

Chicago Title

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Seattle, Washington 98101



200506280199
Skagit County Auditor

6/28/2005 Page 1 of 9 4:09PM

Document Title:

Memorandum of Option

Reference Number(s) of Documents: n/a

Grantor 1:

PANATTONI INVESTMENTS, LLC, a California limited liability company, , and
DIEPENBROCK WASHINGTON HOLDINGS, LLC, a Washington limited liability
company

Grantor 2:

BRYNESTAD FAMILY LLC, a Washington limited liability company

Grantor 3:

DIEPENBROCK WASHINGTON HOLDINGS, LLC, a Washington limited liability
company

Grantee:

ADVANCED H2O LLC, a Delaware limited liability company

Legal description:

Lts. 20 & 22, Hopper Road Business Park Second Revised Binding Site Plan,
#2005 06 280192

Full legal is on page(s) A-1 (Exhibit "A") of document.

Assessor's Property Tax Parcel/Account Number(s):

8024-000-022-0000

MEMORANDUM OF OPTION

This Memorandum of Option is entered into by and among **ADVANCED H2O LLC**, a Delaware limited liability company ("**Buyer**") and **PANATTONI 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 ("**Seller**") as of the date of its mutual execution ("**Effective Date**"). Seller and Buyer agree as follows:

1. Option Term and Premises

Seller and Buyer entered into that certain Option Agreement dated as of _____, 2005 (the "**Option**") with respect to the real property legally described on **Exhibit "A"** attached hereto and the improvements located thereon (the "**Property**"). Pursuant to the Option, Buyer has a right to purchase the Property, subject, however, to the terms, provisions and conditions set forth in the Option.

2. Purpose of Memorandum

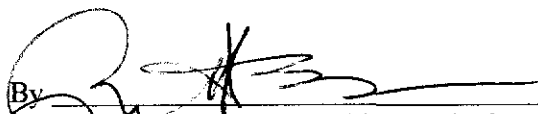
This Memorandum is prepared for the purpose of recordation to give notice of the Option. It shall not constitute an amendment to or modification of the Option.

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.

IN WITNESS WHEREOF, the parties hereby execute this Memorandum of Option as of the date first set forth above.

BUYER:

ADVANCED H2O LLC,
a Delaware limited liability company

By 
Robert Abramowitz, President & CEO



SELLER:

Panattoni Investments, LLC,
a California limited liability company

By _____
Its _____

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JUN 20 2005

Amount Paid \$ 
Skagit Co. Treasurer
By  Deputy

116413.0023/1209291.1



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IN WITNESS WHEREOF, the parties hereby execute this Memorandum of Option as of the date first set forth above.

BUYER:

ADVANCED H2O LLC,
a Delaware limited liability company

By _____
Robert Abramowitz, President & CEO

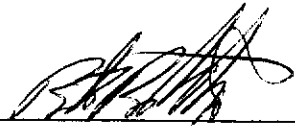
SELLER:

Panattoni Investments, LLC,
a California limited liability company

By _____
Its _____



Brynestad Family LLC, a Washington limited liability company

By 
Its _____

Diepenbrock Washington Holdings, LLC, a Washington limited liability company

By 
Its _____



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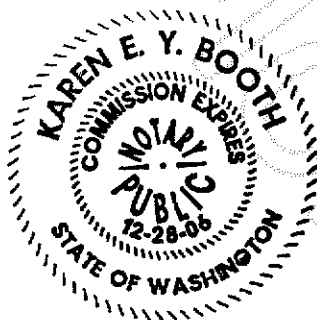
STATE OF WASHINGTON

SS.

COUNTY OF 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 President & CEO 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.

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 POULSBORO

My appointment expires 12-28-06

STATE OF _____

SS.

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ 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 **Panattoni Investments, LLC**, a California limited liability company, to be the free and voluntary act of such limited liability company for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 200__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of _____,
residing at _____

My appointment expires _____



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



200506280199
Skagit County Auditor

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



200506280199
Skagit County Auditor



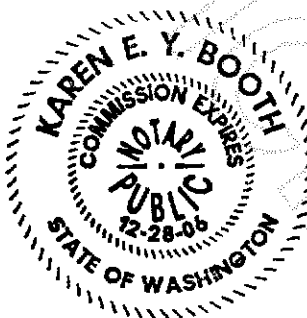
STATE OF WASHINGTON

SS.

COUNTY OF KING

I certify that I know or have satisfactory evidence that Bart 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. 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 _____

SS.

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ 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 **Diepenbrock Washington Holdings, 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.

Dated this _____ day of _____, 200____.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of _____, residing at _____

My appointment expires _____



EXHIBIT "A"
to Memorandum of Option

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"

