

Chicago Title

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:



200506280198

Skagit County Auditor

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Martin R. Boersma
Panattoni Law Firm
8413 Jackson Road, Suite "C"
Sacramento, CA 95826

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made and entered into effect as of the 28 day of June, 2005, by and between **PANNATONI INVESTMENTS, LLC**, a California limited liability company, **BRYNESTAD FAMILY, LLC**, a Washington limited liability company, and **DIEPENBROCK WASHINGTON HOLDINGS, LLC**, a Washington limited liability company (collectively "Lessor") and **ADVANCED H2O LLC**, a Delaware limited liability company ("Tenant").

1. **TERM AND PREMISES**. Pursuant to that certain Lease dated June 28, 2005 between Lessor and Tenant (the "Lease"), Lessor leases to Tenant and Tenant leases from Lessor those certain premises (the "Premises") described on Exhibit "A" hereto, for the initial Primary Term of fifteen (15) Lease Years (as such term is defined in the Lease), commencing on the Substantial Completion Date as defined in the Lease and Construction Agreement referred to and incorporated therein, upon the provisions set forth in the Lease, all of which provisions are specifically made a part hereof as fully and completely as if set out in full herein.

2. **OPTIONS TO EXTEND TERM**. Reference is particularly made to **Article II** of the Lease wherein Tenant is given the option to extend the term of the Lease on the terms and conditions set forth therein for one (1) period of five (5) years.

3. **USE**. Reference is particularly made to **Article IV** of the Lease wherein Tenant is granted the right to use the Premises for a water bottling plant and any lawful activities as may be incidental to such use.

4. **PURPOSE OF MEMORANDUM OF LEASE**. This Memorandum of Lease is prepared for the purposes of recording a notification as to the existence of the Lease but in no way modifies the express and particular provisions of the Lease. In the event of a conflict between the terms of the Lease and the terms of this Memorandum of Lease, the terms of the Lease shall control. This Memorandum may be executed in one (1) or more counterparts, and all of the counterparts shall constitute but one and the same agreement, notwithstanding that all parties hereto are not signatory to the same or original counterpart.

Lots 20 and 22 Hopper Road Business Park
p 116592

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 28 2005

Amount Paid \$0
Skagit Co. Treasurer
By *LP* Deputy

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Memorandum of Lease as of the day and year first above written.

LESSOR:

BRYNESTAD FAMILY LLC,
a Washington limited liability company,

By: _____

Name: _____

Title: _____

DIEPENBROCK WASHINGTON HOLDINGS, LLC,
a Washington limited liability company

By: _____

Name: _____

Title: _____

PANATTONI INVESTMENTS, LLC,
a California limited liability company

By: _____

Carl D. Panattoni, Trustee of the
Panattoni Living Trust, dated
April 8, 1998, Managing Member

TENANT:

ADVANCED H2O LLC,
a Delaware limited liability company

By: _____

Name: Robert Abramowitz

Title: President & CEO



IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Memorandum of Lease as of the day and year first above written.

LESSOR:

BRYNESTAD FAMILY LLC,
a Washington limited liability company,

By: [Signature]

Name: Bart Brynestad

Title: _____

DIEPENBROCK WASHINGTON HOLDINGS, LLC,
a Washington limited liability company

By: [Signature]

Name: _____

Title: _____

PANATTONI INVESTMENTS, LLC,
a California limited liability company

By: [Signature]

Carl D. Panattoni, Trustee of the
Panattoni Living Trust, dated
April 8, 1998, Managing Member

TENANT:

ADVANCED H2O LLC,
a Delaware limited liability company

By: [Signature]

Name: Robert Abramowicz

Title: President & CEO

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STATE OF WASHINGTON

COUNTY

OF

SS.

King

I certify that I know or have satisfactory evidence that Robert Abramowitz is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as a member of **Advanced H2O LLC**, a Delaware limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument. President & CEO

Dated this 24th day of June, 2005



Karen E. Y. Booth
(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at Poulsbo

My appointment expires 12-28-06



STATE OF WASHINGTON

COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Burt Brynestad is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as a member of **Brynestad Family LLC**, a Washington limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument. managing

Dated this 28th day of June, 2005.



Karen E. Y. Booth
(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of WASHINGTON,
residing at Poulsbo

My appointment expires 12-28-06



STATE OF CALIFORNIA)
)
COUNTY OF SACRAMENTO)

On June 27, 2005, before me, M Britton, personally appeared Michael E. Diepenbrock personally known to me (or 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.

WITNESS my hand and official seal.

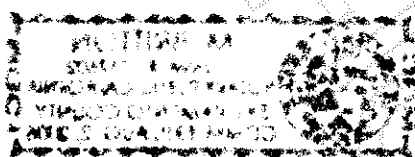
Signature _____

Notary Public



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STATE OF CALIFORNIA)

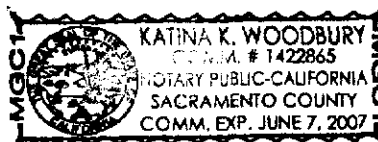
COUNTY OF SACRAMENTO)

On June 27, 2005 before me, Katina K. Woodbury, a notary public, personally appeared CARL D. PANATTONI, personally known to me (or 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.

WITNESS my hand and official seal.

Signature

Katina K. Woodbury
Notary Public



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Skagit County Auditor

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EXHIBIT "A"
to Memorandum

Legal Description

Lots 20 and 22, Hopper Road Business Park Second Revised Binding Site Plan, as recorded
June 28, 2005, under Auditor's File No.
2005 06280192, records of Skagit County, Washington.

END OF EXHIBIT "A"

