Recording Requested By:

Tai Yeh
1215 De La Vina Street, Suite I
Santa Barbara, CA 93101

When Recorded, Mail To:
Roger W. Briggs, Executive Officer
Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Joshua Neipp, Hazardous Materials Specialist
Santa Barbara County Fire Department
Site Mitigation Unit
195 W. Highway 246, Suite 102
Buellton, CA 93427

APN 035-160-011 Space Above Line for Recorder's Use
1632 Cliff Drive, Santa Barbara, CA

COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY
May 25, 2006

[1632 Cliff Drive, Santa Barbara, California]

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the 15th day of December, 2005 by **Tai Yeh** and **Chia Lee Yeh** ("Covenantors") who are the owners of record of that certain property situated at 1632 Cliff Drive, in the City of Santa Barbara, County of Santa Barbara, State of California, which is more particularly described in Exhibit A and incorporated herein by this reference (hereinafter referred to as the "Burdened Property"), for the benefit of the **California Regional Water Quality Control Board for the Central Coast Region** ("Board") and **Santa Barbara County Fire Department** ("Fire Department"), with reference to the following facts:

A. Hazardous Materials. The Burdened Property contains hazardous materials.

B. Contamination of the Burdened Property. Soil at the Burdened Property was contaminated by petroleum-based substances, the nature and extent of which have been assessed in a series of reports prepared by Campbell-Geo, Inc. dated May 12, 2004, August 9, 2004, August 16, 2004, and November

30, 2004, which reports have been placed on file with the Fire Department (Reference SMU-2, Site #20164) ("Reports").

C. Exposure Pathways. The hazardous materials addressed in this Covenant are present in soil on the Burdened Property. Without the mitigation measures which have been performed on the Burdened Property, exposure to these hazardous materials could take place via in place contact, surface water runoff, or other means, resulting in dermal contact or inhalation. The risk of public exposure to the hazardous materials has been substantially lessened by the remediation and controls described herein.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is used for residential uses and is adjacent to other residential land uses.

E. Disclosure and Testing. Covenantors have made full and voluntary disclosure to the Board and Fire of the presence of hazardous materials on the Burdened Property and extensive sampling of the Burdened Property has been conducted.

F. Intent. Covenantors desire and intend that in order to benefit the Board, Fire, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property. The Covenantors intend to impose certain covenants, conditions and environmental restrictions on the Burdened Property.

ARTICLE I

GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board, Fire, and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Burdened Property unless expressly stated as applicable to a specific portion of the Burdened Property. Each and all of the Restrictions run with the land pursuant to section 147 1 of the Civil Code. Each

and all of the Restrictions are enforceable by the Board, Fire, or any other federal, state or local governmental agency with jurisdiction over public health or environmental remediation.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Board, Fire, and the Owners and Occupants of the Burdened Property and that the interest of the Owners and Occupants of the Burdened Property shall be subject to the Restrictions contained herein.

1.3 Incorporation into Deeds and Leases. Covenantors desire and covenant that the Restrictions set out herein shall be incorporated in and attached to each and all deeds and leases of any portion of the Burdened Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board and Fire real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II

DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board for the Central Coast Region and shall include its successor agencies, if any.

2.2 Fire. "Fire" shall mean Santa Barbara County Fire Department and shall include its successor agencies, if any.

2.3 Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

2.4 Occupants. "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to use and/or occupy all or any portion of the Burdened Property.

2.5 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest, who hold title to all or any portion of the Burdened Property.

2.6 Hazardous Material. "Hazardous material" means a substance or waste that, because of its physical, chemical, or other characteristics, may pose a risk of endangering human health or safety or of degrading the environment. "Hazardous material" includes, but is not limited to, all of the following: (1) a hazardous substance, as defined in Section 25281 or 25316 of the California Health and Safety Code; (2) a hazardous waste, as defined in Section 25117 of the California Health and Safety Code; (3) a waste, as defined in Section 470 of the California Health and Safety Code or as defined in Section 13050 of the California Water Code.

ARTICLE III

DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

3.1 Restrictions on Development and Use. Covenantors promise to restrict the use of the Burdened Property as follows:

a. The Covenantors shall install and periodically inspect a soil vapor barrier in accordance with the recommendations stated in the Reports.

b. All uses and development of the Burdened Property shall be consistent with any applicable Fire Order, Board Order or Risk Management Plan, each of which is hereby incorporated by reference including future amendments thereto. All uses and development shall preserve the integrity of any cap, any remedial measures taken or remedial equipment installed, and any groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board and Fire, unless otherwise expressly permitted in writing by the Board and Fire.

c. No Owners or Occupants of the Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board and Fire.

d. The Owner shall notify the Board and Fire of each of the following: (1) The type, cause, location and date of any disturbance to any remedial measures taken or remedial equipment installed on the Burdened Property pursuant to the requirements of the Board and Fire, which could affect the ability

of such remedial measures or remedial equipment to perform their respective functions and (2) the type and date of repair of such disturbance. Notification to the Board and Fire shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs;

e. The Covenantor agrees that the Board, Fire, and/or any persons acting pursuant to Board and Fire orders, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.

f. No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property.

3.2 Enforcement. Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Board, Fire, or any other federal, state or local governmental agency with jurisdiction over public health or environmental clean-up, by reason of this Covenant, to have the authority to require that the Owner modify or remove any Improvements constructed in violation of that paragraph. Violation of the Covenant shall be grounds for the Board, Fire, or any other federal, state or local governmental agency with jurisdiction over public health or environmental clean-up, to file civil actions against the Owner as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument that shall accompany all purchase agreements or leases relating to the property. Any such instrument shall contain the following statement:

> The land described herein contains hazardous materials in soils, and is subject to a deed restriction dated as of May 25, 2006 and recorded on _____, 200_, in the Official Records of Santa Barbara County, California, as Document No._____, which Covenant and Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV

VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or any portion thereof may apply to the Board and Fire for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or a portion thereof may apply to the Board and Fire for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

4.3 Term. Unless terminated in accordance with paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V

MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or official of a government agency being served, or (2) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantors"

Tai Yeh
1215 De La Vina Street, Suite I
Santa Barbara, CA 93101

If To: "Board"

Regional Water Quality Control Board, Central Coast Region
Attention: Executive Officer
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

If To: "Fire"

Santa Barbara County Fire Department
Attention: Supervising Hazardous Materials Specialist
195 W. Highway 246, Suite 102
Buellton, CA 93427

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

5.5 Recordation. This instrument shall be executed by the Covenantor, by the Hazardous Materials Specialist of Fire, and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantors in the County of Santa Barbara within ten (10) days of the date of execution.

5.6 References. All references to Code sections include successor provisions.

5.7 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to effect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantors:

_____
Tai Weh

_____
Chia Lee Weh

Board:

State of California Regional Water Quality Board, Central Coast Region

By: _____
Roger W. Briggs
Executive Officer

Fire:

Santa Barbara County Fire Department

By: _____
Joshua Neipp
Hazardous Materials Specialist

STATE OF CALIFORNIA
COUNTY OF SANTA BARBARA

On _____, before me, the undersigned a Notary Public in and for said state, personally appeared **TAI YEH**, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public in and for said
County and State

STATE OF CALIFORNIA
COUNTY OF SANTA BARBARA

On _____, before me, the undersigned a Notary Public in and for said state, personally appeared **CHIA LEE YEH**, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public in and for said
County and State

STATE OF CALIFORNIA
COUNTY OF SANTA BARBARA

On _____, before me, the undersigned a Notary Public in and for said state, personally appeared **JOSHUA NEIPP**, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument.

WITNESS my hand and official seal.

_____
Notary Public in and for said
County and State

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO

On May 25, 2006, before me, the undersigned a Notary Public in and for said state, personally appeared **ROGER W. BRIGGS**, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Carol Hewitt

Notary Public in and for said
County and State

CAROL HEWITT
Commission # 1641511
Notary Public - California
San Luis Obispo County
My Comm. Expires Jan 28, 2010

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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STATE OF CALIFORNIA
CALIFORNIA WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF MARCH 24-25, 2005

Prepared on February 24, 2005

ITEM: 12

SUBJECT: LOW THREAT AND GENERAL DISCHARGE CASES

DISCUSSION

Low Threat and General Discharge Cases

General Waste Discharge Requirements for Wineries:

Small Winery Waivers, [Matt Thompson, 805/549-3159]

The Regional Board adopted *General Waste Discharge Requirements for Discharges of Winery Waste* (General Winery WDR) on November 1, 2002. A component of the General Winery WDR authorizes the Executive Officer to grant waivers of Waste Discharge Requirements to small wineries that pose little or no threat to water quality. The General Winery WDR defines a "small winery" as one that crushes less than or equal to 80 tons of grapes per year, or produces less than or equal to 5,000 cases or 13,000 gallons of wine per year. In general, small wineries generate 200 to 300 gallons-per-day (long-term average) of process wastewater, most of which originates from equipment (tanks, barrels, floors, etc.) cleaning. Waivers expire five years from the date granted or whenever the winery no longer meets the definition of small, whichever is sooner.

The following table identifies wineries granted Small Winery Waivers between November 1, 2004, and February 16, 2005.

Facility Name	Facility Location	Facility Owner	Production and Discharge Description	Date Waiver Granted
Gelfand Vineyards	5530 Dresser Ranch Place, Paso Robles, San Luis Obispo County	Leonard and Jan Gelfand	Gelfand Vineyards produces up to 1,500 cases of wine per year and generates minimal winery process wastewater. Winery wastewater from equipment, floor and barrel cleaning flows through screens to a settling tank, where the clear liquids will be pumped into a small trailer for immediate application to vineyard roads for dust control. The solids will be composted in the vineyard. Depth to groundwater beneath the disposal area is greater than 100 feet. Solids are disposed in the vineyard.	December 1, 2004
Cass Vineyards	777 Geneseo Road, Paso Robles	Geneseo Partners LLC	Cass Vineyards produces less than 5,000 cases of wine per year and generates up to 500 gallons per day of winery process wastewater. Process wastewater is screened by basket strainers, settled in a 4,500-gallon septic tank equipped with an effluent filter, and disposed to two 370-lineal foot leachfields. The disposal area is greater than 100 feet from any water supply wells or water bodies. Depth to	January 20, 2005

constituents have attenuated to non-detectable concentrations or to concentrations below water quality objectives. Fuel oxygenates (including MTBE) have not been detected at this site. Annual sampling results from May 2004 indicate a maximum concentration of total petroleum hydrocarbons (TPH) at 6 milligrams per liter (mg/L) and benzene at 17 micrograms per liter (µg/L) in monitoring well MW-4. Monitoring well MW-5 (approximately 60 feet south of well MW-4) also contains a maximum contaminant concentration of TPH at 2.1 mg/L, and benzene at less than 5 µg/L. The County of Monterey concurs with this case closure recommendation.

The site is a former service station located on Salinas Road approximately one half mile south of the Pajaro River, and is currently a "mini-mart" with paved parking. The depth to groundwater has varied from four to ten feet below ground surface, and flows in a southerly direction at a gradient of 0.007 ft./ft. The site is underlain by a predominately fine grained clay unit, with sand and sandy clay for the first six to seven feet, then by clay. The nearest water supply well is reportedly 1300 feet to the south east, and is perforated from 160 feet to 200 feet below the ground surface. The residual petroleum hydrocarbons are unlikely to impact this well considering the distance, groundwater flow direction, well construction and chemical characteristics (including concentrations) of the contaminants.

The underground tanks and approximately 65 cubic yards of contaminated soil were removed in 1991. Analytical testing confirmed a release of gasoline contaminants to soil. Subsequent investigative borings and five groundwater monitoring wells also detected gasoline contaminants in groundwater. TPH concentrations have declined from the site's maximum of 48 mg/L (February 1997 in well MW-4) to 6 mg/L currently, and benzene concentrations declined from a maximum of 280 µg/L to 17 µg/L. TPH concentrations have also declined from 11.7 mg/L to 2.1 mg/L and benzene concentrations from 10 µg/L to less than 5 µg/L during the same time frame in well MW-5.

The site is within the Watsonville Hydrologic Area of the Pajaro River Hydrologic Unit (305.10), for which the "Water Quality Control Plan, Central Coast Region" (Basin Plan) designates groundwater as having beneficial uses of domestic and municipal supply, agricultural supply, and industrial supply. Therefore, current cleanup goals for common hydrocarbon constituents are as follows: 1.0 mg/L–total petroleum hydrocarbons (TPH), 1 µg/L–benzene, 150 µg/L–toluene, 300 µg/L–ethylbenzene, 1,750 µg/L–xylenes, and 5 µg/L–methyl *tertiary*-butyl ether (MTBE). Cleanup goals for MTBE and TPH have been established based on taste and odor thresholds and not on health risks.

Staff recommends closure of this case based on the following: (1) the contaminant mass has been removed to the extent practical, (2) the contaminant plume is localized, well defined, and confined to an area around two onsite wells, (3) the contaminants concentrations are not significantly above the clean-up levels, and (4) based on historical monitoring data, the contaminant concentrations are expected to continue to decrease through natural attenuation and meet groundwater cleanup goals.

The current property owner, the responsible party, and responsible party's consultant have been notified of Regional Board staff's recommended closure of this case.

Closure is consistent with Section III.G., State Board Resolution No. 92-49, allowing consideration of cost effective abatement measures for a site where attainment of reasonable objectives less stringent than background water quality does not unreasonably affect present or anticipated beneficial uses of groundwater, and will not result in water quality less than prescribed by the Basin Plan.

Unless the Regional Board objects, and pending appropriate monitoring well destruction, the Executive Officer will issue a case closure letter pursuant to California Underground Storage Tank Regulations.

Yeh Residence, 1632 Cliff Drive, Santa Barbara, Santa Barbara County [Sheila Soderberg 805/549-3592]

On February 8, 2005, Santa Barbara County Fire Protection Division (County Fire) requested Regional Board staff's concurrence for case closure for the Yeh Residence, located at 1632

Cliff Drive in Santa Barbara. Regional Board staff concurs that this case should be closed.

The Yeh Residence, located in the La Mesa area of downtown Santa Barbara, was developed on former oil field property. During a home addition project in Spring 2004, crude-oil contaminated soil was discovered beneath the planned footprint of the new addition. Further subsurface investigation revealed that there were two sumps located on the subject property. The extent of petroleum-impacted soil was characterized vertically and laterally. The West Sump was excavated and contaminated soil was disposed of offsite June through October 2004. Petroleum contaminated soil from the East Sump could not be excavated, because it is located beneath the existing residence. County Fire estimates that approximately 1,920 cubic yards of petroleum-impacted soil remains beneath the residence. In order to evaluate the potential human health impact of the sump to residents, the Yeh family's consultants prepared a Human Health Risk Assessment, which was reviewed by County Fire's toxicologist. As part of the residence's scheduled remodel, County Fire will require that a vapor barrier be installed beneath the footprint of the existing residence and planned addition. The Yeh family will be required to periodically inspect the vapor barrier under the residence.

In a groundwater grab sample collected May 18, 2004, benzene was detected at 1.1 micrograms per liter (ppb), which is above the Dept. of Health Services Maximum Contaminant Level (MCL) for benzene (1 ppb). A groundwater monitoring well, MW-1, was installed down gradient of the sump. On October 7, 2004, petroleum hydrocarbons as crude oil (C8-C40) were detected at 360 ppb in a groundwater sample collected from MW-1. Benzene, toluene, and other petroleum hydrocarbon constituents were not above laboratory detection limits during the October 7, 2004, groundwater-sampling event. The well was re-sampled on October 21, 2004, and petroleum hydrocarbon constituents were below laboratory detection limits.

County Fire considers this site to be a low risk case based on the reasons discussed above and because no drinking water wells are located within one mile of the site. In addition, the closest municipal wells are located in a different hydrogeologic unit. The responsible party has agreed to record a deed notice regarding the remaining residual petroleum hydrocarbon in soil. The notice requires that if development occurs, this area should not be disturbed, or if this area is excavated, then the soils shall be tested for contamination. If petroleum impacts are still present, the petroleum-impacted soils shall be properly disposed of offsite. In addition, County Fire plans to hold a public hearing identifying that a deed notice to the record will be recorded for the subject property. Because petroleum-impacted soil extends from Yeh property onto an adjoining property, County Fire plans to contact the Yeh's neighbors to perform additional investigation of the East Sump.

ATTACHMENTS

1. Groundwater Contour and Concentration Map for Circle N Land Co.
2. TPH Soil Iso Concentration Map For Circle N Land Co.
3. Cross Section A-A' for Circle N Land Co.
4. Cross Section B-B' for Circle N Land Co.

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