

GOPHER RESOURCE, LLC
TERMS FOR STANDARD PURCHASE ORDER

1. **ACCEPTANCE.** Acceptance of any purchase order from Gopher Resources, LLC or its affiliate, Envirofocus Technologies, LLC (collectively, "Gopher") is subject to the exact terms herein. The delivery by seller to Gopher of the goods described in the purchase order (the "Goods") shall conclusively be deemed an unconditional acceptance by seller of Gopher's purchase order and these terms and conditions ("Terms") notwithstanding any provision in any acknowledgement, invoice, quotation or other document of any kind of seller. Gopher may, in its discretion, revoke its purchase order at any time before acceptance by seller.

2. **DELIVERY.** The Goods shall be delivered to the destination specified on the purchase order no later than the date set forth therein. Unless the purchase order specifies otherwise, all Goods are to be provided F.O.B. destination. All risk of loss or damage in transit shall be borne by seller. Any documents necessary to enable Gopher to obtain the Goods from the carrier when delivered will be mailed to Gopher at or prior to shipment.

3. **PACKING AND SHIPPING.** Deliveries shall be made as specified without charge for boxing, crating, carting, or storage unless otherwise specified, and the Goods shall be suitably packed to secure lowest transportation costs, in accordance with the requirements of common carriers, and in such manner as to assure against damage from weather or transportation. The Goods shall be described on bills of lading in accordance with current Motor Freight or Uniform Freight Classification, whichever is applicable. Gopher's order numbers and symbols must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing lists shall accompany each box or package shipment. Gopher's count or weight shall be final and conclusive on shipments not accompanied by packing lists. Except as consented to by Gopher, seller shall not ship in advance of schedule and shall ship exact quantities ordered.

4. **WARRANTIES.** Seller warrants to Gopher and its customers that all Goods (a) will conform to all specifications, drawings, descriptions, and samples set forth in or referred to in the purchase order and any applicable governmental or regulatory standards, (b) will be new, (c) will be free from defects in material or workmanship, (d) will conform to any statements made on the containers or labels or advertisements for such Goods, (e) will be adequately and properly contained, packaged, marked and labeled, (f) will be merchantable, (g) will be free from design defects (except for any defects related to designs provided by Gopher), (h) will be free from any encumbrance, lien or claim, and (i) will conform in all respects to all samples. If seller knows or has reason to know the particular purpose for which Gopher intends to use the Goods, seller warrants that such Goods will be fit for such particular purpose. Seller's warranties shall run to Gopher, its successors, assigns and customers, and users of products sold by Gopher.

5. **PRICE; TERMS OF PAYMENT.** Seller represents that the prices specified herein for the Goods are not less favorable than those currently extended to any other customer of seller for the same or similar articles in similar quantities. In the event seller reduces its price for such articles prior to completing performance under the purchase order, seller shall notify Gopher and reduce the prices for the Goods correspondingly. Seller warrants that prices shown on the purchase order are complete, and that no additional charges of any type (including, but not limited to, charges for shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, carting) shall be added without Gopher's

express written consent. Terms of payment shall be as specified on the purchase order.

6. **INSPECTION.** Upon delivery, Gopher shall have a reasonable time within which to inspect the Goods before accepting or paying for them. If upon inspection Gopher determines that the Goods do not conform to the description on the front side hereof or any warranties contained herein, Gopher shall have the right to preserve and keep a sample of the Goods tendered for the purpose of having evidence of the kind and quality of the Goods tendered. In addition to the foregoing, Gopher may inspect the Goods during production at seller's facilities during seller's regular business hours. No inspection, test, acceptance or use of the Goods by Gopher shall affect seller's warranties or Gopher's rights hereunder, and such warranties and rights shall survive any such inspection, test, acceptance or use.

7. **REJECTION.** In the event any Goods to be delivered hereunder fail to conform to the terms herein, or in the event delivery is not made as herein provided, Gopher may, at its option, reject the whole, or accept any unit or units and reject the rest. If Gopher rejects any part of the Goods delivered or tendered under a purchase order, it shall forthwith notify seller in writing. Said notice of rejection shall specify all claimed defects and nonconformity in the Goods; provided however, that failure by Gopher to state a particular defect shall not preclude Gopher from relying upon the unstated defect to justify rejection or to establish breach.

8. **TERMINATION.** Gopher shall have the right to terminate, cancel or suspend, by written notice, in whole or in part, any purchase order. Except in case of termination by Gopher for breach by seller of the terms hereof, allowance will be made for normal and reasonable expenses incurred by seller prior to receipt of notice of cancellation, but Gopher will not be liable for any charges or expenses incurred by seller in advance of the normal or reasonable lead time necessary to meet scheduled delivery dates nor for any expenses, charges or liability incurred subsequent to the giving of notice of cancellation.

9. **FORCE MAJEURE.** Failure of seller to make, or of Gopher to take, all or any part of any delivery hereunder, if such failure is due to acts of God, war, labor difficulties, breakdowns or damage to seller's facilities or Gopher's facilities, embargoes, shortages of transportation equipment and any other cause beyond a party's control, shall not subject such party to any liability to the other party; provided however, that in the event seller is unable to meet the delivery schedule provided by Gopher due to conditions beyond seller's control, Gopher may, if it chooses and without liability to seller, refuse shipment or any other schedule unless such schedule has been submitted to and approved by Gopher.

10. **NONCONFORMING GOODS.** Seller will not substitute nonconforming Goods, or back order Goods without first obtaining Gopher's consent thereto.

11. **PROPRIETARY INFORMATION - CONFIDENTIALITY - ADVERTISING.** All information furnished by Gopher shall be confidential and seller shall not disclose any such information to any other person, or use such information itself for any purpose other than performing under the purchase order. Seller shall not advertise or publish the fact that Gopher has contracted to purchase goods from seller, nor shall any

information relating to the purchase order be disclosed without Gopher's express written permission.

12. **INDEMNIFICATION.** Seller shall defend, indemnify and hold Gopher, and Gopher's customers and users of the Goods harmless from and against any and all claims, expenses (including reasonable attorneys' fees), or losses suffered or incurred by Gopher as a result of or arising out of: (a) a claim that any Goods infringe on any patent, trademark, copyright or other intellectual property right of any person or entity, or (b) a breach of the warranties set forth in Paragraph 4 of these Terms. Gopher may be represented by and actively participate through its own counsel in any such suit or proceeding if it so desires, and the costs of such representation shall be paid by seller.

13. **NON-WAIVER.** Waiver by either seller or Gopher of a breach by the other of any provision of the purchase order shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect.

14. **MODIFICATION.** With the exception of express warranties made by seller to Gopher which are not set forth herein, this writing is intended by the parties as a final and complete expression of their agreement as to the subject matter hereof, and shall supersede all prior oral or written negotiations, understandings or agreements with respect thereto. The purchase order may be modified or rescinded only by a writing signed by the duly authorized agents of the parties. The express terms hereof shall not be varied by any course of dealing, performance or usage of trade. **ACCEPTANCE OF THE PURCHASE ORDER IS EXPRESSLY LIMITED TO THE TERMS HEREOF. ANY DIFFERENT, CONFLICTING OR ADDITIONAL TERMS IN ANY INVOICE, SALES ACKNOWLEDGMENT OR OTHER DOCUMENT PROVIDED OR OFFERED BY SELLER ARE HEREBY EXPRESSLY REJECTED.**

15. **ASSIGNMENT.** The purchase order may not be assigned by seller, nor may seller delegate its duties under it, without the prior written consent of Gopher.

16. **GOVERNING LAW/FORUM SELECTION.** The purchase order shall be construed and interpreted in accordance with the laws of the State of Minnesota without reference to the principles of conflict of laws. Any proceedings arising from or related to breach of this Agreement shall be brought only in the state or federal courts located in the State of Minnesota. Seller hereby consents to the jurisdiction of such courts over any such actions.

17. **GRATUITIES.** Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Gopher's employees, agents or representatives with a view toward securing the purchase order or securing favorable treatment with respect thereto.

18. **HAZARDOUS SUBSTANCES.** Seller shall notify Gopher of any Goods that contain or constitute a hazardous substance or material and shall comply with all applicable laws, including obtaining any and all required permits and approvals relating thereto, relating to the manufacturing, reporting, handling, packaging and transportation of such Goods. Hazardous substances or materials means any substance or material defined in or governed by any federal, state or local environmental, health or safety law or regulation as a dangerous, toxic, explosive, reactive or hazardous pollutant, contaminant or waste of any kind or which might pose a threat to human health or welfare or the environment.

19. **COMPLIANCE WITH LAW.** Seller shall, in the performance of the purchase order, comply with all applicable laws, executive orders, regulations, ordinances, proclamations, demands and requisitions of any federal, state or local governmental authority which may now or hereafter govern performance hereunder. Seller, in accepting the purchase order, represents that the Goods to be furnished hereunder were or will be produced or performed in full compliance with all applicable laws. To the extent applicable, seller agrees to be bound by, comply with, and fully implement the following orders, regulations and clauses, each of which are incorporated by reference: Executive Order 11246 and its OFCCP implementing regulations (see 41 CFR 60-1 and 60-2, including without limitation, 41 CFR 60-1.4(a)); Section 503 of the Rehabilitation Act of 1973, as amended, and its OFCCP implementing regulations (see 41 CFR §60-741, including without limitation, 41 CFR 60-741.5(a)); the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, and its OFCCP implementing regulations (see 41 CFR 60-250 and 60-300, including without limitation 41 CFR §§60-250.5(a) and 60-300.5(a)); Employment Eligibility Verification under the Federal Acquisition Regulations (48 CFR 52.222-54); and the Employee Notice Clause under Executive Order 13496 (29 CFR 471, Appendix A to Subpart A).

20. **ACCESS TO SELLER'S FACILITIES.** Gopher, its representatives and its customers, shall have the right upon reasonable notice to seller, to inspect the facilities, equipment and processes used by seller to produce the Goods purchased hereunder and to inspect the Goods at seller's facilities. Any such inspections shall occur during normal business hours at mutually convenient times and shall be performed in a manner reasonably designed to limit any disruption to seller's operations.

21. **INVOICE PROCESSING.** Seller shall provide invoice for any goods or services purchased within 14 days of delivery of good or service. Invoices received later than 14 days from delivery of goods or services will be subject to payment delay, reduction, or cancellation.