



Mr. Chris C. Taillon  
345 Park Ave.  
San Jose, CA 95110

Dear Chris,

In response to our earlier phone conversation, please find enclosed the information you requested. Aquo is a market leader in organic energy drinks, and the construction of the new bottling facility in Southern California will set the standard for environmentally friendly construction and manufacturing.

I am providing you with a summary of the construction materials and strategies. Should you have any questions, I would be more than happy to discuss all of these at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Karen Schneider". The signature is written in a cursive, flowing style.

Karen Schneider  
Vice President, Public Relations  
Aquo Energy Drinks, Ltd.

## PROJECT SUMMARY

### Aquo's new green bottling facility

Aquo is working to produce the highest quality organic energy drink available in ways that won't harm the Earth. The company applied the same philosophy to its new Southern California Bottling Facility & Headquarters, which was developed to consolidate several employee divisions into one area, reduce occupancy expenses, and provide future flexibility. The 400,000-square-foot facility, 25-acre campus also serves as a tangible example of Aquo's environmental commitment and demonstrates the value of green building to its customers, shareholders and business leaders worldwide.

The new facility, slated to open late 2009, will revolutionize the process of industrial construction and manufacturing; from its materials, energy sources and end product. The new, state-of-the-art facility earned highest level IGBC certification, and will set a precedent for large-scale manufacturing 'green buildings' worldwide.

Aquo will be saving money annually and seeing a return on its green investment within the first 5 years of operation. Aquo's new bottling facility will be largely self-powered by its solar capabilities, and will reduce water and energy usage to save nearly \$450,000 annually. Aquo's facility will set a precedent for future construction and manufacturing processes, carefully considering its impact on the environment while reaching new levels of efficiency. Aquo will use the building as a laboratory for monitoring the effectiveness of environmental strategies for replication in other facilities as well.

To fund some of the innovative technologies, the project team tapped into incentive programs such as the local power companies's Green Design Savings program and the State Public Utilities Board's Proactive Incentive program, which paid 50% of the installed cost of the solar panel system. Other financial savings come from using recycled water, which is 30% less expensive than potable water, and using solar electricity to offset peak rates.

## Summary of Construction Costs & Sustainable Site Credits

	Conventional	Aquo
Net Asset Value, Beginning of Year	30,000,000	30,000,000
Construction Costs		
Building materials	11,320,235	11,352,000
Labor	15,060,000	15,072,500
Waste Management	92,000	50,000
Sustainable Site Credits		
Solar Energy Credit	0	30000
Construction Activity Pollution Prevention	0	5000
Reduced Site Disturbance	0	8000
Storm Water Management	0	4000
Heat Island Effect - Roof	0	15000
Water Efficient Landscaping	0	15000
Optimize Energy Performance	0	5000
Light Pollution Reduction	0	3000
Fundamental Refrigerant Management	0	24000
Onsite Renewable Energy (net savings included)	0	25000
Recycled Content	0	3000
Green Power Strategies	0	17000
<b>Totals:</b>	<b>\$26,472,235</b>	<b>\$26,320,500</b>

## Summary of Annual Operating Costs

	Conventional	Aquo
Operating Costs & Usage		
Waste Management	246,500	101,500
Natural Gas	287,500	100,000
Electricity	337,500	80,000
Water	137,500	118,500
<b>Totals:</b>	<b>950,000</b>	<b>400,000</b>

## Environmental Impact & Footprint

- HFC free HVAC System is 79% more efficient than current state requirements
- More than 70% of energy is produced onsite by solar panels
- 11 million gallons of potable water saved each year by using recycled water for cooling, landscaping irrigation and restroom flushing
- Aquo bottles now completely recyclable and biodegradable
- Bottling facility to receive highest level IGBC certification

## Advantages of Building Green

- 25% decrease in annual operating costs
- \$450,000 total energy savings annually
- 12% increase in building's value
- \$19,000 saved per year via reduced water usage