cleanup costs and, potentially, historical assessments and remediation work on the project site. Such statement is not motivated by any condition of the project site but is a general observation of the advisability that property owners and purchasers exercise all appropriate diligence and alertness to hazardous material risks.

This report is not intended to provide the necessary level of detail to be utilized for structural demolition/remodeling or soil or groundwater remediation. For such activities, appropriate regulations should be followed to ensure adequate coverage of material handling, worker and employee safety, airborne contamination during construction, and the precise extent of any contamination for contractor directions. This report conforms to American Society of Testing and Materials (ASTM) Standards E 1527-05 for Phase I Environmental Site Assessments.

In defining a standard of good commercial and customary practice for conducting an environmental site assessment, the goal of the processes established by this practice is to identify recognized environmental conditions. The term recognized environmental conditions (RECs) refers to the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

By performing a Phase I ESA of a parcel of real estate with respect to the range of contaminants within the scope of the CERCLA (42 U.S.C. §9601) and petroleum products, a user satisfies one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability.

1.2 SCOPE OF WORK

This Phase I ESA was performed in general accordance with the requirements of the ASTM International Designation: E 1527-05, *Standard Practice for Environmental Site Assessment*. To determine the condition of the project site with respect to environmental liability, EBA performed the following tasks:

- 1) Reviewed past and current land use for indications of the manufacture, generation, use, storage, and/or disposal of hazardous substances;
- 2) Evaluated the potential for on-site soil and/or groundwater contamination resulting from past and present project site land use activities and, to the extent possible, adjacent off-site operations;
- 3) Rendered findings and professional opinions regarding the potential for environmental contamination at the project site; and
- 4) Recommend and perform further investigations (i.e., Phase II ESA), if deemed appropriate to evaluate whether contamination and/or environmental hazards exist at the locations identified.

1.3 SIGNIFICANT ASSUMPTIONS

No significant assumptions were made during the performance of this Phase I ESA.

1.4 LIMITATIONS, EXCEPTIONS, AND DEVIATIONS

Local, State, and Federal environmental regulations and property conditions can vary significantly over time. Consequently, the conclusions and recommendations presented as a result of this environmental site assessment apply strictly to the environmental regulations and Property conditions existing at the time EBA performed this study. EBA assumes that the data obtained and the inferences made during this investigation are reasonable and representative of the Property.

EBA makes no warranty, expressed or implied, except that our services have been performed in accordance with generally accepted existing environmental engineering, health and safety principles, and applicable regulations at the time and location of the study. EBA has analyzed the available information using currently applicable engineering techniques.

Please be advised that the recommendations presented herein are based solely on information made available to EBA by others, and includes professional interpretations based on limited research and data. Based on these circumstances, the decision to conduct additional investigative work to substantiate the findings and conclusions presented herein is the sole responsibility of the Client.

No Exceptions or Deviations occurred from the ASTM Standard.

1.5 SPECIAL TERMS AND CONDITIONS

This Phase I ESA was conducted in accordance with our executed contract. Authorization for access to the project site was provided by Mr. Herb Heil, realtor.

1.6 USER RELIANCE

This report has been prepared solely for the Client and any such unauthorized reliance on or use of this report, including any of its information or conclusions, will be at the third party's risk. For the same reasons, no warranties or representations, expressed or implied in this report, are made to any such third party.

Please note pursuant to Section 4.6 of the *ASTM Standard E 1527-05 for Phase I Environmental Site Assessments*, this report is valid for 180 days from the date noted herein.

1.7 REASON FOR PERFORMING PHASE I ESA

It is our understanding that this Phase I ESA was performed as part of environmental due diligence to support the proposed sale of the project site property.

2.0 SITE DESCRIPTION

2.1 LOCATION AND LEGAL DESCRIPTION

The project site property is located at 870 Broadway in Sonoma, California and encompasses two parcels of land that total 1.94 acres in size. The project site contains a commercial building with an automotive shop, alignment building shop and historic school building. The project site buildings are currently used for automotive sales, repair and maintenance.

The project site is located in the developed downtown portion of the City of Sonoma. The surrounding properties include residential properties to the east and commercial properties to the north of the project site property. Broadway borders the western portion of the project site property and East MacCathur Street borders the southern portion of the project site. Figure 1, Appendix A shows the location of the project site. Figure 2, Appendix A shows the project site boundaries, as shown on the current tax assessor's map.

The following presents project site specific information:

Site Name:	Bohna Property
Site Location:	870 Broadway, Sonoma, California
Tax Assessor Parcel No:	018-412-025 & 018-412-030
Site Owner(s):	Estate of Robert Bohna
Site Occupants:	Sonoma Truck and Auto Center
Date of Ownership:	1976
Zoning:	Commercial
Lot Size:	1.91-acres
County:	Sonoma
USGS Quadrangle:	Sonoma, California
Latitude and Longitude:	N 38°17'06.21" Latitude and W 122°27'30.43" Longitude

2.2 SITE CHARACTERISTICS

The project site consists of two parcels of commercial land that total 1.91-acre in size and are occupied by two commercial buildings and one historic building.

The southern and northwestern portions of the property are paved asphalt or concrete.

The remainder of the project site property is bare ground.

2.3 CURRENT USE OF THE PROPERTY

The project site property is developed as a commercial auto sales business and repair facility.

2.4 PHYSICAL SETTING

2.4.1 TOPOGRAPHY

The project site is flat and level and has limited topographic relief and is located at approximately 70 feet above mean sea level.

2.4.2 SOILS/GEOLOGY

The project site is located within the Coast Range Geomorphic Province of northern California. The Coast Range Geomorphic Province is generally characterized as a series of northwest trending elongated ridges and valleys that are a result of folding and faulting. The province includes many separate ranges, coalescing mountain masses, and several major structural valleys. The regional structure of the Coast Range is considered to be a number of independent fault blocks with different stratigraphic and structural histories.

The project site is located in the Valley of the Moon along the southern extension of the Kenwood Syncline. The Kenwood Syncline is a northwest-trending structural downfold formed during the Pliocene Epoch. The Valley of the Moon is flanked to the northeast by the Mayacama Mountains and to the southwest by the Sonoma Mountains (California Department of Water Resources [DWR], 1975).

Surface deposits in this region consist of Quaternary alluvium comprised of unconsolidated clays, silts, sands and gravels. These surface deposits, in turn, are underlain by Glen Ellen Formation and/or Sonoma Volcanic materials. The Glen Ellen Formation is of Pliocene-Pleistocene age and consists of heterogeneous mixtures of consolidated clays, silts, sands and gravels. The Sonoma Volcanics are of middle to late Pliocene age and consist of mixed volcanic materials, including flows, dikes, plugs, and beds of andesite, rhyolite, basalt, tuff breccia, and tuff (DWR, 1975).

2.4.3 SURFACE WATER BODIES/FLOODPLAINS

No surface water bodies, wetlands or streams were observed on the project site; however Nathanson Creek borders the northeastern boundary of the project site property. Nathanson Creek is a tributary to Schell Creek.

2.4.4 HYDROGEOLOGY

Based on the surface topography and near site investigations, groundwater in the area of the project site is anticipated to flow to the south to southeast. Please note that groundwater depths and flow

direction have been demonstrated to be influenced by local topography and drainage courses and that groundwater levels have been observed to vary seasonally.

2.5 DESCRIPTION OF STRUCTURES, ROADS AND IMPROVEMENTS

The project site consists of two parcels of commercial land that total 1.91-acre in size and is occupied by two commercial buildings and a historic building.

The following presents information for each of the project site parcels.

APN 018-412-025

The project site parcel identified as APN 018-412-025 is 1.13 acres in size and is occupied by two commercial buildings and one historic building.

An approximately 6,000 square foot main building is located in western portion of this project site parcel. The structure has a concrete slab on grade foundation and wood truss framing. The structure was reportedly constructed between 1923 and 1941. Please note the exact date of construction of the building cannot be determined due to a lack of permitting requirements and documentation prior to 1958. The building is partitioned with the western portion used for offices and the eastern portion used as an automotive repair facility. At the time of the property inspection, the condition of the building was fair.

An approximately 4,000 square foot building is located directly east of main building. The structure is a single story, wood framed building with a basement that underlies at least a portion of the structure. The structure has deteriorated lathe and stucco siding and a stone foundation. The original structure was reportedly built in the late 1860's and reportedly rebuilt on the same foundation in the approximately 1906 after damage from the 1906 earthquake. The structure was historically used for the Sonoma Valley High School. At the time of the property inspection, the condition of the building was poor.

An approximately 1,200 square foot alignment building shop is located to south of the main building. The structure is metal framed and roofed with a concrete slab on grade foundation. The structure was reportedly built between 1941 and 1953. At the time of the property inspection, the condition of the building was fair.

Asphalt paving covers the northwestern and southern portion of the project site. The eastern portion of the project site is bare dirt.

APN 018-412-030

The project site parcel identified as APN 018-412-030 is 0.78 acres in size and currently undeveloped with the exception of concrete paving associated with a wash rack area.

The southern portion of this parcel consists of asphalt paving.

The remainder of this project site parcel is bare ground.

2.6 CURRENT ADJOINING PROPERTIES

Properties adjoining the project site include developed residential property to the east and commercial property to the north. Broadway borders the project site to the west and East MacCarthur Street borders the project site property to the south.

3.0 USER PROVIDED INFORMATION

3.1 TITLE RECORDS

A Preliminary Title Report dated June 10, 2010 for the project site was provided and a copy is included in Appendix B. Two Hazardous Substances Certification and Indemnity Agreements are referenced within the Title Report and are also enclosed in Appendix B as attachments to the Preliminary Title Report.

3.2 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS (AULs)

A review of Title information was performed by EBA using both the Preliminary Title Report dated June 10, 2010 and recorded public documents at the Sonoma County Recorder's Office. No environmental liens or Use Limitation were noted in record information reviewed.

3.3 OWNER, PROPERTY MANAGER, AND OCCUPANT INFORMATION

The project site property is currently owned by Estate of Robert Bohna.

3.4 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

The ASTM Standard requires an evaluation of environmental issues that would result in a devaluation of the property. There are issues of environmental concern at the project site that are identified in this report; however, the environmental issues appear to be unknown and undefined at this time. Therefore, there is no way at this time to evaluate the valuation or reduction thereof regarding the environmental conditions of the project site property.

3.5 PREVIOUS ENVIRONMENTAL REPORTS

No previous environmental reports were found during this assessment.

4.0 RECORDS REVIEW

4.1 ENVIRONMENTAL RECORDS SOURCES

EBA contacted Environmental Data Resources (EDR) of Southport, Connecticut, to conduct a comprehensive Federal, state and local environmental records search for the project site and properties within a one-mile radius of the project site. The purpose of the database search was to identify potential exposure to the subject property from various environmental concerns and/or hazardous materials releases. The following databases and environmental programs are included in the database search:

- Federal National Priority List (NPL)
- Proposed National Priority List

- National Priority List Deletions
- NPL Liens
- Comprehensive Environmental response, Compensation and Liability Information System (CERCLIS)
- CERCLIS – No Further Action Planned
- Corrective Action Reports (CORRACTS)
- Resource Conservation and Recovery Act (RCRA) Transfer, Storage & Disposal Facilities
- RCRA Large Quantity Generators
- RCRA Small Quantity Generators
- Hazardous Material Information Reporting System
- Engineering Control Sites
- Sites With Institutional Controls
- Department of Defense Sites
- Formerly Used Defense Sites
- Brownfield Sites
- CERCLA Consent Decrees
- Records of Decision
- Uranium Mine Tailing Sites
- Open Dump Inventory
- Toxic Chemical Release Inventory System
- Toxic Substances Control Act
- FIFRA/TSCA Tracking System
- PCB Activity Tracking System
- Material Licensing Tracking System
- Mines Master Index File
- Facility Index System
- RCRA Administrative Tracking System
- Annual Workplan Sites
- Calsites Database
- Toxic Pits Cleanup Act Sites
- Bond Expenditure Plan
- No Further Action Determination
- School Property Evaluation Program
- Solid Waste Information System
- Waste Discharge System
- Waste Management Unit Database
- Statewide SLIC Sites
- Active UST Facilities
- Facility Inventory Database
- Aboveground Petroleum Storage Tank Facilities
- Recycler Database
- Proposition 65 Listings
- Deed Restriction Listing

- Voluntary Cleanup Program Properties
- Cleaner Facilities
- Well Investigation Program Case List
- Emissions Inventory Data
- Indian Reservations
- Leaking Underground Storage Tanks on Indian Land
- Underground Storage Tanks on Indian Land
- Coal Gas Sites
- Cortese Database
- Emergency Response Notification System
- Leaking Underground Tank Sites
- California Hazardous Materials Incident Report System
- Haznet database

The Environmental Record Search (ERS) consists of a map showing the location of the identified sites relative to the project site, a summary listing the identified sites by street names, and a final report describing the sources investigated and the resulting findings. It should be noted that the findings are those noted on the regulatory database(s) and that accuracy and completeness of record information varies among information sources, including government sources. The ERS findings are supplemented by interviews with owners/occupants/employees, and local government officials. Agency records review and historical data review are also used to ascertain the potential environmental significance of sites reported in the ERS. Results of the record search are presented in Appendix C.

The ERS identified many mapped sites as having environmental concerns within a one-mile radius of the project site.

4.2 THE PROJECT SITE

The project site is identified in historical documentation as having underground fuel storage tanks (USTs) associated with a gasoline service station that historically was present on the southwestern portion of the project site property. Sanborn Fire Insurance Maps dated 1941 and 1953 indicate Gas and Oils located in the southwestern portion of the project site property associated with a small former structure. Conversations with individuals knowledgeable about the historic uses of the project site property indicate that a gasoline service station reportedly operated in the southwestern corner of the project site prior to Mr. Robert Bohna's ownership in the early 1970s. At the time of property inspection remnants of possible fuel dispensers were observed within the southwest area of the project site in the sidewalk adjacent to Broadway.

The project site is identified in the Radius Map Report as a small quantity generator of hazardous materials and waste under the HAZNET database system. This listing pertains to a former business, Country Motors, as well as the existing automotive repair facility, Sonoma Truck and Auto Center. The business is identified as generating waste products (waste oil, antifreeze etc) as a result of business activities conducted at the project site. Files reviewed at the Sonoma County Office of Emergency Services included inspection records for Sonoma Truck and Auto Center and a Hazardous Materials Business Plan. Available records also included Hazardous Waste Generator

permits and documentation for the business at the project site property dating from 1992 to the present. Conversations with the current shop manager indicated that approximately 250 gallons of waste oil was removed from the project site every three months by a licensed waste hauler. The identification of the project site as a generator of hazardous materials with the associated documentation is seen as a point of compliance for the facility and not as an environmental concern.

Various containers of oil and waste products are present at the project site property. Four 55-gallon drums of used antifreeze, four 55-gallon drums used to store waste oil and five 55-gallon drums of new oil were observed within several secondary containment structures in the northern portion of the shop area. Secondary containment structures are required to be sufficiently large enough to contain 110 percent of the capacity of the largest container within the containment structure.

Please note that under Title 40 of the Code of Federal Regulations Part 112 a Spill Prevention and Countermeasure and Control (SPCC) Plan is required for any facility in which the storage of petroleum hydrocarbons at a facility is 1,320 gallons or greater. It is important to note that only containers of oil and/or petroleum hydrocarbons with a capacity of 55 gallons or greater are counted.

At the time of property inspection one in-ground hydraulic hoist was observed in the northern portion of the shop facility. It was reported that the hoist was functional but not currently used. It was also reported that two former in-ground hoists formerly existed at the project site property. One in-ground hoist was reportedly removed from the southern portion of the shop facility and one removed from within the alignment building shop. At the time of property inspection concrete patches within the floor of these two structures indicated the locations of these former structures. It is unknown when these structures were removed from the project site.

At the time of property inspection soil staining was observed in several areas including east of the shop facility, between the main building and the historic building. The soil staining appeared to be the result of storage, spills and possible surface disposal of oil and liquids at the project site over time.

A wash rack is located on the east side of the historic building. At the time of property inspection a drain was located on the southern side of the wash rack. Files reviewed at the Sonoma County Office of Emergency Services noted a recommendation to contact the local Regional Water Quality Control Board regarding permitting requirements for the discharge from the wash rack. It is unknown where the drain discharges.

4.2.1 ADJACENT PROPERTIES

No immediately adjacent properties were identified in the Radius Map Report as having environmental concerns.

4.2.2 PROPERTIES WITHIN THE APPROXIMATE MINIMUM SEARCH DISTANCE

Many near sites properties were identified in EDR Radius Map Report as having environmental concerns within the minimum search distance from the project site property as required by ASTM Standard 1527-05. The following presents information for relevant near site properties.

STU'S 76- 899 BROADWAY, SONOMA

The Stu's 76 site is located approximately 200 feet west of the project site directly across Broadway. This property is listed in environmental databases and regulatory agency files for having an active investigation related to impacts from former USTs. The site was an active gasoline service station in 1923 and a bulk fuel storage facility operated at the site from 1941 to at least 1965. The bulk fuel storage facility included three 10,000-gallon aboveground tanks and a grease rack. Four USTs were reportedly removed from the site in 1999 and 2000. The site currently operates as a gasoline service station with a 20,000-gallon UST currently in use.

Several phases of environmental investigations have been conducted at the site to determine the extent of impacts to the site and the surrounding area. The investigations have included the identified site as well as several neighboring properties located to the south of the identified site. There are currently ten groundwater monitoring wells located both on the identified site and surrounding properties that have been sampled on a quarterly and semi-annual basis. The most recent report indicates impacted groundwater is present in several of the groundwater wells at significant concentrations. Groundwater at this site has been documented to flow southeast to southwest. The available information indicates that the impacts to groundwater are present on the west side of Broadway and there is no indication that the impacts from the identified site have migrated to the project site property.

Remedial activities have included several phases of excavations including pumping of approximately 60,000 gallons of petroleum impacted groundwater. Recently the Sonoma County Environmental Health Department approved a corrective action plan for additional remedial work at the site. It appears from the available information that the investigative and remedial efforts will continue at this property into the foreseeable future.

Based on the available information, it appears identified site poses a low threat to the project site property.

ADDITIONAL SITES

Additional properties in the surrounding area of the project site are identified in regulatory agency files as having environmental issues. Several of these sites have completed investigations with regulatory oversight related to having investigations related to historic or leaking USTs or are identified as generators of hazardous waste or materials. Due to the distance of these sites from the project site they are seen as posing a minimal risk to the project site property.

4.2.3 ORPHAN SITES

EDR orphan site designation indicated insufficient address information for an identified site to be plotted. EBA reviewed the Orphan Sites identified in the Radius Map Report. Neither the project site nor any near site properties were identified in the Orphan Summary.

4.3 ADDITIONAL ENVIRONMENTAL RECORDS SOURCES - INTERVIEWS & REGULATORY AGENCY REVIEWS

Supplemental interviews and research were performed based on findings from the environmental records search. The interview and research process targeted both project site and regulatory personnel and regulatory agencies in an attempt to ascertain the nature and status of known

environmental issues. Regulatory agencies and individuals contacted during the information review process included:

- Mr. Jerry Schaffer- Long time project site property employee
- Mr. Herb Heil- Project Site Property Realtor
- Ms. Diane Smith- Sonoma Valley Historical Society
- City of Sonoma Building and Planning
- Sonoma County Assessor's Office
- Sonoma County Recorder's Office
- Sonoma County Office of Emergency Services
- San Francisco Bay Regional Water Quality Control Board
- California Department of Toxic Substances Control
- Sonoma Valley Historical Society
- Sonoma County Library-Historical Annex
- California Department of Water Resources

Regulatory agency files were reviewed at the agencies listed above. The findings from the file reviews are as follows:

CITY OF SONOMA BUILDING AND PLANNING DEPARTMENT

Files reviewed at the City of Sonoma Building and Planning Department contained information regarding the upgrade and repair of the project site property from 1958 to the present.

SONOMA COUNTY ASSESSOR'S OFFICE

Development and tax records were reviewed at the Sonoma County Assessor's Office. No significant data gaps were noted within the available information. Findings from the file review are discussed further in the following sections of this report.

SONOMA COUNTY RECORDER'S OFFICE

Recorded deeds and other relevant site documentation were reviewed at the Sonoma County Recorder's Office. No environmental liens or deed restrictions were noted in the available information.

SONOMA COUNTY DEPARTMENT OF EMERGENCY SERVICES

Files reviewed at the Sonoma County Department of Emergency Services including files and documentation related to Sonoma Truck and Auto Center since 1992.

SAN FRANCISCO BAY REGIONAL WATER QUALITY CONTROL BOARD

No files were available for the project site property at this agency.

CALIFORNIA DEPARTMENT OF TOXIC SUBSTANCES CONTROL

No files were available for the project site property at this agency.

4.4 PHYSICAL SETTING SOURCES

Several sources of information were reviewed to establish the physical setting of the project site property including the following:

- Google Earth
- USGS Topographic Maps
- Published Geologic references

4.5 HISTORICAL USE INFORMATION FOR THE PROJECT SITE

The history of the project site was researched to ascertain the past use from the present back to the property's first developed use. Reasonably ascertainable historical information sources were reviewed to determine the history of the project site property. The following historical sources were reviewed as part of this assessment:

- Historical topographic maps
- Historical aerial photographs
- Historical Maps and research
- Interviews with persons knowledgeable about the project site.

4.5.1 Historical Summary

The project site was originally developed in the late 1860's by the Cumberland College which occupied the site until approximately 1872. The project site building was then vacant for many years until it was used for the Sonoma Valley High School in the late 1890's. Sanborn Maps dated 1905 and 1911 indicate one building in the central portion of the project site being used by the Sonoma Valley High School. The school building was reportedly rebuilt on the same foundation after damages from the 1906 Earthquake. Sanborn Maps indicate the project site property was unused in 1923 with the project site building indicated as the old Union High School.

The project site was developed commercially some time between 1923 and 1941 when it was developed as an automotive dealership and parts supplier under Mr. Ernie Coates. Sanborn Maps dated 1941 indicate the use of the former school building for auto storage and the presence of the present day main building including a showroom and garage.

Sanborn Maps dated 1941 also indicate the presence of a small structure in the southwestern portion of the property with Gas and Oil indicated associated with this structure. The designation of Gas and Oil on Sanborn Maps is used to denote the presence of underground fuel storage tanks.

Mr. H.A. Whitehead purchased the property some time in the 1950's and operated the Whitehead Motor Company up until some time in the 1960's.

A topographic map dated 1951 indicates at least three structures visible in the western portion of the project site property.

Sanborn Maps dated 1953 indicate two additional structures southeast of the main building. The Sanborn Maps dated 1953 continue to indicate the presence of Gas and Oils in the southwest portion of the project site property.

Historic aerial photos dated 1953 confirm the presence of the structures at the project site. A later aerial photo dated 1974 indicates the presence of the main building structure as well as the historic school building located centrally within the project site property.

Recorded documents indicate that H. A. and Ruth Whitehead sold project site parcels to Mr. Robert Bohna in 1976. Mr. Robert Bohna continued automotive operations at the project site. The most recent project site occupant, Sonoma Truck and Auto Center, has occupied the project site since at least 1992.

It should be noted that there is a lack of previous property owners and tenants of the project site property. This lack of information does represent a data gap; however, given the continued use of the project site for automotive sales and repair over time this data gap is seen as being insignificant.

4.5.2 HISTORICAL TOPOGRAPHIC MAPS

A historical topographic map dated 1951 was reviewed at the Sonoma County Historical Annex which indicates at least three structures on the project site property at that time.

4.5.3 HISTORICAL AERIAL PHOTOGRAPHS

Historical aerial photographs were obtained from Environmental Data Resources (EDR) for the years 1953, 1965, 1974, 1982, 1993, 1998 and 2005. An aerial photo for the year 2009 was reviewed from the Internet. The following is a summary of the historic use of the project site based on a review of these photographs.

1953 PHOTOGRAPH

The project site property appears with four visible structures in the west-central portion of the property. The surrounding areas to the north and east appear as residential. Broadway is visible to the west of the project site and present day MacCarthur Street is visible to the south of the project site property.

1965 PHOTOGRAPH

The 1965 aerial photograph indicates the few changes from the 1953 photograph. Cars are visible parked throughout the project site property. The surrounding area remains generally unchanged.

1974 PHOTOGRAPH

The 1974 photograph indicates few changes from the 1965 photograph. The surrounding area remains relatively unchanged.

1982 PHOTOGRAPH

The 1982 photograph indicates few changes from the 1974 photograph. The surrounding area remains relatively unchanged.

1993 PHOTOGRAPH

The 1993 photograph indicates few changes from the 1982 photograph with the exception of a small structure no longer visible in the central portion of the property. The surrounding area remains relatively unchanged.

1998 PHOTOGRAPH

The 1998 photograph indicates few changes from the 1993 photograph. The surrounding area remains relatively unchanged.

2005 PHOTOGRAPH

The 2005 photograph indicates few changes from the 1998 photograph. The surrounding area remains generally unchanged.

2009 PHOTOGRAPH

The 2009 photograph indicates few changes from the 2005 photograph. The surrounding area remains generally unchanged.

Aerial photos obtained from EDR are included in Appendix D.

4.5.4 SANBORN FIRE INSURANCE MAPS

Sanborn Fire Insurance Maps were obtained from Environmental Data Resources (EDR) for the years 1905, 1911, 1923, 1941 and 1953. The following presents information for each map.

1905 SANBORN MAP

The 1905 Sanborn Map indicates one structure in the central portion of the project site. The structure is identified as being three stories with the first two stories concrete and the third story just a frame. The structure is identified as being used for the Sonoma Valley High School. Heat stoves are also indicated within the middle of the structure. Broadway borders the property to the west and Randolph borders the property to the south. The surrounding area is not covered in this map.

1911 SANBORN MAP

The 1911 Sanborn Map indicated the project site with the same structure and appears generally unchanged from the 1905 map.

1923 SANBORN MAP

The 1923 Sanborn Map indicates the project site with the same structure and appears generally unchanged from the 1911 map. The structure is indicated as the old Union High and is indicated as being vacant. Stairs are indicated on the west side of the structure.

1941 SANBORN MAP

The 1941 Sanborn Map indicates the project site with three structures. The former school structure is still present and indicated as used for automobiles. A new structure is located along Broadway that is indicated as a car repair garage and show room. The structure is indicated as having a concrete floor, a wood truss frame and a capacity to hold 15 cars. A third structure is located in the southwest portion of the project site. This structure is indicated as a single story structure used for lunch. Gas and Oils indication is noted directly west of the lunch structure.

1953 SANBORN MAP

The 1953 Sanborn Map indicates the project site with two additional structures. A structure is located adjacent to the south of the old school building. This structure is indicated as a single story building used for spray painting. A smaller structure is located southeast of the spray paint structure

and indicated with a letter A for automobile. The lunch structure is now indicated as a restroom. Gas and Oils are still indicated west of the restroom structure. The remaining structures appear generally unchanged from the 1941 map. Addresses associated with the project site property include 870, 870 ½ and 894 Broadway.

Sanborn maps are included in Appendix E.

4.6 HISTORICAL USE INFORMATION FOR ADJOINING PROPERTIES

Historic research was ascertained for adjoining properties by reviewing the historical documents referenced above.

5.0 SITE RECONNAISSANCE

5.1 METHODOLOGY AND LIMITING CONDITIONS

EBA personnel conducted a site reconnaissance on June 16, 2010. The site reconnaissance entailed viewing the project site and the surrounding areas. The site was inspected to observe the property and to identify discernible or potential environmental concerns. In addition, a reconnaissance of adjacent properties was performed to confirm surrounding land use and conditions. Information was obtained by interviews with knowledgeable individuals regarding the past and current uses of the project site. No limitations were encountered to limit the extent of the property inspection. Findings from the site reconnaissance activities are summarized in the following sections.

5.2 CURRENT USE OF THE PROPERTY

The property currently consists of a developed commercial property used for automotive sales, rental, maintenance and service.

5.3 EXTERIOR OBSERVATIONS

The exterior of the existing buildings were observed as part of this assessment. The exterior portions of the three project site property buildings appear to be in fair condition. Soil staining was present on the ground outside the east and north sides of the main structure.

The south, southeastern and northwestern portions of the project site are asphalt parking that appears to be in fair condition.

The area directly east of the historic school building consists of concrete paving in fair condition.

The remainder of the project site property is bare ground.

5.4 INTERIOR OBSERVATIONS

The project site property is occupied by the Sonoma Truck and Auto Center whose business activities include automobile rentals, sales, service and maintenance. The eastern portion of the main building consists of automotive shop facility. At the time of property inspection this area contained various automotive tools and equipment. A parts washer was located in the northern portion of the shop area. The western portion of the main building is used for offices.

At the time of property inspection four 55-gallon drums of used antifreeze were observed along western wall and were observed to be within a secondary containment structure. Four 55-gallon drums of waste oil were observed within secondary containment along the northern wall of the shop area. One 35-gallon drum of solvent wastewater was also observed in this area. Five 55-gallon drums of new oil were observed along the eastern wall of the shop area. It is unknown if these drums are considered to be in secondary containment. At the time of property inspection several areas of staining was observed on concrete floor throughout the northern portion of shop area.

One in-ground hoist was observed in the northern portion of the shop area. It was reported that the hoist was functional but not currently used.

At the time of property inspection, the historic building contained miscellaneous automotive parts, historic building items and debris.

At the time of property inspection, the alignment shop structure contained various automotive equipment used for alignments. An in-ground dynamometer is located in the northeastern side of the building. One mobile 30-gallon drum of oil and small quantities of oil and lubricants were observed in this building.

5.5 HAZARDOUS SUBSTANCES AND PETROLEUM PRODUCTS

Several 55-gallon drums of waste oil, new oil and used antifreeze were observed within the northern portion of the shop area. Small quantities of oil were observed in the southern portion of the shop area.

5.5.1 ODORS

No odors were observed during site reconnaissance.

5.5.2 POOLS OF LIQUID

No pools of free liquid indicative of hazardous materials or hazardous wastes were observed at the project site during the site reconnaissance.

5.5.3 DRUMS

Four 55-gallon drums of used antifreeze, four 55-gallon drums of waste oil, one 35-gallon drum of solvent waste water and five 55-gallon drums of new oil were observed in the northern portion of the shop area.

Three 55-gallon drums of unknown waste materials were observed outside the northern portion of the shop area.

5.5.4 UNIDENTIFIED SUBSTANCE CONTAINERS

Three 55-gallon drums of unknown waste materials were observed outside the northern portion of the shop.

5.5.5 INTERIOR STAINS OR CORROSION

Interior stains were present on the floor of the main building within the repair shop area. No indications of corrosion were observed in the structures at the project site property.

5.5.6 DRAINS AND SUMPS

A small drain was observed within the wash rack area adjacent to the east side of the historic building.

A sump pump was observed between the main building and the historic building.

5.5.7 PITS, PONDS OR LAGOONS

No pits, ponds or lagoons were observed at the project site during our reconnaissance.

5.5.8 STAINED SOIL OR PAVEMENT

Soil staining was observed between the shop and the historic school building.

Several areas of stained pavement were observed within the shop area and the alignment building.

5.5.9 SOLID WASTE

No uncontrolled solid waste materials were observed at the project site during the site reconnaissance.

5.5.10 STRESSED VEGETATION

No areas of stress vegetation were observed at the project site during our reconnaissance.

5.5.11 WELLS

No water wells were observed at the project site during our reconnaissance.

5.5.12 SEPTIC SYSTEMS

No septic systems were reported to be present at the project site property. The project site is reportedly connected to the sanitary sewer.

5.5.13 ELECTRICAL TRANSFORMERS

No electrical transformers were observed at the project site property during the site reconnaissance.

5.5.14 UNDERGROUND STORAGE TANKS

Evidence of historic USTs was observed within the southwestern portion of the project site as discussed in Section 4.2 of this assessment.

5.5.15 ABOVEGROUND STORAGE TANKS

No aboveground fuel tanks were observed at the project site during our reconnaissance.

5.6 NON-SCOPE OBSERVATIONS

5.6.1 ASBESTOS

The existing structures at the project site property were all constructed between the early 1900's and 1953, it is suspected that asbestos containing materials may be present in the structures.

5.6.2 LEAD PAINT

The existing structures at the project site property were all constructed between the early 1900's and 1953, it is suspected that lead based paint containing materials may be present in the structures.

5.6.3 RADON

The U.S. Environmental Protection Agency Radon Zone Classification for Sonoma County is 3, which is defined as having a low potential to have radon concentration less than 2 picocuries per liter (pCi/L). The U.S. EPA action level for radon is 4.0 pCi/L. Based on the radon concentration information, it is unlikely that radon abatement activities would be required at the project site.

6.0 DISCUSSION

The project site property was initially developed as a school in the late 1860's and used for educational purposes for many years. The project site was developed commercially as an automotive sales and repair facility sometime between 1923 and 1941. The project site property has been occupied by automotive sales and repair businesses since this time.

A body of evidence, including Sanborn Fire Insurance Maps and conversations with individuals knowledgeable about the project site, indicates that a gasoline service station was present at the southwestern corner of the project site from at least 1941 to at least 1953. Remnants of the fuel dispensers were observed in the southwest portion of the project site property during site reconnaissance. There is no indication in available regulatory agency files of the removal of underground storage tanks from the project site property. Nor is there indication of the condition of the project site and if impacts to the property have occurred from such use.

Conversations with individuals knowledgeable about the project site property indicate that three in-ground hydraulic hoists were operated at the project site. One hoist was observed within the northern portion of the shop area at the time of property inspection. It was reported that the other two hoists were removed from the southern portion of the shop area and from within the alignment building approximately 10 to 15 years ago. There is no indication in available regulatory agency files of the removal of any in-ground hoists from the project site property. Nor is there indication of the condition of the project site and if impacts to the property have occurred from such use.

The historic use of the project site property included automotive repair and service. These activities are expected to have been included the use, generation and disposal of hazardous materials and waste products. There has been no investigation of the project site to indicate if impacts have occurred from these historic site uses.

There is no indication of impacts to the project site from any surrounding properties.

7.0 CONCLUSIONS/RECOGNIZED ENVIRONMENTAL CONDITIONS

EBA Engineering has performed this Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 of the property located at 870 Broadway in Sonoma, California. Any exceptions to, or deletions from, this practice are described herein. Based

on conclusions from the environmental records search, historical data review, and the site reconnaissance, the following recognized environmental conditions were observed:

- It is unknown at this time if USTs exist at the project site. In addition, it has not been determined if the use of USTs and related fueling equipment has resulted in environmental impacts to the project site property.
- One in-ground hydraulic hoist is present within the shop area of main building at the project site property.
- There were reportedly two additional in-ground hydraulic hoists within the structures at the project site property that were removed some time in the past.
- Soil staining is present on the ground surface in several areas of the project site property. It appears these stains are the result of poor handling and storage practices or the result of disposal of waste materials to the ground surface.
- Three unlabeled 55-gallon drums of waste materials were observed outside the north side of the shop area.
- Five 55-gallon drums used for storage of new oil were located within northern portion of the shop area. It is unknown if the drums are constructed in a manner that provides secondary containment.
- It is unknown if impacts to the project site property has occurred as a result of the historic site uses that includes automotive repair and service.
- Based on the age of the structures, it is likely that asbestos containing materials and lead based paint may be present in the materials of the structures.

8.0 NON-SCOPE CONSIDERATIONS

8.1 NON-SCOPE CONSIDERATIONS

The following environmental issues are outside the scope (non-scope considerations) of the standard practice defined by ASTM Standard Practice E 1527-05:

- Regulatory Compliance;
- Cultural and Historic Resources;
- Industrial Hygiene;
- Health and Safety;
- Ecological Resources;
- Endangered Species;
- Indoor Air Quality;
- High Voltage Power Lines;
- Biological Agents; and
- Mold

EBA identified no ASTM non-scope considerations/RECs in connection with the project site that represent potential business environmental risk but are outside the standard scope of services prescribed by ASTM Standard Practice E 1527-05.

8.2 ADDITIONAL SERVICES

No additional services beyond the standard scope of services prescribed by ASTM Standard Practice E 1527-05 were requested by the Client.

9.0 RECOMMENDATIONS

EBA Engineering recommends the following:

- Perform active site investigation to determine if UST(s) are or were present at the project site and to determine if such uses has resulted in impacts to the project site as a result of this use.
- Remove the remaining hydraulic hoist in accordance with applicable regulatory agency requirements. Soil sampling should be performed in the area of the hoist upon removal.
- Perform active site investigation in the former area of the two former hydraulic hoists to determine if impacts to the project site have occurred as a result of this use.
- Perform active site investigation to determine if impacts to the project site have occurred as a result of site uses including automotive repair specifically in the area of soil staining between the main building and the historic building, as well as the alignment shop where autobody repair was performed.
- Dispose of hazardous materials and waste in a timely manner in accordance with applicable laws to minimize accumulation of these substances.
- Dispose of unlabeled waste materials in accordance with applicable regulatory requirements.
- Confirm adequate secondary containment for all hazardous materials and liquids in containers that are permanent.
- Maintain general housekeeping in the area of the shop and within the alignment building to remove debris and waste materials.
- Determine the discharge location from the wash rack. Permit this discharge as necessary to the sanitary sewer.
- Be aware of the potential presence of asbestos and lead based paint with the existing structure in the event that the structure is to be remodeled or demolished.

10.0 REFERENCES

Aerial Photographs:

1953	Environmental Data Resources
1965	Environmental Data Resources
1974	Environmental Data Resources
1982	Environmental Data Resources
1993	Environmental Data Resources
1998	Environmental Data Resources
2005	Environmental Data Resources
2009	Google Earth™

California Department of Water Resources. California's Groundwater. Bulletin 118, 2003.

Environmental Data Resources, Inc., *Radius Map Report, Bohna Property, 870 Broadway, Sonoma, California*: Performed for EBA Engineering; Job No. EBA 10-1639. Dated April 19, 2010.

Environmental Resource Group, Inc. *Addendum to Corrective Action Plan, Stu's 76, 899 Broadway, Sonoma, California*. February 26, 2010.

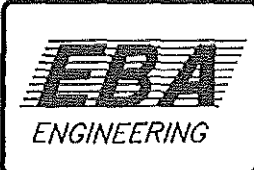
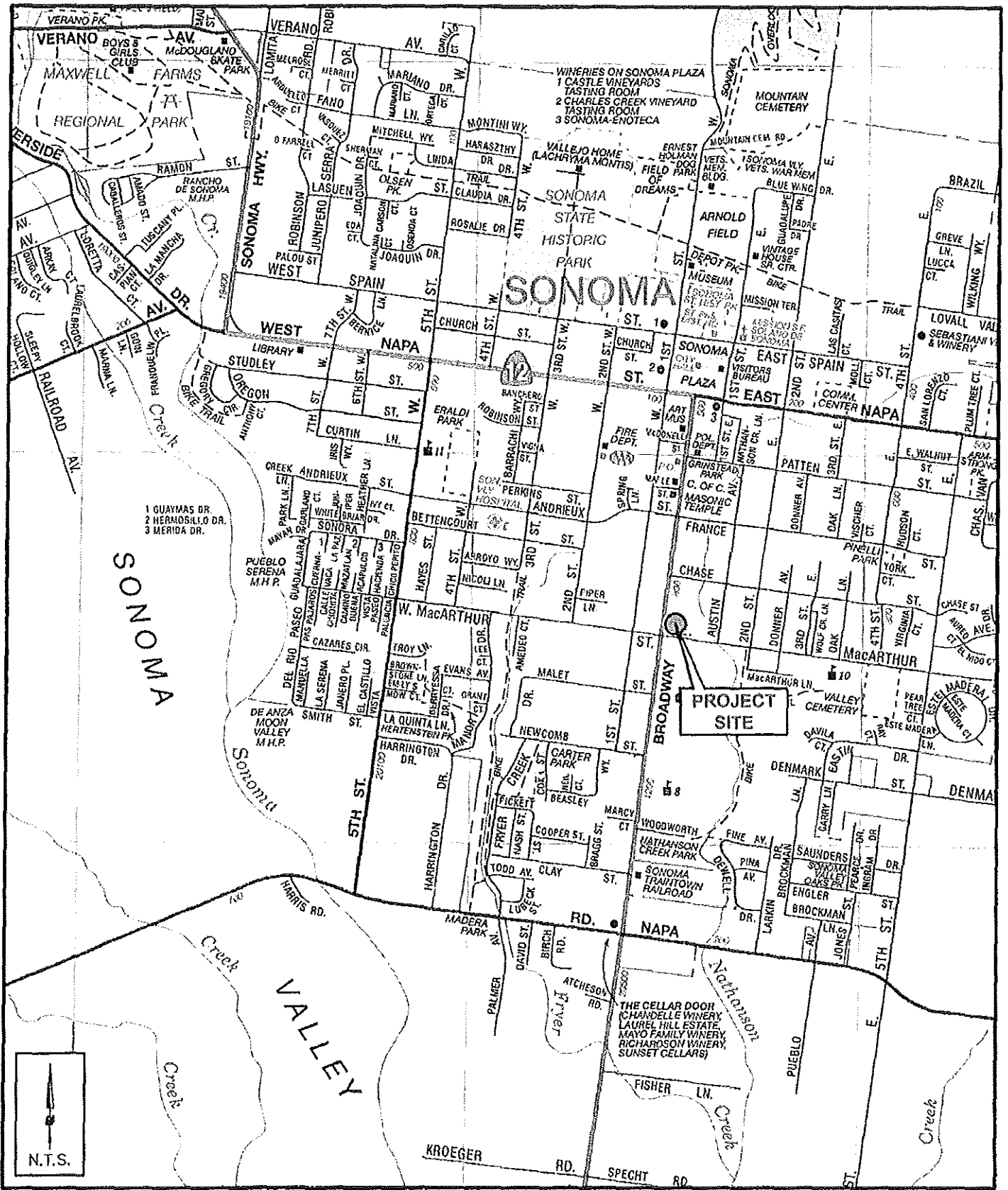
Trans Tech Consulting – *1st Quarter 2009 Monitoring Report, Stu's 76, 899 Broadway, Sonoma, California*. Dated March 12, 2009.

U.S. Geological Survey, 7.5 Minute - Topographic Quadrangle- Sonoma, California. 1951.

U.S. Geological Survey, 7.5 Minute - Topographic Quadrangle- Sonoma, California. 1980.

APPENDIX A

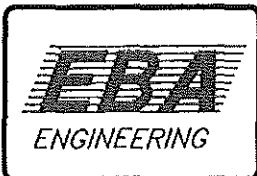
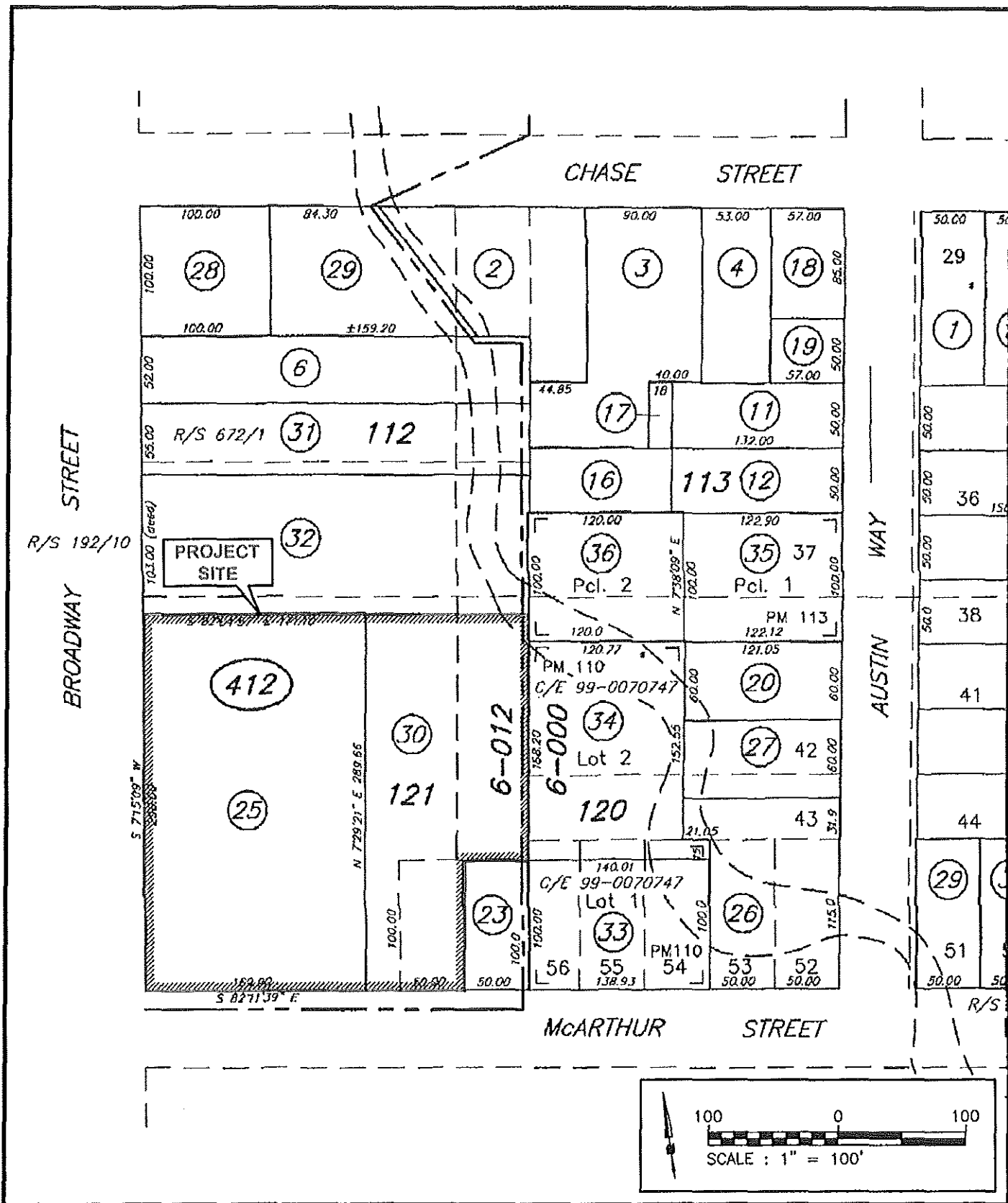
FIGURES



LOCATION MAP

870 BROADWAY
SONOMA, CALIFORNIA

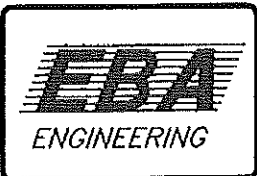
FIGURE
1
10-1639



ASSESSORS PARCEL MAP

870 BROADWAY
SONOMA, CALIFORNIA

FIGURE
2
10-1639



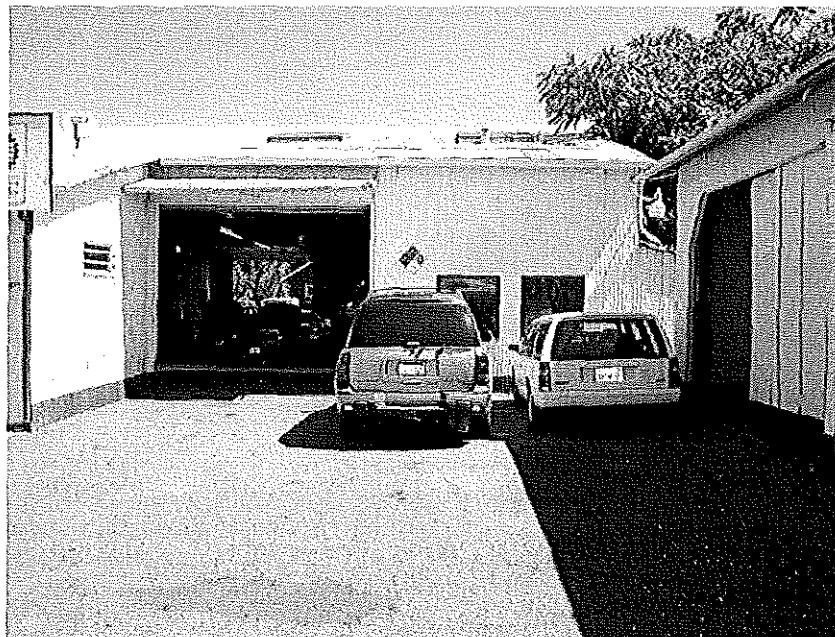
AERIAL VIEW

870 BROADWAY
SONOMA, CALIFORNIA

FIGURE
3
10-1639



View of main building from the south.

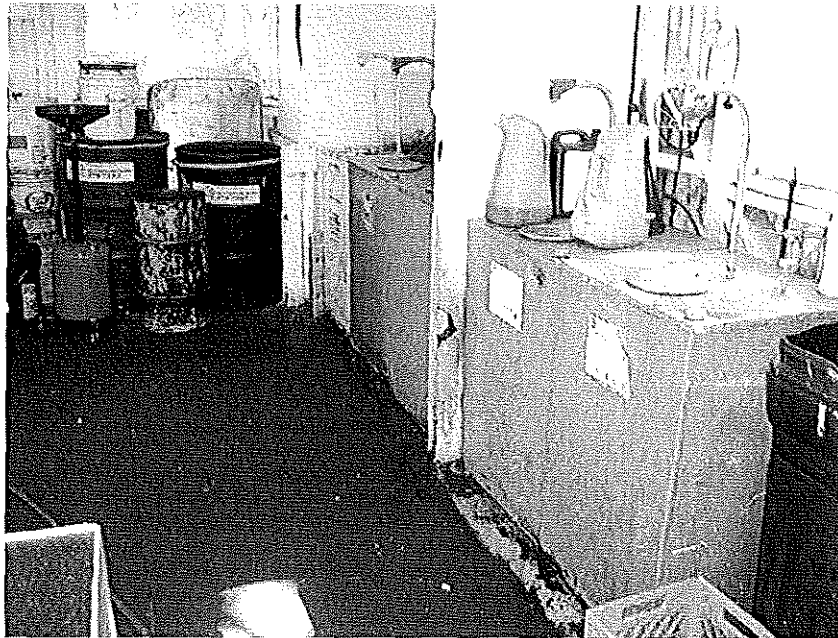


View of shop area from the south.

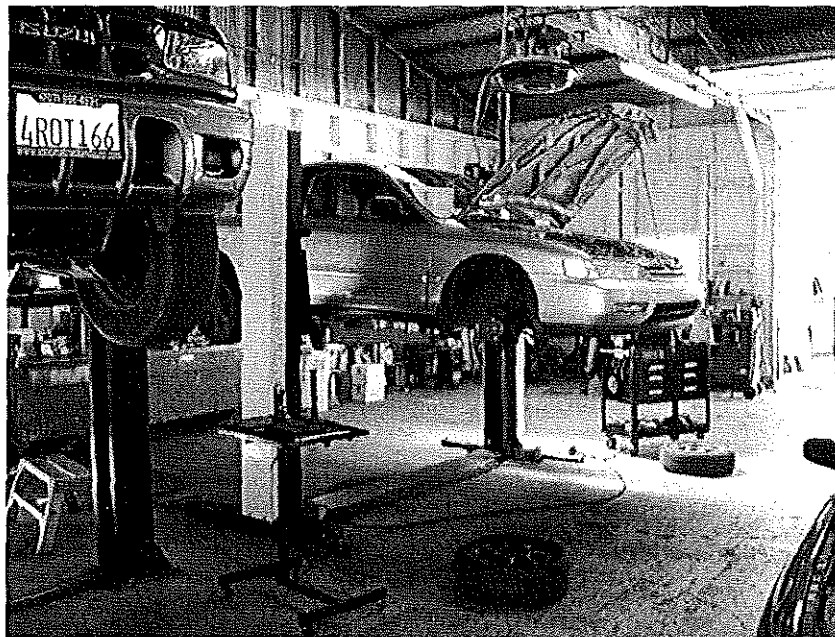
EBA

PHOTO PLATE
870 BROADWAY
SONOMA, CALIFORNIA

FIGURE
4
July 2010
10-1639



View of hazardous materials storage area in northern portion of shop.

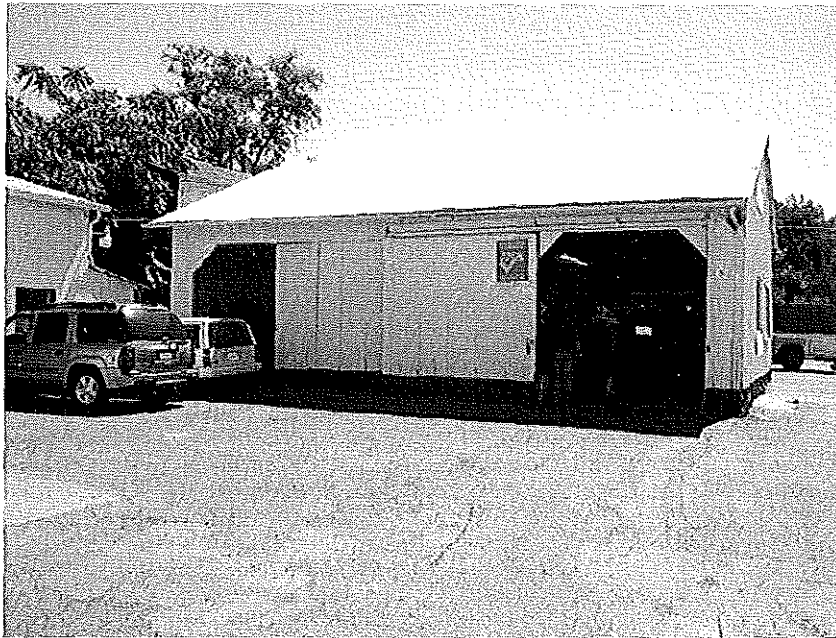


View of shop area.

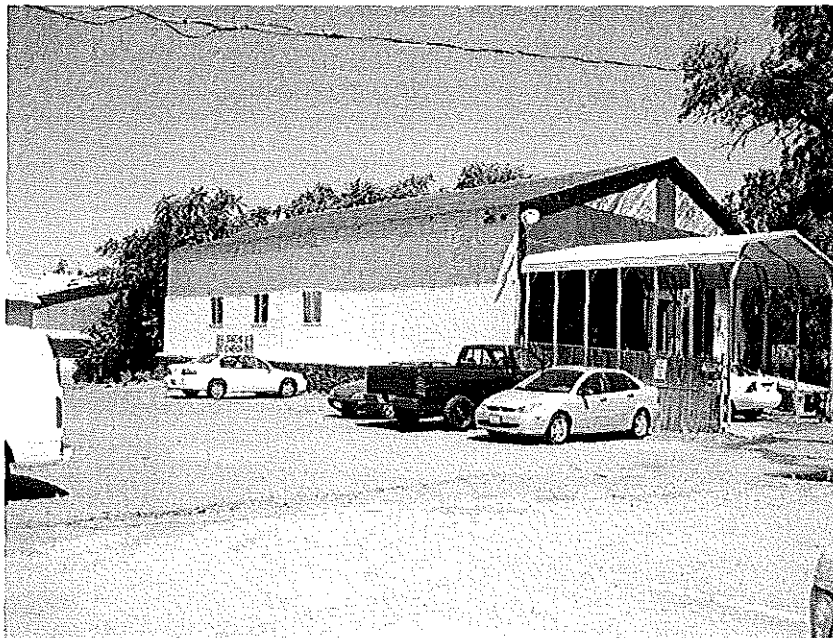
EBA

PHOTO PLATE
870 BROADWAY
SONOMA, CALIFORNIA

FIGURE
5
July 2010
10-1639



View of alignment building from the west.



View of historic building and wash rack area from the southeast.

EBA

PHOTO PLATE
870 BROADWAY
SONOMA, CALIFORNIA

FIGURE

6

July 2010
10-1639



View of northern portion of project site property.



View of southern portion of project site property.

EBA

PHOTO PLATE
870 BROADWAY
SONOMA, CALIFORNIA

FIGURE
7
July 2010
10-1639

APPENDIX B
PRELIMINARY TITLE REPORT



First American Title Company

651 First Street West
Sonoma, CA 95476

Escrow Officer: Denise Mucci
Phone: (707)938-1800
Fax No.: (866)440-2065
E-Mail: dmucci@firstam.com

E-Mail Loan Documents to: Please contact the Escrow Officer for email address for sending loan documents.

Property: 870 Broadway Street
Sonoma, CA

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 June 10, 2010 at 7:30 A.M.

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

ALTA Standard Owner's Policy 2006 (WRE 6-17-06)

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:

Robert H. Bohna, an unmarried man

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

A 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 2010-2011, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2009-2010.

First Installment:	\$1,842.55, PAID
Penalty:	\$0.00
Second Installment:	\$2,046.80, DELINQUENT (AMOUNT INCLUDES PENALTY AND COST/FEE)
Penalty:	\$0.00
Tax Rate Area:	006-012
A. P. No.:	018-412-025-000

(Affects Parcel One)

3. The lien of defaulted taxes for the fiscal year 2008-2009, and any subsequent delinquencies.

Tax Rate Area: 006-012
A. P. No.: 018-412-025
Amount to redeem: \$2,301.21
Valid through: June 2010
Amount to redeem: \$Amounts to follow
Valid through: July 2010

(Affects Parcel One)

4. General and special taxes and assessments for the fiscal year 2009-2010.

First Installment: \$714.68, PAID
Penalty: \$0.00
Second Installment: \$806.14, DELINQUENT (AMOUNT INCLUDES PENALTY AND COST/FEE)
Penalty: \$0.00
Tax Rate Area: 006-012
A. P. No.: 018-412-030-000

(Affects Parcel Two)

5. The lien of defaulted taxes for the fiscal year 2008-2009, and any subsequent delinquencies.

Tax Rate Area: 006-012
A. P. No.: 018-412-030
Amount to redeem: \$916.21
Valid through: June 2010
Amount to redeem: \$Amounts to follow
Valid through: July 2010

(Affects Parcel Two)

6. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
7. A public easement for navigation and the incidents of navigation such as boating, fishing, swimming, hunting and other recreational uses in and under the Nathanson Creek and including a public right of access to the water.
8. An easement for removing debris and vegetative growth from the channel and banks of Nathanson creek, together with the right of ingress, egress and incidental purposes, recorded November 09, 1967 as Instrument No. K-57303 in Book 2299, Page 237 of Official Records.

In Favor of: The Sonoma County Flood Control and Water Conservation District
Affects: Parcel Two

9. The fact that the land lies within the boundaries of the Sonoma Community Redevelopment Project Area, as disclosed by the document recorded January 31, 2000 as Instrument No. 2000-009413 of Official Records.
10. A Deed of Trust to secure an original indebtedness of \$860,000.00 recorded June 13, 2008 as Instrument No. 2008-054799 of Official Records.
Dated: June 09, 2008
Trustor: Robert Bohna, an unmarried man
Trustee: First American Title Insurance Company
Beneficiary: Sonoma Valley Bank

The terms and provisions contained in the document entitled "Hazardous Substances Certificate and Indemnity Agreement" recorded June 13, 2008 as Instrument No. 2008-054800 of Official Records.

11. A Deed of Trust to secure an original indebtedness of \$370,000.00 recorded March 25, 2009 as Instrument No. 2009-026533 of Official Records.
Dated: March 24, 2009
Trustor: Robert H. Bohna, an unmarried man
Trustee: First American Title Insurance Company
Beneficiary: Sonoma Valley Bank

The above deed of trust states that it secures an equity line/revolving line of credit.

The terms and provisions contained in the document entitled "Hazardous Substances Certificate and Indemnity Agreement" recorded March 25, 2009 as Instrument No. 2009-026534 of Official Records.

12. A Deed of Trust to secure an original indebtedness of \$50,000.00 recorded December 16, 2009 as Instrument No. 2009-120237 of Official Records.
Dated: October 20, 2009
Trustor: Robert H. Bohna, an unmarried man
Trustee: First American Title Insurance Company, a California corporation
Beneficiary: Sonoma Community Development Agency

Notes:

a. If this deed of trust is to be eliminated in the policy or policies contemplated by this report/commitment, we will require all of the following prior to the recordation of any documents or the issuance of any policy of title insurance:

i. Original note and deed of trust.

ii. Payoff demand statement signed by all present beneficiaries.

iii. Request for reconveyance signed by all present beneficiaries.

b. If the payoff demand statement or the request for reconveyance is to be signed by a servicer, we will also require a full copy of the loan servicing agreement executed by all present beneficiaries.

c. If any of the beneficial interest is presently held by trustees under a trust agreement, we will require a certification pursuant to Section 18500.5 of the California Probate Code in a form satisfactory to the Company

13. Any defects, liens, encumbrances or other matters which name parties with the same or similar names as Robert H. Bohna(1 Matter). The name search necessary to ascertain the existence of

such matters has not been completed. In order to complete this preliminary report or commitment, we will require a statement of information.

14. Rights of parties in possession.

INFORMATIONAL NOTES

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 870 Broadway Street, Sonoma, California.

(Affects Parcel One)
2. The property covered by this report is vacant land.

(Affects Parcel Two)
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

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 City of Sonoma, County of Sonoma, State of California, described as follows:

PARCEL ONE:

BEGINNING AT A PIPE MONUMENT MARKING THE SOUTHWEST CORNER OF LOT NO. 121, CITY OF SONOMA, SONOMA COUNTY, STATE OF CALIFORNIA, AS SAID LOT IS KNOWN, DESIGNATED AND NUMBERED ON O'FARRELL'S MAP FOR PLAT OF THE FORMER PUEBLO OR EX-CITY OF SONOMA; THENCE NORTH 7° 05' 30" EAST, ALONG THE WESTERLY LINE OF SAID LOT, 290.00 FEET TO AN EXISTING PIPE MONUMENT WHICH BEARS SOUTH 7° 05' 30" WEST, 10.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 121; THENCE SOUTH 83° 14' 30" EAST, PARALLEL TO THE NORTHERLY LINE OF SAID LOT NO. 121, 171.10 FEET TO A PIPE MONUMENT; THENCE SOUTH 7° 19' 30" WEST, 290.00 FEET TO A PIPE MONUMENT; THENCE NORTH 83° 14' 30" WEST, ALONG THE SOUTHERLY LINE OF SAID LOT, 169.90 FEET TO THE PLACE OF BEGINNING.

PARCEL TWO:

A PORTION OF LOT 121, AS SAID LOT IS KNOWN, DESIGNATED AND NUMBERED ON O'FARRELL'S MAP OR PLAT OF THE FORMER PUEBLO, OR EX-CITY OF SONOMA, AND ALSO A PORTION OF THAT NARROW PIECE, PARCEL OR STRIP OF LAND (FORMERLY A PORTION OF FIRST STREET EAST) LYING, BEING AND EXTENDING BETWEEN LOTS NUMBERED 120 AND 121, SAID PORTIONS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID LOT 121, SAID POINT BEING THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO HUTCHISON ALFRED WHITEHEAD, ET UX, BY DEED DATED JANUARY 9, 1953, RECORDED JANUARY 15, 1953 IN LIBER 1182 OF OFFICIAL RECORDS, PAGE 309, SONOMA COUNTY RECORDS; THENCE NORTH 7° 19' 30" EAST, ALONG THE EASTERLY LINE OF SAID WHITEHEAD TRACT, 290.0 FEET TO THE SOUTHERLY LINE OF THE TRACT OF LAND CONVEYED TO R. MCD. WOODWORTH, BY DEED DATED NOVEMBER 16, 1944, RECORDED DECEMBER 1, 1944 IN LIBER 623 OF OFFICIAL RECORDS, PAGE 368, SONOMA COUNTY RECORDS; THENCE EASTERLY, ALONG THE SOUTHERLY LINE OF SAID WOODWORTH TRACT, TO THE WESTERLY LINE OF LOT 120, AS SHOWN AND DESIGNATED UPON O'FARRELL'S MAP OR PLAT OF THE FORMER PUEBLO OR EX-CITY OF SONOMA, REFERRED TO ABOVE; THENCE SOUTHERLY, ALONG THE WESTERLY LINE OF SAID LOT 120, A DISTANCE OF 290.0 FEET TO THE SOUTHWEST CORNER OF SAID LOT 120; THENCE IN A DIRECT LINE, WESTERLY, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM, ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF BROADWAY STREET, AND THE NORTH LINE OF MCARTHUR AVENUE; RUNNING THENCE ALONG THE NORTHERN LINE, SOUTH 82° 13' EAST, ALONG SAID MCARTHUR AVENUE, A DISTANCE OF 300 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE HEREIN DESCRIBED; THENCE NORTH 7° 46' EAST, A DISTANCE OF 100 FEET; THENCE NORTH 82° 13' WEST, 50 FEET; THENCE SOUTH 7° 46' EAST, A DISTANCE OF 100 FEET; THENCE NORTH 82° 13' WEST, 50 FEET; THENCE SOUTH 7° 46' WEST, A DISTANCE OF 100 FEET TO A POINT ON THE NORTHERN LINE OF SAID MCARTHUR AVENUE; THENCE SOUTH 82° 13' EAST, A DISTANCE OF 50 FEET TO THE POINT OF BEGINNING.

APN: 018-412-025-000 (Affects: Parcel One) and 018-412-030-000 (Affects: Parcel Two)

WIRING INSTRUCTIONS

PAYABLE TO: FIRST AMERICAN TITLE COMPANY
BANK: First American Trust, FSB
ADDRESS: 5 First American Way, Santa Ana, CA 92707
ACCOUNT NO: 3005360000
ROUTING NUMBER: 122241255

PLEASE REFERENCE THE FOLLOWING:

CUSTOMER NAME: TO BE DETERMINED
FILE NUMBER: 4906-3539620 (DM)
ATTENTION: DENISE MUCCI

PLEASE USE THE ABOVE INFORMATION WHEN WIRING FUNDS TO **FIRST AMERICAN TITLE COMPANY. FUNDS MUST BE WIRED FROM A U.S. BANK.** PLEASE NOTIFY DENISE MUCCI AT (707)938-1800 WHEN YOU HAVE TRANSMITTED YOUR WIRE. FAX NUMBER: (866)440-2065

FIRST AMERICAN TRUST CONTACT INFO: Banking Services 1-877-600-9473

ALL WIRES WILL BE RETURNED IF THE FILE NUMBER AND/OR NAME(S) ARE NOT INCLUDED

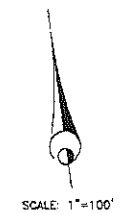
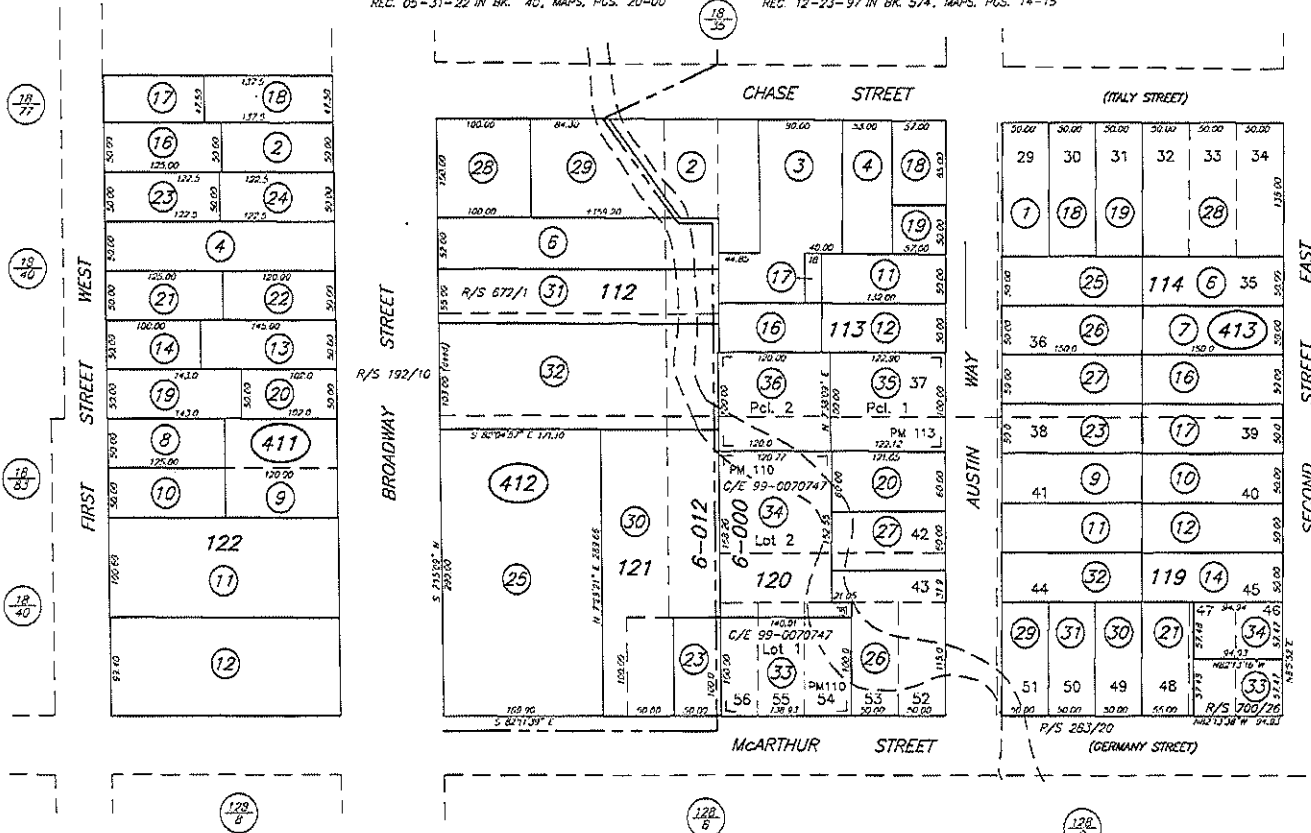
COUNTY ASSESSOR'S PARCEL MAP

TAX RATE AREA
6-000
6-012

18-41

Ptn. HAROLD SUBDIVISION
REC. 05-31-22 IN BK. 40, MAPS, PGS. 20-00

PARCEL MAP No. 113
REC. 12-23-97 IN BK. 574, MAPS, PGS. 14-15



- REVISED
- 10-31-78-32(412)
 - 12-11-78-32(413)
 - 11-17-83-18(413)
 - 01-15-88-20(411)-LL
 - 08-11-88-22(411)-LF
 - 02-28-89-24(411)-LL
 - 12-01-97-34(412)-JF
 - 01-20-98-36(412)-LSL
 - 02-23-00-C/E,R/S-LF
 - 08-16-05-R/S
 - 12-05-05-34(412)-BC
 - 12-05-06-R/S-BC
 - 06-13-07-Cor RD

First American Title

NOTICE

NOTE: This map was prepared for Assessment purposes only and does not indicate either parcel legality or a valid building site. No liability is assumed for the accuracy of the data delineated. The acreages are based on the information supplied to the Assessor (i.e. recorded survey maps, recorded deeds, prior assessment maps, etc.)

NOTE: Assessor's parcels do not necessarily constitute legal lots. To verify legal parcel status, check with the appropriate city or county community development or planning division.

PARCEL MAP No. 110
REC. 05-13-97 IN BK. 564, MAPS, PGS. 19-20

Assessor's Map Bk. 018, Pg. 41
Sonoma County, Calif. (ACAD)
KEY 6/13/17 RD

Order Number: 4906-3539620
Page Number: 9

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B**

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the Insured claimant, (b) not known to the Company and not shown by the public records but known to the Insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the Insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the Insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance

- resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
 3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
 4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the Instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

* land use	* land division
* improvements on the land	* environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 2008

Covered Risks 16 (Subdivision Law Violation), 18 (Building Permit), 19 (Zoning) and 21 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- 1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
a. building b. zoning
c. land use d. Improvements on the land
e. land division f. environmental protection
This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the policy Date;
c. that result in no loss to You; or
d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
b. in streets, alleys, or waterways that touch the Land.
This Exclusion does not limit the coverage described in Covered Risk 11 or 21

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

Table with 2 columns: Your Deductible Amount, Our Maximum Dollar Limit of Liability. Rows for Covered Risk 16, 18, 19, and 21.

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
 (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
 6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
 8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006

WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or

- that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

**16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.



First American

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

The First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

The First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

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RECORDATION REQUESTED BY:

Sonoma Valley Bank
Sonoma Branch
202 West Napa Street
Sonoma, CA 95476

WHEN RECORDED MAIL TO:

Sonoma Valley Bank
Sonoma Branch
202 West Napa Street
Sonoma, CA 95476



2008054800

OFFICIAL RECORDS OF
SONOMA COUNTY
JANICE ATKINSON

FIRST AMERICAN TITLE CO.
08/13/2008 08:00 AM
RECORDING FEE: 23.00
PAID

6 PGS



FOR RECORDER'S USE ONLY

HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

THIS HAZARDOUS SUBSTANCES AGREEMENT dated June 9, 2008, is made and executed among Robert Bohna, an unmarried man, whose address is 100 East MacArthur Street, Sonoma, CA 95476-7613 (sometimes referred to below as "Borrower" and sometimes as "Indemnitor"); and Sonoma Valley Bank, Sonoma Branch, 202 West Napa Street, Sonoma, CA 95476 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Sonoma County, State of California:

See Exhibit "A", which is attached to this Agreement and made a part of this Agreement as if fully set forth herein.

The Real Property or its address is commonly known as 870 Broadway, Sonoma, CA 95476-7013. The Assessor's Parcel Number for the Real Property is 018-412-025 and 018-412-030.

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

Use of Property. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, disposal, release, or threatened release of any Hazardous Substances by any person on, under, or about the Property.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Property, whenever and whether owned by previous Occupants, has ever contained asbestos, PCBs, lead paints or other Hazardous Substances, whether used in construction or stored on the Property.

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters, ambient air or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Indemnitor covenants with Lender as follows:

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substances, PCBs, lead paint or asbestos.

Compliance with Environmental Laws. Indemnitor shall cause the Property and the operations conducted on it to comply with any and all Environmental Laws and orders of any governmental authorities having jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental permits and authorizations required by Environmental Laws with respect to such Property or operations. Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Preventive, Investigatory and Remedial Action. Indemnitor shall exercise extreme care in handling Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) (a) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or minimize property damage (including damage to Occupant's own property), personal injury or damage to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Property or operations of any Occupant on the Property. In the event Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor to Lender upon demand with interest at the Note default rate, or in the absence of a default rate, at the Note interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and appropriate.

HAZARDOUS SUBSTANCES AGREEMENT (Continued)

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Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

- (1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.
- (2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.
- (3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.
- (4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.
- (5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that Indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at Indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION. Indemnitor hereby agrees to and shall indemnify, defend, and hold harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents from and against any and all claims, demands, losses, liabilities, costs, fines, penalties and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review, consultants' fees, remedial action costs, natural resource damages and diminution in value) incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property, or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, including without limitation any natural resource damages, or (b) arising out of or related to any noncompliance with or violation of Environmental Laws or any applicable permits or approvals, or (c) on account of injury to Lender or any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant, representation or warranty contained in this Agreement, (ii) the violation of any Environmental Laws, permits, authorizations or approvals, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Property, or (iv) the contamination of any of the Property by, or the presence, release or threatened release of, Hazardous Substances by any means whatsoever (explicitly including without limitation any presently existing contamination of the Property, whether or not previously disclosed to Lender), or (d) pursuant to this Agreement. Indemnitor's obligations under this section shall survive the termination of this Agreement and as set forth below in the Survival section. In addition to this indemnity, Indemnitor hereby releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Note default rate, or in the absence of a default rate, at the Note interest rate.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Indemnitor also will pay any

HAZARDOUS SUBSTANCES AGREEMENT (Continued)

Loan No: 1069842

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court costs, in addition to all other sums provided by law.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Indemnitor agrees upon Lender's request to submit to the jurisdiction of the courts of Sonoma County, State of California.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Indemnitor, shall constitute a waiver of any of Lender's rights or of any of Indemnitor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender. Indemnitor hereby waives notice of acceptance of this Agreement by Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Hazardous Substances Agreement, as this Hazardous Substances Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Hazardous Substances Agreement from time to time.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means Sonoma Valley Bank, its successors and assigns.

Note. The word "Note" means the Note executed by Robert Bohna in the principal amount of \$260,000.00 dated June 9, 2008, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**HAZARDOUS SUBSTANCES AGREEMENT
(Continued)**

Loan No: 1069842

Page 4

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the Property, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED JUNE 9, 2008.

BORROWER:

X *Robert Bohna*
Robert Bohna

LENDER:

SONOMA VALLEY BANK

X *Becky Eiler*
Authorized Signer

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California)
) SS
COUNTY OF Sonoma)

On June 9, 2008 before me, Veronica Orda Z, Notary Public
(here insert name and title of the officer)

personally appeared Robert Bohna, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature *Veronica Orda Z*



(Seal)

HAZARDOUS SUBSTANCES AGREEMENT
(Continued)

Loan No: 1069842

Page 5

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California)
) SS
COUNTY OF Sonoma)

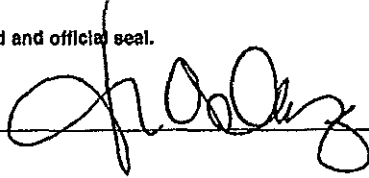
On June 9, 2008 before me, Veronica Ordez, Notary Public
(here insert name and title of the officer)

personally appeared Becky Elster, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature



(Seal)

EXHIBIT "A"

Real property in the City of Sonoma, County of Sonoma, State of California, described as follows:

PARCEL ONE:

BEGINNING AT A PIPE MONUMENT MARKING THE SOUTHWEST CORNER OF LOT NO. 121, CITY OF SONOMA, SONOMA COUNTY, STATE OF CALIFORNIA, AS SAID LOT IS KNOWN, DESIGNATED AND NUMBERED ON O'FARRELL'S MAP FOR PLAT OF THE FORMER PUEBLO OR EX-CITY OF SONOMA; THENCE NORTH 7 DEG. 05' 30" EAST, ALONG THE WESTERLY LINE OF SAID LOT, 290.00 FEET TO AN EXISTING PIPE MONUMENT WHICH BEARS SOUTH 7 DEG. 05' 30" WEST, 10.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 121; THENCE SOUTH 83 DEG. 14' 30" EAST, PARALLEL TO THE NORTHERLY LINE OF SAID LOT NO. 121, 171.10 FEET TO A PIPE MONUMENT; THENCE SOUTH 7 DEG. 19' 30" WEST, 290.00 FEET TO A PIPE MONUMENT; THENCE NORTH 83 DEG. 14' 30" WEST, ALONG THE SOUTHERLY LINE OF SAID LOT, 169.90 FEET TO THE PLACE OF BEGINNING.

PARCEL TWO:

A PORTION OF LOT 121, AS SAID LOT IS KNOWN, DESIGNATED AND NUMBERED ON O'FARRELL'S MAP OR PLAT OF THE FORMER PUEBLO, OR EX-CITY OF SONOMA, AND ALSO A PORTION OF THAT NARROW PIECE, PARCEL OR STRIP OF LAND (FORMERLY A PORTION OF FIRST STREET EAST) LYING, BEING AND EXTENDING BETWEEN LOTS NUMBERED 120 AND 121, SAID PORTIONS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID LOT 121, SAID POINT BEING THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO HUTCHISON ALFRED WHITEHEAD, ET UX, BY DEED DATED JANUARY 9, 1953, RECORDED JANUARY 15, 1953 IN LIBER 1182 OF OFFICIAL RECORDS, PAGE 309, SONOMA COUNTY RECORDS; THENCE NORTH 7 DEG. 19' 30" EAST, ALONG THE EASTERLY LINE OF SAID WHITEHEAD TRACT, 290.0 FEET TO THE SOUTHERLY LINE OF THE TRACT OF LAND CONVEYED TO R. MCD. WOODWORTH, BY DEED DATED NOVEMBER 16, 1944, RECORDED DECEMBER 1, 1944 IN LIBER 623 OF OFFICIAL RECORDS, PAGE 368, SONOMA COUNTY RECORDS; THENCE EASTERLY, ALONG THE SOUTHERLY LINE OF SAID WOODWORTH TRACT, TO THE WESTERLY LINE OF LOT 120, AS SHOWN AND DESIGNATED UPON O'FARRELL'S MAP OR PLAT OF THE FORMER PUEBLO OR EX-CITY OF SONOMA, REFERRED TO ABOVE; THENCE SOUTHERLY, ALONG THE WESTERLY LINE OF SAID LOT 120, A DISTANCE OF 290.0 FEET TO THE SOUTHWEST CORNER OF SAID LOT 120; THENCE IN A DIRECT LINE, WESTERLY, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM, ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF BROADWAY STREET, AND THE NORTH LINE OF MCARTHUR AVENUE; RUNNING THENCE ALONG THE NORTHERN LINE, SOUTH

82 DEG. 13' EAST, ALONG SAID MCARTHUR AVENUE, A DISTANCE OF 300 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE HEREIN DESCRIBED; THENCE NORTH 7 DEG. 46' EAST, A DISTANCE OF 100 FEET; THENCE NORTH 82 DEG. 13' WEST, 50 FEET; THENCE SOUTH 7 DEG. 46' EAST, A DISTANCE OF 100 FEET; THENCE NORTH 82 DEG. 13' WEST, 50 FEET; THENCE SOUTH 7 DEG. 46' WEST, A DISTANCE OF 100 FEET TO A POINT ON THE NORTHERN LINE OF SAID MCARTHUR AVENUE; THENCE SOUTH 82 DEG. 13' EAST, A DISTANCE OF 50 FEET TO THE POINT OF BEGINNING.

APN:

RECORDATION REQUESTED BY:

Sonoma Valley Bank
Sonoma Branch
202 West Napa Street
Sonoma, CA 95476



2009026534

OFFICIAL RECORDS OF
SONOMA COUNTY

FIRST AMERICAN TITLE CO. JANICE ATKINSON
03/25/2009 13:28 AGM
RECORDING FEE: 23.00
PAID

6 PGS

WHEN RECORDED MAIL TO:

Sonoma Valley Bank
Sonoma Branch
202 West Napa Street
Sonoma, CA 95476



FAT 3234611-DE

FOR RECORDER'S USE ONLY

HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

THIS HAZARDOUS SUBSTANCES AGREEMENT dated March 24, 2009, is made and executed among Robert H. Bohna, whose address is 100 East MacArthur Street, Sonoma, CA 95476-7613 (sometimes referred to below as "Borrower" and sometimes as "Indemnitor"); and Sonoma Valley Bank, Sonoma Branch, 202 West Napa Street, Sonoma, CA 95476 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Sonoma County, State of California:

See Exhibit "A", which is attached to this Agreement and made a part of this Agreement as if fully set forth herein.

The Real Property or its address is commonly known as 870 Broadway, Sonoma, CA 95476. The Assessor's Parcel Number for the Real Property is 018-412-025-000 & 018-412-030-000.

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

Use of Property. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, disposal, release, or threatened release of any Hazardous Substances by any person on, under, or about the Property.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Property, whenever and whether owned by previous Occupants, has ever contained asbestos, PCBs, lead paints or other Hazardous Substances, whether used in construction or stored on the Property.

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters, ambient air or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Indemnitor covenants with Lender as follows:

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substances, PCBs, lead paint or asbestos.

Compliance with Environmental Laws. Indemnitor shall cause the Property and the operations conducted on it to comply with any and all Environmental Laws and orders of any governmental authorities having jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental permits and authorizations required by Environmental Laws with respect to such Property or operations. Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Preventive, Investigatory and Remedial Action. Indemnitor shall exercise extreme care in handling Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) (a) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or minimize property damage (including damage to Occupant's own property), personal injury or damage to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Property or operations of any Occupant on the Property. In the event Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor to Lender upon demand with interest at the Note default rate, or in the absence of a default rate, at the Note interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and appropriate.

HAZARDOUS SUBSTANCES AGREEMENT (Continued)

Loan No: 1070052

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Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

- (1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.
- (2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the Property.
- (3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.
- (4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.
- (5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that Indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION. Indemnitor hereby agrees to and shall indemnify, defend, and hold harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents from and against any and all claims, demands, losses, liabilities, costs, fines, penalties and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review, consultants' fees, remedial action costs, natural resource damages and diminution in value) incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property, or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, including without limitation any natural resource damages, or (b) arising out of or related to any noncompliance with or violation of Environmental Laws or any applicable permits or approvals, or (c) on account of injury to Lender or any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant, representation or warranty contained in this Agreement, (ii) the violation of any Environmental Laws, permits, authorizations or approvals, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Property, or (iv) the contamination of any of the Property by, or the presence, release or threatened release of, Hazardous Substances by any means whatsoever (explicitly including without limitation any presently existing contamination of the Property, whether or not previously disclosed to Lender), or (d) pursuant to this Agreement. Indemnitor's obligations under this section shall survive the termination of this Agreement and as set forth below in the Survival section. In addition to this indemnity, Indemnitor hereby releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Note default rate, or in the absence of a default rate, at the Note interest rate.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Indemnitor also will pay any

HAZARDOUS SUBSTANCES AGREEMENT (Continued)

Loan No: 1070052

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court costs, in addition to all other sums provided by law.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Indemnitor agrees upon Lender's request to submit to the jurisdiction of the courts of Sonoma County, State of California.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Indemnitor, shall constitute a waiver of any of Lender's rights or of any of Indemnitor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender. Indemnitor hereby waives notice of acceptance of this Agreement by Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Hazardous Substances Agreement, as this Hazardous Substances Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Hazardous Substances Agreement from time to time.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means Sonoma Valley Bank, its successors and assigns.

Note. The word "Note" means the Note executed by Sonoma Truck and Auto Center, Inc. in the principal amount of \$370,000.00 dated March 24, 2009, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

HAZARDOUS SUBSTANCES AGREEMENT
(Continued)

Loan No: 1070052

Page 4

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the Property, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED MARCH 24, 2009.

BORROWER:

X Robert H. Bohna
Robert H. Bohna

LENDER:

SONOMA VALLEY BANK

X [Signature]
Authorized Signer

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California)
) SS
COUNTY OF Sonoma)

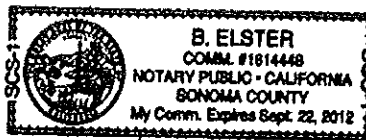
On March 24, 2009 before me, B Elster Notary Public
(here insert name and title of the officer)

personally appeared Robert H. Bohna, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Signature]



(Seal)

HAZARDOUS SUBSTANCES AGREEMENT
(Continued)

Loan No: 1070052

Page 5

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF California)
) SS
COUNTY OF Sonoma)

On March 24, 2009 before me, Anna Marie Dawson
(here insert name and title of the officer)

personally appeared Becky Elster, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Anna Marie Dawson



(Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

Real property in the City of Sonoma, County of Sonoma, State of California, described as follows:

PARCEL ONE:

BEGINNING AT A PIPE MONUMENT MARKING THE SOUTHWEST CORNER OF LOT NO. 121, CITY OF SONOMA, SONOMA COUNTY, STATE OF CALIFORNIA, AS SAID LOT IS KNOWN, DESIGNATED AND NUMBERED ON O'FARRELL'S MAP FOR PLAT OF THE FORMER PUEBLO OR EX-CITY OF SONOMA; THENCE NORTH 7° 05' 30" EAST, ALONG THE WESTERLY LINE OF SAID LOT, 290.00 FEET TO AN EXISTING PIPE MONUMENT WHICH BEARS SOUTH 7° 05' 30" WEST, 10.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 121; THENCE SOUTH 83° 14' 30" EAST, PARALLEL TO THE NORTHERLY LINE OF SAID LOT NO. 121, 171.10 FEET TO A PIPE MONUMENT; THENCE SOUTH 7° 19' 30" WEST, 290.00 FEET TO A PIPE MONUMENT; THENCE NORTH 83° 14' 30" WEST, ALONG THE SOUTHERLY LINE OF SAID LOT, 169.90 FEET TO THE PLACE OF BEGINNING.

PARCEL TWO:

A PORTION OF LOT 121, AS SAID LOT IS KNOWN, DESIGNATED AND NUMBERED ON O'FARRELL'S MAP OR PLAT OF THE FORMER PUEBLO, OR EX-CITY OF SONOMA, AND ALSO A PORTION OF THAT NARROW PIECE, PARCEL OR STRIP OF LAND (FORMERLY A PORTION OF FIRST STREET EAST) LYING, BEING AND EXTENDING BETWEEN LOTS NUMBERED 120 AND 121, SAID PORTIONS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SAID LOT 121, SAID POINT BEING THE SOUTHEAST CORNER OF THE TRACT OF LAND CONVEYED TO HUTCHISON ALFRED WHITEHEAD, ET UX, BY DEED DATED JANUARY 9, 1953, RECORDED JANUARY 15, 1953 IN LIBER 1182 OF OFFICIAL RECORDS, PAGE 309, SONOMA COUNTY RECORDS; THENCE NORTH 7° 19' 30" EAST, ALONG THE EASTERLY LINE OF SAID WHITEHEAD TRACT, 290.0 FEET TO THE SOUTHERLY LINE OF THE TRACT OF LAND CONVEYED TO R. MCD. WOODWORTH, BY DEED DATED NOVEMBER 16, 1944, RECORDED DECEMBER 1, 1944 IN LIBER 623 OF OFFICIAL RECORDS, PAGE 368, SONOMA COUNTY RECORDS; THENCE EASTERLY, ALONG THE SOUTHERLY LINE OF SAID WOODWORTH TRACT, TO THE WESTERLY LINE OF LOT 120, AS SHOWN AND DESIGNATED UPON O'FARRELL'S MAP OR PLAT OF THE FORMER PUEBLO OR EX-CITY OF SONOMA, REFERRED TO ABOVE; THENCE SOUTHERLY, ALONG THE WESTERLY LINE OF SAID LOT 120, A DISTANCE OF 290.0 FEET TO THE SOUTHWEST CORNER OF SAID LOT 120; THENCE IN A DIRECT LINE, WESTERLY, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM, ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF BROADWAY STREET, AND THE NORTH LINE OF MCARTHUR AVENUE; RUNNING THENCE ALONG THE NORTHERN LINE, SOUTH 82° 13' EAST, ALONG SAID MCARTHUR AVENUE, A DISTANCE OF 300 FEET TO THE TRUE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE HEREIN DESCRIBED; THENCE NORTH 7° 46' EAST, A DISTANCE OF 100 FEET; THENCE NORTH 82° 13' WEST, 50 FEET; THENCE SOUTH 7° 46' EAST, A DISTANCE OF 100 FEET; THENCE NORTH 82° 13' WEST, 50 FEET; THENCE SOUTH 7° 46' WEST, A DISTANCE OF 100 FEET TO A POINT ON THE NORTHERN LINE OF SAID MCARTHUR AVENUE; THENCE SOUTH 82° 13' EAST, A DISTANCE OF 50 FEET TO THE POINT OF BEGINNING.

APN: 018-412-025-000 (Affects: Parcel One) and 018-412-030-000 (Affects: Parcel Two).