

COVER SHEET (For Multiple Documents)



200506280191

Skagit County Auditor

6/28/2005 Page

1 of

5 3:52PM

RETURN TO:

Chicago Title Company
P.O. Box 670
Burlington WA 98233

DOCUMENT TITLE(S) (list all titles contained in document);

1. Assignment of Lessor's Interest in Lease

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

1. 9502010066

2.

| | ADDITIONAL REFERENCE NUMBERS ON PAGE ____
OF DOCUMENT.

GRANTOR(S) (Last name, first name and initials):

1. Port of Skagit County

1.

2.

2.

3.

3.

4.

4.

| | ADDITIONAL NAMES ON PAGE ____ OF DOCUMENT.

GRANTEE(S) (Last name, first name and initials):

1. Panattoni Investments, LLC

1.

2. Brynstad Family LLC

2.

3. Diepenbrock Washington Holdings, LLC

3.

4.

4.

| | ADDITIONAL NAMES ON PAGE ____ OF DOCUMENT.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range):

Lot 22, Hopper Road Business Park

| | ADDITIONAL LEGAL(S) ON PAGE 2 OF DOCUMENT.

ASSESSOR'S PARCEL/TAX I.D. NUMBER:

P116592

| | TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE ____ OF DOCUMENT.

**ASSIGNMENT OF LEASE
AND LESSEE'S CONSENT THERETO
WITH GENERAL TERMS**

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE

I. THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASE AND LESSEE'S CONSENT THERETO WITH GENERAL TERMS (this "Assignment") is made on June 28, 2005, by the **Port of Skagit County**, a Washington municipal corporation (the "Assignor"), in favor of **Panattoni Investments, LLC**, a California limited liability company, and **Brynstad Family LLC**, a Washington limited liability company and **Diepenbrock Washington Holdings, LLC**, a Washington limited liability company (collectively, "Assignee") and is consented to by Advanced H2O, a Washington corporation ("Lessee").

For a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, conveys, transfers and assigns to Assignee all of Assignor's right, title and interest in, to and under the lease (and all amendments and modifications thereto) relating to that certain real property located in the **City of Burlington, County of Skagit, State of Washington**, (the "Real Property") and more particularly described below:

Lot 22, Hopper Road Business Park, as set forth in the binding site plan recorded under auditor's file number 200002230067.

Said lease and amendments (collectively "Lease") are identified below:

Title	Date	Recording
Lease	12/20/94	9502010066
Amendment to Lease	12/12/95	9512180067
Assignment	1/16/98	9801230057
Second Amendment	4/18/00	200005100050
Second Assignment of Lease & Third Amendment to Lease	2/19/02	200202260120

This Assignment includes any and all rights, title, estates and interests of Assignor in and to such security deposits and prepaid rents, if any, as have been paid to Assignor pursuant to such Leases and not previously applied pursuant to the Lease, and any and all rights, title, estates and interests of Assignor in and to any subleases, if any, relating to the Real Property.

Assignor covenants that it will, at any time and from time to time upon written request therefor, at Assignee's sole expense and without the assumption of any



200506280191

Skagit County Auditor

additional liability thereby, execute and deliver to Assignee, its successors and assigns, any new or confirmatory instruments and take such further acts as Assignee may reasonably request to fully evidence the assignment contained herein and to enable Assignee, its successors and assigns to fully realize and enjoy the rights and interests assigned hereby.

Assignee accepts the foregoing assignment and assumes and shall pay, perform and discharge, as and when due, all of the performance obligations of Assignor as Landlord under the Leases arising during and applicable to the period after the date hereof and agrees to be bound by all of the terms and conditions of the Leases. Assignee further agrees that as between Assignor and Assignee, Assignor shall be responsible for any brokerage commissions, fees or payments arising out of that certain purchase and sale agreement dated July 8, 2004. No real estate licensee has a listing or is owed a commission for the lease of the Real Property.

Assignee shall indemnify, protect, defend and hold Assignor harmless from and against any and all claims, demands, liabilities, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from any failure of Assignee to perform the obligations of landlord under the Leases with respect to performance due by Assignee on or after the date hereof. Assignor shall indemnify, protect, defend and hold Assignee harmless from and against any and all claims, demands, liabilities, losses, costs, damages or expenses (including, without limitation, reasonable attorneys' fees and costs) arising out of or resulting from any breach or default by Assignor under the terms of the Leases arising prior to the date hereof.

The provisions of this Assignment shall be binding upon, and shall inure to the benefit of, the successors and assigns of Assignor and Assignee, respectively.

II. LESSEE'S CONSENT TO ASSIGNMENT

The above named Lessee hereby:

1. Acknowledges and approves the assignment set forth herein to Assignee by Assignor; and
2. Acknowledges that said assignment is not violative of the Lease; and
3. Certifies that at the date of such assignment: (a) Assignor is in full compliance with the terms and conditions of the Lease; (b) Lessee has paid \$11,125.23 in rent and \$1,428.48 in leasehold excise tax for the month of June, 2005, and (c) Lessor holds no security deposit.



200506280191

Skagit County Auditor

6/28/2005 Page 3 of 5 3:52PM

III. GENERAL TERMS

If any action is brought by any party against the other party, relating to or arising out of this Assignment, the transaction described herein or the enforcement hereof, or with respect to a breach of a representation or warranty hereunder, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the parties hereto, which may include printing, photocopying, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this paragraph shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment. Venue shall be proper in Skagit County, Washington.

IN WITNESS WHEREOF, Assignor, Assignee and Lessee have caused their duly authorized representatives to execute this Assignment as of the date first above written.

ASSIGNOR:

PORT OF SKAGIT COUNTY,
a Washington municipal corporation

Date: 6-21-05

By: [Signature]
Jerry Kaufman, President

Date: 6-21-05

By: [Signature]
Kevin E. Ware, Secretary

ASSIGNEE:

PANATTONI INVESTMENTS, LLC,
a California limited liability company

Date: 6-28-05

By: [Signature]
Carl D. Panattoni, Trustee of the
Panattoni Living Trust, dated
April 8, 1998, Managing Member

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 28 2005

Amount Paid \$ 0
Skagit Co. Treasurer
By [Signature] Deputy

200506280191
Skagit County Auditor

6/28/2005 Page 4 of 5 3:52PM

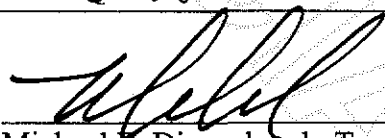
BRYNESTAD FAMILY LLC,
a Washington limited liability company

Date: 6-28-05

By: 
Bart Brynestad, Sole Member


DIEPENBROCK WASHINGTON HOLDINGS, LLC,
a Washington limited liability company

Date: 6-28-05

By: 
Michael E. Diepenbrock, Trustee of
The Diepenbrock Family Trust,
Established March 12, 1997,
Sole Member

ADVANCED H2O, a Washington corporation

Date: 6-28-05

By: 
Robert Abramowitz, President



200506280191
Skagit County Auditor

6/28/2005 Page 5 of 5 3:52PM