

**PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS
(JUNIPER RIDGE PROPERTY)**

THIS PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS (JUNIPER RIDGE PROPERTY) (this "Agreement"), dated as of October __, 2008 ("Effective Date"), are made by and between SUTERRA LLC, a Delaware limited liability company, or its designee, as buyer (the "Buyer"), on the one hand, and the CITY OF BEND, an Oregon municipal government, as seller ("Seller"), on the other hand, with respect to the following:

A. Seller is the owner of the Property (as defined below).

B. Buyer wishes to purchase the Property from Seller, and Seller wishes to sell the Property to Buyer, each upon the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase of the Property. Subject to the terms and conditions of this Agreement, Seller shall sell to Buyer and Buyer shall purchase from Seller that certain unimproved real property located in the Juniper Ridge Development in the City of Bend, County of Deschutes, State of Oregon, consisting of approximately 7.99 acres of land, as more particularly described in Exhibit A attached hereto, together with all privileges, rights, easements and appurtenances belonging to such real property (collectively, the "Property").

2. Purchase Price. The purchase price for the Property shall be Two Million Four Hundred Thirty-Six Thousand Three Hundred Ten Dollars (\$2,436,310) (7.99 acres times 43,560 square feet times \$7.00 per square foot = \$2,436,310) (the "Purchase Price"). The parties realize and agree that the square footage may be adjusted when the legal lot is established through the land use process. The final Purchase Price will be adjusted to reflect the final lot size and determined using the above formula. The Purchase Price shall be payable as follows:

(a) Deposit. Upon the execution of this Agreement by Seller and Buyer, Buyer shall deposit a copy of this Agreement into Escrow (as defined below) and will return a copy of it, after it has been signed by the Escrow Holder, to Seller. Buyer will also deposit into Escrow the sum of Thirty-Five Thousand Dollars (\$35,000) in cash into an interest bearing account (including accrued interest thereon, the "Deposit"). Upon the Close of Escrow (as defined below), the Deposit shall be applied toward the Purchase Price. In the event that: (i) Buyer exercises its option, in its sole discretion, to terminate this Agreement on or before the end of the Due Diligence Period (as defined below) or as otherwise permitted under this Agreement; or (ii) the Close of Escrow does not occur for any reason other than a breach of Buyer's obligations under this Agreement, the Escrow Holder (as defined herein) shall be, and is hereby irrevocably instructed by Seller and Buyer, to immediately pay to Buyer the full amount of the Deposit without further instructions and without the need for any additional signed release by Seller. In the event the Close of Escrow does not occur solely as a result of Buyer's breach of its obligations under this Agreement, then Escrow Holder is instructed to deduct from the Deposit and pay to Seller as "liquidated damages" an amount equal to the actual costs and expenses incurred by Seller in relation to the preparation of this Agreement but in no event shall the

amount of such liquidated damages exceed Twenty-Five Thousand Dollars (\$25,000). Escrow Holder shall immediately pay to Buyer the remaining portion of the Deposit held by Escrow Holder after deducting the liquidated damages as determined in the preceding sentence. SELLER AND BUYER ACKNOWLEDGE AND AGREE THAT THE FOREGOING AMOUNT IS REASONABLE AS LIQUIDATED DAMAGES AND SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY IN LIEU OF ANY OTHER RELIEF, RIGHT, OR REMEDY, AT LAW OR IN EQUITY, TO WHICH SELLER MIGHT OTHERWISE BE ENTITLED BY REASON OF BUYER'S DEFAULT UNDER THIS AGREEMENT.

Seller's Initials _____

Buyer's Initials CB

(b) Balance of Purchase Price. On or before the Close of Escrow, Buyer shall deposit the balance of the Purchase Price into Escrow, in cash or by wire transfer of good funds.

3. No Assumption of Liabilities or Obligations. At the Close of Escrow, Buyer will not assume any liabilities or obligations of Seller with respect to, or related to, the Property.

4. Escrow. Promptly upon the full execution and delivery of this Agreement, Buyer and Seller shall open an escrow (the "Escrow") with AmeriTitle, Inc., 15 NW Oregon Avenue, Bend, OR (the "Escrow Holder"). This Agreement shall, to the extent practicable, serve as initial escrow instructions. The parties agree that any additional escrow instructions shall be consistent with this Agreement, unless both Buyer and Seller agree otherwise. The "Close of Escrow" shall occur as soon as practicable after the satisfaction of all conditions precedent specified in this Agreement, but in any event no later than ten (10) business days following the later to occur of (a) the expiration of the Due Diligence Period (as defined below), or (b) the change of the Property's zoning designation to the New Zoning (as defined below) and the creation of a legal lot, and shall be the date on which the Statutory Warranty Deed (as hereinafter defined) is recorded in the Recorder's Office of the county in which the Property is located (the "Official Records").

5. Escrow and Other Fees. Seller and Buyer shall each pay one-half (1/2) of Escrow Holder's fees, including escrow charges and fees. Seller shall pay the costs of an ALTA Owner's Policy of Title Insurance with respect to the Property insuring Buyer in the full amount of the Purchase Price (the "Title Policy"), filing fees, recording fees, drawing fee, all taxes, if any, and any other charges in connection with clearing title. If requested by Buyer, Buyer shall be entitled to obtain extended title insurance coverage and Seller agrees to cooperate so that such extended coverage can be issued. Buyer shall pay for the costs of any extended coverage or endorsements to the Title Policy.

6. Zoning Change and Development Issues.

(a) The Property is located within a greater 1,500 acre mixed-use masterplan development owned by Seller known as Juniper Ridge ("Juniper Ridge"). Seller acknowledges and agrees that Buyer requires the Property to be zoned "light industrial" (the "New Zoning") in order to accommodate Buyer's intended use of the Property, which generally consists of constructing and operating a high-tech manufacturing facility to include a laboratory, manufacturing space and a warehouse (the "Facility"), and Seller further acknowledges and agrees that effectiveness of the New Zoning is a condition precedent to Buyer's obligations to purchase the Property and that Seller and Buyer shall work together in order to change the zoning of the Property to the New Zoning (although it is anticipated by the parties that the change to the New Zoning will not occur until November 2008).

(b) The parties acknowledge and agree that (i) Buyer's purchase and development of the Property may occur prior to the establishment of certain covenants, conditions and restrictions to be imposed on the Property, including, without limitation, building and design standards and required property owner association membership (collectively, the "Development Guidelines") and (ii) Buyer will need to commence development of the Property upon satisfactory expiration of the Due Diligence Period but before the New Zoning is implemented and the Development Guidelines become effective, and, therefore, Buyer and Seller hereby agree as follows:

(i) Temporary Possession and Use. In order to accommodate Buyer's development schedule for the Property, upon the satisfactory expiration of the Due Diligence Period where no termination notice has been issued under Section 8(b) below, but prior to the implementation of the New Zoning and the satisfaction of all Buyer's conditions in Section 15(a) below, Seller, as lessor, and Buyer, as lessee, have executed a Permit and Right of Entry to allow Buyer to begin site work (the "Permit and Right of Entry Agreement," attached hereto as **Exhibit B**). No rent or other fees will be due from Buyer to Seller under the Permit and Right of Entry Agreement. The Buyer was permitted to begin grading and excavation of the Property prior to the adoption of the rezoning, but shall not be permitted to begin construction of the foundation until the New Zoning has been adopted by the City.

(ii) Cost Reimbursement. If the New Zoning is not effective by January 15, 2009, Buyer and Seller will attempt to find an acceptable alternative that will allow the Buyer to build the Facility. In the event, however, that Buyer makes a business determination that there is not an acceptable alternative to allow Buyer to achieve timely construction of the Facility under its current schedule, the Buyer may terminate this Agreement without any liability whatsoever to Seller (except as provided under the Permit and Right of Entry), and Seller shall reimburse Buyer for the actual hard costs of site preparation and construction of the foundation incurred by Buyer on the subject Property through such date. Seller shall reimburse such costs to Buyer within five (5) days of Seller's receipt of documentation of such costs.

(iii) Building and Design Standards. It is anticipated that Seller will not have finalized the Development Guidelines for Juniper Ridge prior to Buyer's purchase and development of the Property. Buyer and Seller agree to use commercially reasonable efforts to approve the building and design standards for the Property so that the manufacturing facility to be built by Buyer complies with the anticipated Development Guidelines to be imposed on Juniper Ridge. In this regard, the design of the building shall be approved by the Seller's architect who will evaluate the proposed building for consistency with the Les Schwab corporate headquarters. Buyer and Seller agree that so long as the design and building standards used to build Buyer's manufacturing facility are approved by Seller's architect, as provided above, Buyer's manufacturing facility shall be deemed to be in compliance with the Development Guidelines once such guidelines are imposed on Juniper Ridge. The parties hereto will direct their consultants (i.e., Seller's consultant preparing the Development Guidelines and Buyer's architect) to coordinate on the building design. It is hereby agreed that as long as the building design is reasonably consistent with the Les Schwab corporate headquarters located in Juniper Ridge, as reasonably determined by Seller's architect on or before November 15, 2008, Buyer's design will be approved by Seller.

(iv) Land Division and Interim Lease. If the New Zoning is approved, a land division will be required in order for the Property to be sold to Buyer. Because time is of the essence for Buyer in constructing the Facility, Seller hereby agrees that as soon as the New Zoning is enacted, if it is enacted within the time period described in Section 6(b)(ii) above, Buyer and Seller will enter into a ground lease ("Interim Lease") which will allow Buyer to immediately apply for and obtain all building permits required to build and operate its Facility on the Property and to construct the Facility while the above described land division process is being expeditiously completed by Seller. If the Master Plan for Juniper Ridge must be completed before the land division for the Property can be completed, it is anticipated that the Interim Lease could be in effect for approximately six (6) months to one (1) year and during that period of time the Facility would be constructed by Buyer on the Property under the Interim Lease. Seller agrees that if an Interim Lease is entered into with Buyer, it will require Seller to issue the required building permits and to provide all necessary infrastructure and related public improvements required for Buyer to access the Property and to fully build out the Facility, in accordance with Buyer's required time table, which will be incorporated into the Interim Lease. The Interim Lease is anticipated to be a short-term lease but will be structured to allow Buyer to remain on the Property for as long as it takes for a legal parcel to be created so that the Property can be sold to Buyer. The Interim Lease will also provide for prepayment of rent ("Prepaid Rent") as follows in order to provide funds to Seller in order to build out the infrastructure required in order for Buyer to build its Facility and complete the land division required for the sale of the Property: Five Hundred Thousand Dollars (\$500,000) will be paid at Interim Lease signing; an additional Six Hundred Seventy-Nine Thousand Dollars (\$679,000) will be paid by December 31, 2008; an additional Six Hundred Seventy-Nine Thousand Dollars (\$679,000) will be paid by January 31, 2009; and an additional Three Hundred Ninety-Two Thousand Dollars (\$392,000) will be paid by March 31, 2009. Seller agrees that all of the foregoing Prepaid Rent will be specifically earmarked and used exclusively to fund the infrastructure required to be provided by Seller for this project and for the land use work required to achieve the land division for the Facility so that the Property can be sold to Buyer. All Prepaid Rent will be converted back to part of the Purchase Price and will be fully credited to the Purchase Price at Close of Escrow. The remaining balance of the Purchase Price, after credit for all Prepaid Rent and the Deposit, will be paid at Close of Escrow. It is agreed that the Interim Lease is only to be used as a mechanism to allow construction to move forward during the land division and both Buyer and Seller intend that this be and remain a contract for the sale of the Property from Seller to Buyer. No other rent will be due and payable during the Interim Lease. In addition to payment of the agreed upon amount of Prepaid Rent, at the time of execution of the Interim Lease, Buyer will also pay the Traffic Impact Fee, described in subsection (c) immediately below, to Seller and Seller will place the Traffic Impact Fee into a dedicated fund for the traffic improvements required for approval of the Juniper Ridge Master Plan. Within fifteen (15) days of completion of the land division for the Property upon which the Facility can continue to be legally located and operated, the sale of the Property will close and the balance of the Purchase Price will be paid into escrow, as described below. The Interim Lease will be negotiated, agreed upon and signed by Buyer and Seller as soon as possible but no later than the date the New Zoning becomes effective or this Agreement will terminate and Section 6(b)(ii) will apply.

(c) Traffic Impact Fee and Related Trip Limitation.

(i) Traffic Impact Fee. A one-time traffic impact fee (the "Traffic Impact Fee") will be imposed by the Oregon Department of Transportation ("ODOT") on the development of Juniper Ridge, including upon the Property, and Buyer's share of the Traffic Impact Fee will be based on the actual number of peak hour trips generated by Buyer's use of the Property. This provision does

not affect the Buyer's obligation to pay System Development Charges (SDCs) and is in addition to the payment of SDCs. It is estimated that the Property, once developed by Buyer, will generate approximately 15 to 17 peak hour trips per day through the Cooley/Highway 97 intersection ("Peak Hour Trips"). The parties agree to rely on the rezoning/site plan review decision to determine (i) the exact number of Peak Hour Trips through the Cooley/Highway 97 intersection generated by Buyer's use of the Property between 4:30 pm and 6 pm ("Peak Hours"), to be used to calculate Buyer's share of the Traffic Impact Fee (the "Peak Hour Trips") (it being agreed that such number must be between 15 and 17 Peak Hour Trips), and (ii) the maximum allowable number of Peak Hour Trips permitted to be generated by Buyer, subject to future expansion. The parties agree that Buyer's portion of the Traffic Impact Fee shall be limited to Six Thousand Dollars (\$6,000) per Peak Hour Trip, and Seller shall pay any amount of the Traffic Impact Fee in excess of Six Thousand Dollars (\$6,000) per Peak Hour Trip (the "Seller's ODOT Fee").

(ii) Trip Limitation. Buyer understands that the land use approval for the development of the Property will contain a trip limitation or cap that is applicable during the Peak Hours and may include other reasonable transportation demand management ("TDM") provisions. As long as these TDM measures are reasonable and consistent with the anticipated trip level referenced in the above sub-paragraph, Buyer agrees to accept and comply with that limitation or cap and other reasonable transportation demand management measures, subject to Buyer's right to increase trip levels up to thirty-five (35) Peak Hour Trips, as more particularly described in sub-paragraph (iii).

(iii) Additional Peak Hour Trips. Buyer will have the right to purchase additional Peak Hour Trips for expansion of plant and/or operations at the Traffic Impact Fee rate in effect at the time of any such expansion, up to a total of 35 Peak Hour Trips, including the 15 to 17 Peak Hour Trips referenced in subsection (c)(1) above

(d) Juniper Ridge Maintenance Association. If the Seller's Juniper Ridge development is approved, Seller anticipates the creation of a Juniper Ridge property owners association for the maintenance of the common areas within Juniper Ridge (the "Juniper Ridge Maintenance Association"). Buyer agrees to participate in and be bound by the Juniper Ridge Maintenance Association, provided that (i) the terms and conditions of the declaration creating the Juniper Ridge Maintenance Association are similar to comparable developments (in Buyer's reasonable discretion); (ii) at no time shall Buyer's proportional share of common area fees be based on an occupancy rate for the area covered by the Juniper Ridge Maintenance Association of less than ninety-five percent (95%); and (iii) Buyer is offered a seat on the initial Board of the Juniper Ridge Maintenance Association.

7. Title Matters; Insurance.

(a) Title. Title to the Property shall be conveyed to Buyer free and clear of all liens, claims and encumbrances, except as permitted in this Section (the "Permitted Exceptions").

(b) Approval of Exceptions. Within five (5) business days after Escrow is opened, Seller shall cause Escrow Holder to deliver to Buyer a Preliminary Title Report with standard commitment by the Escrow Company to issue title insurance with respect to the Property (the "Title Commitment"), together with copies of all recorded documents shown as exceptions thereto. Buyer shall notify Seller within ten (10) business days after receipt of the Title Commitment and copies of all such recorded documents, and within five (5) business days after receipt of any supplemental title report with respect to the Property issued prior to the Close of Escrow, if Buyer, in its sole and absolute

discretion, disapproves of any of the exceptions shown on the Title Commitment or supplemental report, as applicable (“Buyer’s Title Objections”). The term “Permitted Exceptions” shall mean (i) the title exceptions that are not disapproved of by Buyer in Buyer’s Title Objection Notice or (ii) the title exceptions for which Escrow Holder is irrevocably committed to insure against by the issuance of endorsements to the Title Policy as set forth in Buyer’s Title Objection Notice. Seller shall notify Buyer within five (5) days of receipt of Buyer’s Title Objections whether or not Seller will remove Buyer’s Title Objections. If Seller does not agree to remove Buyer’s Title Objections or fails to remove any one or more of such non-approved exceptions prior to the Close of Escrow, or if any additional items come into existence which would show as exceptions to title insurance in the Title Policy, and Seller fails to remove same prior to the Close of Escrow, Buyer shall have the choice of: (i) terminating this Agreement and seeking recourse against Seller if Seller had agreed to the removal and failed to do so prior to the date scheduled for Close of Escrow; or (ii) completing the purchase of the Property in accordance with the terms of this Agreement.

8. Due Diligence Investigation.

(a) Due Diligence Period. For a period of twenty (20) days after the date of this Agreement (the “Due Diligence Period”), Buyer may conduct investigations and reviews of the Property including, but not limited to, the physical condition or state of the Property; environmental matters (including, without limitation, Phase I and/or Phase II environmental reports of the Property); title matters; zoning matters; building and permitting issues; governmental, regulatory or land use matters; the adequacy of utilities servicing the Property; acceptable financing; and any other matters affecting Buyer or Buyer’s anticipated use and ownership of the Property. Within five (5) business days after Escrow is opened, Seller shall deliver to Buyer all plans, notices, surveys, environmental reports, inspection reports, lease agreements or other documents relating to the physical, structural, geological or environmental condition of the Property of which Seller has possession and/or control and shall provide to Buyer any information it may have about the use, presence, release or discharge by Seller or any third party of Hazardous Materials (as defined below) or other environmental conditions at, on or under Juniper Ridge (collectively, the “Due Diligence Deliverables”). The Due Diligence Deliverables shall include, without limitation, any and all notices received by Seller, including during the Due Diligence Period and any time prior to Close of Escrow, from any federal, state, or local governmental authority having jurisdiction over the Property regarding, without limitation, environmental conditions, the presence or absence of Hazardous Materials, zoning, land use, suitability for a particular purpose or compliance with law. If the environmental testing to be conducted on the Property requires additional time to complete, the Due Diligence Period shall be automatically extended for an additional forty-five (45) days upon Buyer’s delivery of written notice to Seller prior to the end of the original Due Diligence Period. In the event that the Seller does not provide the Preliminary Title Report or the above Due Diligence Deliverables within five (5) days of the execution of this Agreement, the Due Diligence Period shall be extended an additional fifteen (15) days for a total of thirty-five (35) days.

(b) Disapproval of Investigation. If Buyer, in its sole and absolute discretion, disapproves any of the results of its Due Diligence Period investigation and review, Buyer may terminate this Agreement without any liability whatsoever by providing written notice thereof to Seller on or by the termination date of the Due Diligence Period.

(c) Access to Property. Seller shall grant to Buyer, and Buyer’s agents and representatives, immediate access to the Property for the purposes of conducting Buyer’s investigations

and review during the Due Diligence Period. As part of Buyer's investigations and review, Seller shall permit Buyer to drill, excavate and/or bore on or through the surface of the Property.

9. Possession. Possession of the Property has been delivered to Buyer pursuant to the Permit and Right of Entry Agreement. Upon the Close of Escrow, the Permit and Right of Entry Agreement shall terminate and possession of the Property shall be delivered to Buyer as the fee simple owner.

10. Prorations. All utility costs, current real property taxes, if any, water charges, if any, affecting the Property shall be prorated as of the Close of Escrow.

11. Real Estate Brokers. Each of the parties hereto represents and warrants to the other party that all negotiations relative to this Agreement and the transaction herein provided for have been carried out by such party directly with the other party without the intervention of any person as a result of any act of such party (and so far as known to such party, without the intervention of any other person) in such manner as to give rise to any valid claim against either of the parties hereto for a broker's commission, finder's fee or other like payment. Each of the parties hereto shall indemnify the other party against and hold it harmless from any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, which such other party may incur or sustain by reason of or in connection with any misrepresentation or breach of warranty by the indemnifying party with respect to the foregoing.

12. Representations and Warranties of Seller. Seller represents, warrants and covenants to Buyer that:

(a) Seller's Warranty of Authority. Seller has the full power and authority to execute and enter into this Agreement and the authority to consummate the transaction contemplated in this Agreement.

(b) Enforceability. This Agreement constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and creditors' rights laws generally.

(c) Due Diligence Deliverables. True, correct and complete copies of all Due Diligence Deliverables in Seller's possession shall be delivered to Buyer in accordance with Section 8(a).

(d) Environmental Condition of Property. There is not present upon the Property or any portion thereof any Hazardous Materials, or any structures, fixtures, equipment or other objects or materials containing Hazardous Materials. There are no storage or treatment tanks, gas or oil wells, and there has been no discharge, dumping, spillage, leakage, disposal, treatment or release of any Hazardous Materials on, under, about or adjacent to the Property including, but not limited to, soils and ground or surface water in and around the Property, and the Property has never been used as a dump or landfill site. There are no asbestos-containing materials on the Property nor is there or has there been any PCB-containing electrical transformer, fluorescent light fixture with ballasts or other PCB Item, as defined at 40 C.F.R. Section 761.3, or any PCB-containing fluid on the Property. There are no conditions present on, at, under or adjacent to the Property or any portion thereof that could constitute a violation of any Environmental Law. As used in this Agreement, "Hazardous Materials" shall mean and refer to the following, without limitation:

(i) Those substances included within the definitions of hazardous substances, hazardous waste, hazardous material, toxic substance, solid waste or pollutant or contaminant in CERCLA, RCRA, FWPCA, TSCA, HMTA or any other Environmental Law (as hereinafter defined);

(ii) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFS 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(iii) Other substances, materials and wastes that are or become regulated or classified as hazardous or toxic under federal, state or local laws or regulations; and

(iv) Any material, waste or substance that is:

(1) a petroleum or refined petroleum product,

(2) asbestos,

(3) polychlorinated biphenyl,

(4) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(5) a flammable explosive, or

(6) a radioactive material.

For purposes of this Agreement, “Environmental Laws” means all federal, state, local and municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees and requirements of any government authority regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, or pertaining to occupational health or industrial hygiene or occupational or environmental conditions on, under, about or adjacent to the Property, as now in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Recovery Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Occupational Safety and Health Act [20 USCS §§ 655 and 657]; together with any amendment of or regulations promulgated under the statutes cited above and any other federal, state or local law, statute, ordinance or regulation now in effect or previously existing that pertains to occupational health or industrial hygiene.

Seller agrees that should Buyer discover any Hazardous Substance on the Property during its excavation work prior to the Close of Escrow, such Hazardous Substance removal shall be deemed to be Seller’s responsibility, unless such Hazardous Substance release can be shown to have

been caused by Buyer's activities on the Property. In the event of the discovery of such pre-existing condition, Seller shall either terminate this Agreement and pay Buyer the costs identified in Section 6(b)(ii) of this Agreement or shall promptly remediate the Hazardous Substance release or Buyer shall be entitled to do so and be reimbursed by Seller. Such remediation must occur promptly in order to minimize any delay in Buyer's construction activities.

(e) Leases; Agreements. As of the date of this Agreement, Seller is not a party to any lease agreement with respect to the Property, and as of the date of this Agreement there are no tenants on the Property. As of the Close of Escrow, Seller shall not be a party to any Agreement with respect to the Property, other than the Permit and Right of Entry Agreement and any Interim Lease between Seller and Buyer, and there shall be no tenants on the Property, other than Buyer. From and after the date of this Agreement, Seller shall not create any leases or other agreements affecting the Property without Buyer's prior written consent.

(f) Condition of Property at Close of Escrow. Subject to the development of the Property by Buyer under the Permit and Right of Entry Agreement and/or the Interim Lease, Seller shall maintain the Property until the Close of Escrow in its present condition, construction work by Buyer as provided hereunder excepted.

(g) Compliance. There is no aspect or condition of the Property that violates any applicable federal, state or local laws, rules, regulations or codes, including any Environmental Laws.

(h) Possessory Rights. At the Close of Escrow, no person or entity will have any right to possession of the Property other than Buyer.

(i) Mechanics' Liens. There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(j) Actions, Suits or Proceedings. There are no actions, suits or proceedings, pending or threatened, before any commission, board, bureau, agency, arbitrator, court or tribunal affecting, or that would affect, the Property or the right to occupy or utilize same.

(k) Notice of Changes. Seller will promptly notify Buyer in writing of any material changes to the Property prior to Close of Escrow.

(l) No Bankruptcy Proceedings. Seller is not the subject of any bankruptcy, insolvency or probate proceeding.

(m) Title. Seller has title to the Property free and clear of all liens, claims and encumbrances except for the Permitted Exceptions.

(n) Taxes and Assessments. Seller is tax exempt and there are no taxes, charges and assessments (special or otherwise) for all years up through and including 2008 required to be paid to any taxing authority or other association, which, if unpaid, could in any way constitute a lien against the Property or any part thereof. Seller has not received any notice from any taxing authority, governmental agency or other association: (i) asserting that Seller has failed to file or has improperly filed any tax return or report required to be filed or of any charges now owing by it which could in any way now or hereafter constitute a lien or claim against the Property or any part thereof; or (ii) regarding any pending or contemplated taxes, assessments, charges or fees which affect or will affect the

Property other than customary property taxes/assessments, as reflected in the Title Commitment. No action or proceeding is now pending by a governmental agency or authority or other association for the assessment or collection of any such taxes, charges or assessments against Seller.

(o) Foreign Person. Seller is not a "foreign person" as defined in the federal Foreign Investment in Real Property Tax Act of 1980 or the 1984 Tax Reform Act, as amended.

(p) Water and Utility Services. The Property is served by city water and sewer, and hook-up to all utilities, including city sewer and water, electricity and natural gas, is or will be provided to the Property line.

13. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller that:

(a) Buyer's Warranty of Authority. Buyer has the full power and authority to execute and enter into this Agreement and the authority to consummate the transaction contemplated in this Agreement.

(b) Enforceability. This Agreement constitutes a valid and binding agreement of Buyer, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency and creditors' rights laws generally.

(c) Compliance with Applicable Laws. During the term of the Permit and Right of Entry Agreement and/or the Interim Lease, Buyer shall comply with all state, federal and local laws in the development of the Property and the construction of any improvements thereon. Buyer shall fully indemnify, defend and hold Seller harmless from any violations or breaches of applicable laws, applicable accessibility standards for disabled persons, and claims arising from construction of the improvements on the Property prior to the Close of Escrow. Seller acknowledges that such indemnification does not include indemnification for diminution in value of the Property arising from the discovery of any Hazardous Materials on the Property during the term of the Permit and Right of Entry Agreement or excavation work, as provided in Section 12.

14. Survival. All of the representations and warranties of Buyer and Seller made in conjunction with and pursuant to this Agreement, including but not limited to Section 6, shall survive the Close of Escrow and the delivery of the Statutory Warranty Deed.

15. Conditions of Closing.

(a) Buyer's Conditions. Buyer's obligations to purchase the Property on the Close of Escrow are expressly conditioned upon each of the following:

(i) Title Insurance. Seller shall be prepared to convey to Buyer good and marketable title to the Property subject only to the Permitted Exceptions, and the Escrow Holder shall be irrevocably committed to issuing the Title Policy, including extended coverage if requested by and paid for by Buyer. In the event that the New Zoning is effective but a legal parcel has not been created, the parties agree that the Property shall be leased to Buyer pursuant to the Interim Lease described in Section 6(b)(ii) until the legal parcel has been created by Seller, with Seller agreeing to issue required building permits to allow for construction and operation of the Facility under the Interim Lease and to

proceed with all good faith and expedition to complete the land division required for the sale of the Property.

(ii) New Zoning. The City of Bend Planning Division has changed the zoning of the Property to the New Zoning which allows for Buyer's intended use of the Property and contemplated possible expansion of the same.

(iii) State Highway Transportation Entitlement. The Property has been entitled to place trips on the State Highway pursuant to Section 6(c) above.

(iv) Seller's Payment of Traffic Impact Fee. Seller shall have delivered to Escrow sufficient funds to satisfy its obligations pursuant to Section 6(c).

(v) Due Diligence. Buyer has approved of the results of its investigation and review of the Property during the Due Diligence Period.

(vi) Buyer's Inspection. Subject to the development of the Property by Buyer under the Permit and Right of Entry Agreement and Interim Lease, Buyer's determination that the condition of the Property has not materially changed between the end of the Due Diligence Period and the Close of Escrow.

(vii) Closing Warranties. The representations and warranties of Seller contained in this Agreement being true, correct and complete on and as of the Close of Escrow as if the same were made on such date.

(viii) Delivery Into Escrow. Seller having delivered to Escrow all items required by this Agreement and having complied with all other covenants and conditions of this Agreement to be performed or complied with by Seller.

(b) Seller's Conditions. Seller's obligation to sell the Property on the Close of Escrow is expressly conditioned upon each of the following:

(i) Closing Warranties. The representations and warranties of Buyer contained in this Agreement being true, correct and complete on and as of the Close of Escrow as if the same were made on such date.

(ii) Buyer's Payment of Traffic Impact Fee. Buyer shall have delivered to Escrow sufficient funds to satisfy its obligations pursuant to Section 6(c).

(iii) Delivery Into Escrow. Buyer shall have delivered to Escrow all items required by this Agreement, including the Purchase Price, and shall have complied with all other covenants and conditions of this Agreement to be performed or complied with by Buyer.

16. Failure of Conditions. If any of the conditions specified in this Agreement fail to occur prior to the Close of Escrow, the party benefited by such condition shall have the power, exercisable by giving written notice to the Escrow Holder and to the other party, to waive the condition or to cancel the Escrow and terminate this Agreement. If such failure is due to an event of default by the other party, then the remedies set forth in Section 18 shall apply.

17. Force Majeure. Except as provided in Section 6(b)(ii), and Section 12(d), in the event that either party (the “Delayed Party”) is delayed or prevented from performing any of its obligations under this Agreement by reason of extraordinary and unanticipated war, natural disaster or other cause not brought about by the Delayed Party, i.e., land use appeals, and not related to any financial liability or under the control on the part of the Delayed Party, the time for performance of the obligation by both parties shall be extended by a period of time equal to the period of such delay or prevention; provided, however, under no circumstance shall such delay exceed ninety (90) days. The Delayed Party will give prompt written notice to the non-delayed party and Escrow Holder of any event of force majeure and its expected length and shall use good faith efforts to minimize the resulting delay. If the delay exceeds ninety (90) days, or is reasonably expected to exceed ninety (90) days, then the non-delayed party may elect to terminate this Agreement and the Escrow by providing the Delayed Party and Escrow Holder with written notice of such decision and thereafter, subject to any obligations or liabilities that arise upon the termination of this Agreement, the parties shall have no further obligations under this Agreement.

18. Default/Failure to Close.

(a) Default by Seller. In the event Close of Escrow does not occur as a result of any default of this Agreement by Seller, Buyer shall be entitled to a return of the Deposit and the Seller shall pay all Escrow fees. In addition to the foregoing, Buyer shall be entitled to seek any and all remedies available, both at law and in equity, for breach of contract, including but not limited to specific performance of this Agreement, and for any damages suffered by Buyer as a result of Seller’s default.

(b) Default by Buyer. In the event Close of Escrow does not occur by reason of any default of this Agreement by Buyer, Buyer and Seller agree that Seller shall be entitled to retain that portion of the Deposit described in Section 2(a) as liquidated damages, and Buyer shall pay all escrow fees. In the event of such default, Seller may direct the Escrow Holder to immediately pay the Deposit, plus the interest earned thereon, to the Seller upon receipt of a signed statement from Seller that it has complied in all respects with the terms of this Agreement and that Buyer is in default of this Agreement. Seller shall serve this same notice to Buyer pursuant to Section 22. If Buyer does not dispute Seller’s claim within seven (7) days of receipt of such notice by notifying Seller and the Escrow Holder of its disagreement, then the Escrow Holder is hereby instructed that the Escrow Holder shall not require Buyer’s written approval as a condition precedent to the disbursement of the Deposit to Seller. In the event Buyer does dispute whether a default has occurred, the Escrow Holder shall hold the Deposit until the dispute is resolved. In the event that this Agreement terminates as a result of a breach by Buyer and Seller retains the Deposit as liquidated damages, neither party shall have any further rights or obligations under this Agreement, except pursuant to the indemnity provisions contained in Section 19.

(c) Default After Closing. The above sub-paragraphs (a) and (b) apply only to a default which causes the Close of Escrow not to occur. Should a default of this Agreement occur after Close of Escrow, then the non-defaulting party shall have available to it, and shall be entitled to pursue against the defaulting party, all remedies available for breach of contract, both at law and in equity, including, but not limited to, money damages or equitable relief, including specific performance and injunctive relief.

19. Indemnification.

(a) Seller's Indemnification. From and after the Close of Escrow, Seller shall indemnify, defend, protect and hold harmless Buyer, Buyer's past, present and future parents, subsidiaries and affiliates, and its and their respective directors, officers, shareholders, partners, members, managers, trustees, employees, agents, attorneys, representatives, affiliates, predecessors in interest, successors and assigns (collectively, the "Indemnified Parties"), from and against and in respect to any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable attorneys' fees and costs) of any kind or nature whatsoever which may be asserted by anyone against any of the Indemnified Parties based upon or related to a breach of any representation, warranty or covenant made by Seller in this Agreement or in any exhibit, document, statement, schedule or certificate delivered pursuant to this Agreement. Seller's indemnification includes, without limitation, any claim against the Indemnified Parties alleging that (i) Buyer's manufacturing facility built on the Property pursuant to Section 6(b) above fails to comply with the Development Guidelines; (ii) Seller has failed to pay the Seller's ODOT Fee as set forth in Section 6(c); (iii) the consummation of the transaction contemplated by this Agreement gives rise to any fee owed to Juniper Ridge Partners; and (iv) any alleged violation of prevailing wage laws pertaining to work performed on Seller's property by Buyer, unless Seller has advised Buyer, in writing, that the project is a public work and prevailing wages must be paid. Seller's obligations of indemnity set forth in this Section 19 shall survive the Close of Escrow and shall not be merged with the Statutory Warranty Deed.

(b) Buyer's Indemnification. From and after the Close of Escrow, Buyer shall indemnify, defend, protect and hold harmless Seller against and in respect to any and all claims, demands, damages, liabilities, losses, judgments, assessments, costs and expenses (including reasonable attorneys' fees and costs) of any kind or nature whatsoever which may be asserted by anyone against Seller based upon or related to a breach of any representation, warranty, or covenant made by Buyer in this Agreement or in any exhibit, document, schedule or certificate delivered by Buyer to Seller pursuant to this Agreement, as well as any claims arising from construction and excavation/grading on the Property prior to the Close of Escrow, subject to Seller's reimbursement obligation in Section 6(a) above. Except where Buyer and Seller have agreed, in writing, that prevailing wages are required to be paid on work being performed by Buyer, this indemnity shall not apply to any claim made for prevailing wages. Seller acknowledges that such indemnification does not include indemnification for diminution in value of the Property arising from the discovery of any Hazardous Materials on the Property during the term of the Permit and Right of Entry Agreement or excavation during the Interim Lease.

20. Items to be Delivered at Close of Escrow.

(a) Seller shall execute and/or deliver, or cause to be executed and/or delivered, the following to Escrow Holder for delivery to Buyer on the Close of Escrow:

(i) A Statutory Warranty Deed in the form attached hereto as Exhibit C (the "Statutory Warranty Deed"), duly executed and acknowledged by Seller;

(ii) Any documents necessary to remove any exceptions from the Title Commitment and any supplemental report (other than Permitted Exceptions) in the manner described in Section 7 hereof;

(iii) Any other documents, instruments or agreements required to be delivered hereunder to Escrow Holder or to Buyer in order to consummate the transactions contemplated hereby;

(iv) Seller's share of the Traffic Impact Fee;

(v) Seller's share of Escrow Holder's costs and expenses, as herein provided; and

(vi) Seller's payment of any and all fees due and payable to Juniper Ridge Partners.

(b) Buyer shall execute and/or deliver the following to the Escrow Holder for delivery or disbursement to Seller on the Close of Escrow:

(i) The Purchase Price and Buyer's share of the Traffic Impact Fee;

(ii) Buyer's share of Escrow Holder's costs and expenses, as herein provided; and

(iii) Any other documents, instruments or agreements required to be delivered hereunder to Escrow Holder or to Seller in order to consummate the transactions contemplated hereby.

(c) On the Close of Escrow, the Escrow Holder shall:

(i) Record the Statutory Warranty Deed in the Official Records;

(ii) Cause the Title Policy to be issued to Buyer within five (5) business days after the Close of Escrow; and

(iii) Disburse the Purchase Price to Seller less (1) Seller's share of Escrow Holder's costs and expenses and other fees described above, (2) the cost of the Title Policy, and (3) the amount of any other closing expense payable by Seller pursuant to the terms of this Agreement.

21. Best Efforts. Buyer and Seller shall each act in good faith and shall each use its best efforts to ensure that its obligations hereunder are fully and punctually performed. Buyer and Seller shall perform any further acts and execute and deliver any other documents or instruments that may be reasonably necessary to carry out the purpose and intent of this Agreement.

22. Notices. All notices and demands of any kind that either party may be required or may desire to serve upon the other party shall be in writing and shall be served upon such other party by personal service, by facsimile transmission followed by mail delivery of the original of such notice, or by mailing a copy thereof, certified mail, return receipt requested, postage prepaid, or by overnight mail, with receipt of delivery, addressed as follows:

If to Buyer: Suterra LLC
c/o Roll International Corporation
11444 W. Olympic Boulevard, 10th Floor
Los Angeles, California 90064
Attention: Chief Legal Officer
Telephone: (310) 966-5700
Facsimile: (310) 966-5758

If to Seller: City of Bend
710 NW Wall Street
Bend, OR 97701
Attention: City Manager
Telephone: (541) 382-3917
Facsimile: (541) 385-6676

Service by mail shall be deemed complete on the date of actual delivery or three (3) business days after being sent via certified mail. Service by facsimile transmission shall be deemed served upon receipt of the facsimile transmission, if followed by mail delivery of the original. The addresses to which notices and demands shall be delivered or sent may be changed from time to time by notice to the other party.

23. Foreign Persons; Tax I.D. Number.

(a) Seller. Seller hereby certifies that it is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code. Seller's federal tax I.D. number is 93-6002126.

(b) Buyer. Buyer hereby certifies that it is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code. Buyer's federal tax I.D. number is 95-4723345.

24. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and permitted assigns.

25. Time is of the Essence. Time is of the essence in this Agreement.

26. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect. However, unless such stricken term, provision, covenant or condition goes to the essence of the consideration bargained for by a party, the remaining terms, provisions, covenants and conditions of this Agreement shall continue in full force and effect, and to the extent required, shall be modified to preserve their validity.

27. Entire Agreement. This Agreement constitutes the sole and only agreement between Buyer and Seller concerning the Property and their rights and duties in connection with the Property. Any prior or other agreements or representations between Buyer and Seller regarding such matters, including, without limitation, that certain Offer to Purchase, dated June 13, 2008, by and between Buyer and Seller, shall be null and void, unless otherwise expressly set forth in this Agreement.

28. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any suit brought hereon shall be brought in the state court in

Deschutes County or in federal courts sitting in Oregon, the parties hereby waiving any claim or defense that such forum is not convenient or proper.

29. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in counterparts and all counterparts so executed shall constitute one agreement binding on all parties hereto. It shall not be necessary for each party to execute the same counterpart hereof.

30. Assignment. Except for the below-enumerated specifically-permitted assignments, Buyer may not assign this Agreement without the written consent of Seller, exercisable in Seller's sole discretion. This limitation on assignment is based upon the importance to Seller of the unique economic, environmental, and employment aspects of Buyer's manufacturing operation. Buyer may assign this Agreement and all rights and obligations hereunder without Seller's consent to any parent, subsidiary or affiliate of Buyer, including the Stewart A. Resnick Family Trust of 1985, as long as the assignment or exchange does not alter the anticipated use of the Property as provided in this Agreement. In addition, each of Buyer and Seller may assign this Agreement and its rights and obligations hereunder without the other party's consent in connection with an Internal Revenue Code § 1031 exchange as contemplated by Section 37 below subject to the above limitation on the anticipated use of the Property. Except for an Internal Revenue Code § 1031 exchange as contemplated by Section 37 below, any assignment by Seller of its rights and obligations under this Agreement shall be subject to Buyer's prior written consent, exercisable in Buyer's sole discretion. Any assignment by Seller shall not relieve it of any of its liabilities or obligations under this Agreement.

31. Survival; No Merger. The waivers, covenants, releases, indemnities, representations, obligations, and warranties contained in this Agreement shall all survive the Close of Escrow and shall not merge into the Statutory Warranty Deed and the recordation of it in the Official Records.

32. Headings. Section headings contained in this Agreement are for reference purposes only and will not be deemed to be a part of this Agreement or to affect the meaning or interpretation of this Agreement.

33. Exhibits Incorporated by Reference. All Exhibits cited in this Agreement are incorporated by reference into this Agreement for all purposes.

34. Defined Terms. Capitalized terms shall have the meaning given them in the text of this Agreement.

35. Interpretation. This Agreement is the result of arms-length negotiations between the Seller and Buyer. Therefore, any ambiguity subject to interpretation contained herein shall not be construed against Seller by reason of its preparation of this Agreement.

36. Modification. This Agreement may not be modified or amended except by a written instrument duly executed by the parties.

37. Option To Exchange. Each party (the "Exchanging Party") shall have the right to consummate the transaction contemplated by this Agreement as part of a tax deferred exchange under Internal Revenue Code § 1031, as amended. Each party agrees to execute such additional escrow instructions, documents, agreements or instruments as may be necessary to effectuate such exchange. Each party agrees to reasonably cooperate with the Exchanging Party so as to effectuate such tax

deferred exchange so long as there is no additional expense to the other party by reason of its cooperation.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

BUYER:

SUTERRA LLC,
a Delaware limited liability company

By: Craig Cooper
Name: Craig Cooper
Title: SVP

SELLER:

CITY OF BEND,
an Oregon Municipal Government

By: _____
Eric King
City Manager

AGREED AND ACCEPTED BY:

AMERITITLE, INC.

By: _____
Its Authorized Signatory

LIST OF EXHIBITS

Exhibit A	Legal Description
Exhibit B	Form of Permit and Right of Entry Agreement
Exhibit C	Form of Statutory Warranty Deed

EXHIBIT A

Legal Description

Attached.

**LEGAL DESCRIPTION
SUTERRA PARCEL**

A PARCEL OF LAND BEING A PORTION OF PARCEL 1, AS SHOWN ON PARTITION PLAT NO. 2007-78, OFFICIAL RECORDS OF DESCHUTES COUNTY, OREGON, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, CITY OF BEND, DESCHUTES COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING SOUTH 82°00'46" EAST, A DISTANCE OF 1463.74 FEET FROM THE QUARTER CORNER COMMON TO SECTIONS 9 & 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLMETTE MERIDIAN, MARKED BY A 3 1/2" DIAMETER ALUMINUM CAP STAMPED *PROPERTY CORNER, 1/4, T17S R12E, S9 S10, LS 1081, 1993*;

THENCE, EAST, A DISTANCE OF 580.00 FEET, TO A POINT;

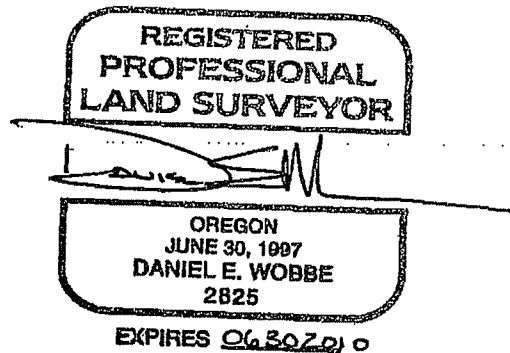
THENCE, SOUTH, A DISTANCE OF 600.00 FEET, TO A POINT;

THENCE, WEST, A DISTANCE OF 580.00 FEET, TO A POINT;

THENCE, NORTH, A DISTANCE OF 600.00 FEET, TO THE **POINT OF BEGINNING**.

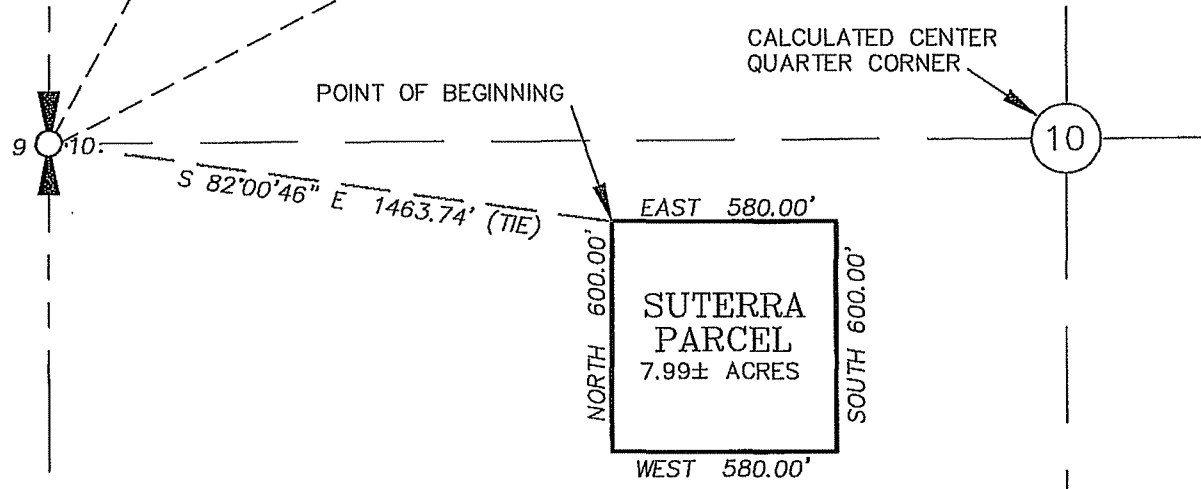
SAID PARCEL CONTAINING 7.99 ACRES, MORE OR LESS.

BEARINGS ARE BASED ON PARTITION PLAT NO. 2007-78, RECORDED AS CS17585 IN THE DESCHUTES COUNTY SURVEY RECORDS.



PROPERTY CORNER
 1/4
 T17S R12E
 S9 S10
 1993
 LS 1081

FOUND PIPE MONUMENT WITH
 3 1/2" DIA. ALUM. CAP
 [O.C.R.R. NO. 1247 ON FILE AT THE
 DESCHUTES COUNTY SURVEYORS OFFICE]



SW 1/4 SECTION 10

FOUND 2 1/2" DIA.
 BRASS CAP MONUMENT
 MONUMENT APPEARS TO BE DISTURBED
 (POSITION HELD FROM JUNE 29, 2006 SURVEY
 PRIOR TO MONUMENT BEING DISTURBED)
 [O.C.R.R. NO. 143 ON FILE AT THE
 DESCHUTES COUNTY SURVEYORS OFFICE]
 DISTURBED MONUMENT FOUND 0.43', S 68°48'40" W
 FROM ITS ORIGINAL POSITION

N00°01'28"E 2644.51'

T17S R12E
 9 | 10
 16 | 15
 LS 540

REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

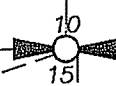
[Signature]

OREGON
 JUNE 30, 1997
 DANIEL E. WOBBE
 2825

EXPIRES 06/30/2010



S89°36'03"W 2624.00'



FOUND IRON ROD WITH
 3 1/4" DIA. ALUM. CAP
 [O.C.R.R. NO. 144 ON FILE AT THE
 DESCHUTES COUNTY SURVEYORS OFFICE]

DESCHUTES COUNTY
 T17S R12E
 1/4 S 10
 S 15
 1987
 LS 1020
 SURVEYORS OFFICE

SHEET NUMBER 2 of 2	EXHIBIT MAP SUTERRA PARCEL - JUNIPER RIDGE CITY OF BEND SUTERRA	DRAWING INFO	SHEET INFO		
		35682	DRAWN	SCB	
		56002_SUTERRA_PARCEL_BNDRY_EXHIBIT	CHECKED	DEW	
		1"=500'	LAST EDIT	10/21/2008	
			PLOT DATE	10/21/2008	

EXHIBIT B

Form of Permit and Right of Entry Agreement

Attached.

PERMIT AND RIGHT OF ENTRY

RECITALS

A. The City of Bend, an Oregon municipal government (the “**City**”), is the owner of certain real property located in the City of Bend, Oregon, in the area to be known as the Juniper Ridge Development (“**Development**”).

B. Suterra LLC, a Delaware limited liability company (“**Permittee**”), intends to enter into a Purchase Agreement with the City in order to purchase approximately 7.99 acres of undeveloped real property located within the Development, as shown and described on the attached **Exhibit A** (the “**Property**”), in order to construct and operate a new manufacturing facility (the “**Facility**”).

C. In order to allow for sale of the Property to Permittee and the construction of the Facility, a zone change must first occur. In the meantime, in order to meet its construction schedule, Permittee requires early access to a portion of adjacent City property, shown on the attached **Exhibit B**, for the purpose of rough grading an access way into the Property so that Permittee may begin grading activities on the Property, pre-closing, which the City hereby agrees to allow. The City’s adjoining property where the rough grade road work will be done and the Property are collectively referred to herein as the “**Permit Premises**.” Permittee has been issued a grading permit by the City which allows for Permittee to immediately begin all work provided for under the grading permit including but not limited to site clearing, rock crushing, rough grading work and filling in the building pad (the “**Work**”).

D. The Work will be conducted in accordance with plans already approved by the City and with the requirements of the grading permit.

NOW, THEREFORE, in consideration of the promises and covenants contained in this Permit and Right of Entry (this “**Permit**”) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF RIGHT TO USE THE PERMIT PREMISES

The foregoing Recitals are incorporated by reference herein. The City hereby grants Permittee, and its contractor, Knife River (the “**Contractor**”), the non-exclusive right to enter upon the Permit Premises, in accordance with the terms and conditions set forth below. Permittee may also allow its engineers and other consultants access to the Permit Premises and shall be responsible for their activities thereon.

2. PERMITTED USE

This Permit authorizes Permittee and Permittee’s Contractor to enter upon the Permit Premises for the purpose of conducting the Work described above (“**Permitted Use**”). Permittee shall use the Permit Premises solely for the purposes set forth in this Permit.

3. TERM OF PERMIT

The term of this Permit shall commence on October 4, 2008 (the "**Commencement Date**") and shall terminate on completion of the Work. The scope of the Permitted Use may be expanded by amendment hereto.

4. DAMAGE TO PROPERTY

Permittee shall be responsible for any damage to people or property caused in connection with Permittee's Permitted Use under this Permit. Provided, however, that if for any reason the sale of the Property to Permittee does not close, Permittee shall have no obligation to restore the Permit Premises to their pre-existing condition and all of the Work done hereunder shall be allowed to remain in place by the City and shall not be considered damage to the Permit Premises. However, Permittee shall leave the site in a clean, smoothly graded condition, free of hazards, debris or other deleterious materials.

5. COMPENSATION TO BE PAID BY PERMITTEE

No permit fee is required under the terms of this Permit. Permittee may also remove fill material from the **Exhibit B** property in the course of its rough grading to use on the Property as fill material free of charge.

6. TERMINATION

This Permit will terminate upon the closing of the sale of the Property to Permittee or the determination by the City and Permittee that the sale will not occur.

7. NO LIENS

Permittee agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment provided to the Permit Premises. Permittee shall not suffer or permit any liens to attach to all or any part of the Permit Premises or any interest of Permittee in the Permit Premises by reason of any work, labor, services, or materials done for, or supplied to, or claimed to have been done for or supplied to, Permittee, Permittee's Contractor or anyone occupying or holding an interest of Permittee in all or any part of the Permit Premises through or under Permittee. If any lien is filed against the Permit Premises, Permittee shall cause the lien to be discharged of record within thirty (30) days after the date of filing of the same, by payment, deposit or bond. In the event that Permittee fails to remove the lien within thirty (30) days, then the City shall automatically have the right, but not the obligation, to pay the lien off with no notice to Permittee and Permittee shall immediately reimburse the City for any sums so paid to remove any such lien.

8. PERMITTEE'S INDEMNITY AND REIMBURSEMENT OBLIGATIONS

Permittee agrees to defend, indemnify, and hold harmless the City from and against, and reimburse the City for, any and all claims, damages, expenses, costs, fees (including, but not limited to, attorney, accountant, paralegal, expert, and escrow fees), fines and/or penalties (collectively "**Costs**") which may be imposed upon or claimed against or incurred by the City and which arise from any of the following, unless resulting from the City's negligent or willful misconduct: (a) any negligent act or omission of Permittee; (b) any breach, violation or nonperformance of any of Permittee's obligations under this Permit; or (c) any damage caused by

Permittee on or to the Permit Premises or any adjoining property. For purposes of this Section, "Permittee" shall be deemed to include Permittee and Permittee's Contractor as well as any of Permittee's assigns and all respective partners, officers, directors, agents, employees, invitees, licensees and/or consultants. This indemnity shall only apply during the term of this Permit and does not apply to Work allowed to be left in place pursuant to Section 4.

9. NO BENEFIT TO THIRD PARTIES

Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise, to third parties unless third parties are expressly described as intended to be beneficiaries of its terms.

10. INSURANCE

10.1 General

The insurance requirements set forth below do not in any way limit the amount or scope of liability of Permittee under this Permit. The amounts listed indicate only the minimum amounts of insurance coverage the City is willing to accept to help insure full performance of all terms and conditions of this Permit. Permittee shall be fully responsible for the actions of Permittee's Contractor on the Premises and nothing contained herein shall be construed to limit Permittee's liability therefor. All insurance required by this Permit shall meet the following minimum requirements:

10.2 Required Insurance

At all times during this Permit, Permittee and its Contractor shall provide and maintain the following types of coverage:

10.2.1 General Liability Insurance

Permittee and its Contractor shall maintain an occurrence form commercial general liability policy insuring Permittee against liability for personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Permit Premises or occasioned by reason of the operations of Permittee. Such coverage shall name the City as an additional insured, shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, and shall include coverage for independent contractors, products-completed operations, and contractual liability (including the tort liability of another assumed in a business contract). If subject to an aggregate limit, such aggregate shall not be less than ONE MILLION DOLLARS (\$1,000,000.00) per policy year applying separately to the Permit Premises or TWO MILLION DOLLARS (\$2,000,000.00) per policy year.

10.2.2 Automobile Liability Insurance

Permittee and its Contractor shall maintain an automobile liability policy insuring against liability for bodily injury, death, or damage to property, including the loss of use thereof, arising from the use, loading and unloading of Permittee's owned, hired, and non-owned automobiles on and around the Permit Premises. Coverage shall be in an amount of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident.

10.2.3 Workers' Compensation Insurance

Permittee and its Contractor shall maintain in force workers' compensation and employer's liability insurance coverage for all of Permittee's and such Contractor's employees in accordance with all requirements of Oregon law and employer's liability insurance coverage in an amount of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) per accident and FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) per employee for disease. In lieu of workers' compensation insurance, Permittee and Contractor may maintain a self-insurance program meeting the requirements of the State of Oregon and a policy of excess workers' compensation and employer's liability insurance.

11. ASSIGNMENT OR TRANSFER OF INTEREST OR RIGHTS VOID

Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer, or encumber any of Permittee's rights granted by this instrument, and any such action is void.

12. WARRANTIES/GUARANTEES

The City makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Permit Premises, and it is agreed that the City will not be responsible for, and Permittee hereby releases the City, its commissioners, officers, employees, agents and contractors from, any loss, damage, or costs which may be incurred by Permittee by reason of any such physical condition.

13. COMPLIANCE WITH LAW

Permittee shall comply with all applicable state, federal, and local laws, including, but not limited to, health and safety laws, City of Bend ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, workers' compensation, and minimum wage requirements.

14. NOTICES

All notices required under this Permit shall be deemed properly served if hand delivered (including by reputable overnight courier) or sent by certified mail, return receipt requested, to the last address previously furnished by the parties hereto. Until hereafter changed by the parties by notice in writing, notices shall be sent to the parties at the addresses set forth below:

Suterra LLC
c/o Roll International Corporation
11444 W. Olympic Boulevard, 10th Floor
Los Angeles, CA 90064
Attention: Chief Legal Officer
Telephone: (310) 966-5700
Facsimile: (310) 966-5758

City of Bend
710 NW Wall Street
Bend, OR 97701
Attention: City Manager
Telephone: (541) 382-3917
Facsimile: (541) 385-6676

If mailed, the notice shall be deemed received five (5) days after the date such notice is deposited in a post office of the United States Postal Service, postage prepaid, return receipt requested, certified mail. If delivered by hand or overnight courier, the notice shall be deemed received as of the date of delivery or refusal of delivery.

15. LIMITATION ON CITY LIABILITY

The City shall have no liability to Permittee for, and Permittee hereby releases the City from, any loss, damage or injury suffered by Permittee on account of theft or any act or omission of any third party. In addition, in all events whether relating to the foregoing sentence or otherwise, the City shall only be liable to Permittee for the City's own willful misconduct or negligence.

16. GOVERNING LAW

This Permit shall be governed and construed according to the laws of the State of Oregon, without regard to its choice of law provisions. Venue shall be in Deschutes County.

17. WARRANTY OF AUTHORITY

The individuals executing this Permit warrant that they have full authority to execute this Permit on behalf of the entity for whom they are acting herein.

18. ENTIRE AGREEMENT & EXECUTION

This Permit represents the entire agreement between the parties, and supersedes all prior agreements, written or oral, with respect to the terms of this Permit. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto. This Agreement may be executed in counterpart.

Dated this 3rd day of October, 2008.

PERMITTEE:
SUTERRA LLC

By: Craig Cooper
Name: Craig Cooper
As Its: SVP

THE CITY OF BEND:

By: John Russell for Ericking
Name: John Russell
As Its: Economic Development Director

Exhibit A
Map of Property

Exhibit B
Map of Adjacent City Property

EXHIBIT C

Form of Statutory Warranty Deed

Attached.

AFTER RECORDING RETURN TO:

Barbara A. Jacobson
Kirkpatrick & Lockhart Preston Gates Ellis LLP
222 SW Columbia Street, Suite 1400
Portland, OR 97201

Until a change is requested, all tax statements shall be sent to the following address:

Suterra LLC
c/o David S. Prall
Associate General Counsel
Roll International Corporation
11444 West Olympic Boulevard
Los Angeles, CA 90064

STATUTORY WARRANTY DEED

The City of Bend, an Oregon municipal government, the **Grantor**, owning 100% interest in the Property, hereby conveys and warrants to Suterra LLC, a Delaware limited liability company, the **Grantee**, the real property legally described on **Exhibit A**, attached hereto and incorporated by reference herein, together with any and all improvements located thereon, if any, including any air, water and mineral rights, free and clear of all liens and encumbrances.

The true consideration for this conveyance is TWO MILLION FOUR HUNDRED THIRTY-SIX THOUSAND THREE HUNDRED TEN DOLLARS (\$2,436,310).

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

[Remainder of page intentionally left blank; signatures continue on following page]

DATED this _____ day of _____, 2008.

CITY OF BEND, an Oregon municipal government

By: _____

Name: _____

As Its: _____

STATE OF OREGON)
) ss.
County of _____)

On this ____ day of _____, 2008, before me, a Notary Public in and for said state, personally appeared _____ of the City of Bend, an Oregon municipal government (the "City"), and stated that he/she executed the foregoing Statutory Warranty Deed and acknowledged it to be the free and voluntary act and deed of the City, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this instrument on behalf of the City.

Notary Public for
My commission expires:

[Signatures continue on following page]

SUTERRA LLC, a Delaware limited liability company

By: _____

Name: _____

As Its: _____

STATE OF _____)

) ss.

County of _____)

On this ____ day of _____, 2008, before me, a Notary Public in and for said state, personally appeared _____, _____ of the Suterra LLC, a Delaware limited liability company ("Suterra"), and stated that he/she executed the foregoing Statutory Warranty Deed and acknowledged it to be the free and voluntary act and deed of Suterra, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this instrument on behalf of Suterra.

Notary Public for
My commission expires:

[End of signatures]

K:\1858589\00001\18009_BAJ\18009A23V9==Statutory Warranty Deed.doc

EXHIBIT A

Legal Description

A PARCEL OF LAND BEING A PORTION OF PARCEL 1, AS SHOWN ON PARTITION PLAT NO. 2007-78, OFFICIAL RECORDS OF DESCHUTES COUNTY, OREGON, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, CITY OF BEND, DESCHUTES COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING SOUTH 82°00'46" EAST, A DISTANCE OF 1463.74 FEET FROM THE QUARTER CORNER COMMON TO SECTIONS 9 & 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, MARKED BY A 3 1/2" DIAMETER ALUMINUM CAP STAMPED PROPERTY CORNER, 1/4, T17S R12E, S9 S10, LS 1081, 1993;

THENCE, EAST, A DISTANCE OF 580.00 FEET, TO A POINT;

THENCE, SOUTH, A DISTANCE OF 600.00 FEET, TO A POINT;

THENCE, WEST, A DISTANCE OF 580.00 FEET, TO A POINT;

THENCE, NORTH, A DISTANCE OF 600.00 FEET, TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 7.99 ACRES, MORE OR LESS,

BEARINGS ARE BASED ON PARTITION PLAT NO. 2007-78, RECORDED AS CS17585 IN THE DESCHUTES COUNTY SURVEY RECORDS.