

TERMS FOR STANDARD PURCHASE ORDER FOR TANGIBLE GOODS

1. **ACCEPTANCE.** Acceptance of this Purchase Order ("Purchase Order") must be made on the exact terms herein. The shipment by Seller of the goods described on the front side hereof (the "Goods") shall conclusively be deemed an unconditional acceptance by Seller of the terms and conditions ("Terms") set out in this Purchase Order notwithstanding any provision in any acknowledgement, invoice, quotation or other document of any kind of Seller.
2. **REVOCATION.** Horton, Inc. ("Horton") may, in its discretion, revoke this Purchase Order at any time before acceptance by Seller.
3. **DELIVERY.** The Goods shall be delivered to the destination specified on the front side hereof no later than the date set forth on the front side hereof. 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 Horton to obtain the Goods from the carrier when delivered will be mailed to Horton at or prior to shipment.
4. **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. Horton'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. Horton's count or weight shall be final and conclusive on shipments not accompanied by packing lists. Except as consented to by Horton, Seller shall not ship in advance of schedule and shall ship exact quantities ordered.
5. **WARRANTIES.** Seller warrants to Horton and its customers and to users of the Goods that all Goods (a) will conform to all specifications, drawings, descriptions, and samples set forth in or referred to in this 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 Horton), (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 Horton intends to use the Goods, Seller warrants that such Goods will be fit for such particular purpose. Seller's warranties shall run to Horton, its successors, assigns and customers, and users of products sold by Horton.
6. **REMEDIES.** In the event of a breach of any warranty given by Seller to Horton, Horton shall be entitled to exercise any and all of the remedies available under the Uniform Commercial Code, as adopted in Minnesota.
7. **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 this Purchase Order, Seller shall notify Horton and reduce the prices for the Goods correspondingly. Seller warrants that prices shown on this 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 Horton's express written consent. Terms of payment shall be as specified on the front side hereof.
8. **INSPECTION.** Upon delivery, Horton shall have a reasonable time within which to inspect the Goods before accepting or paying for them. If upon inspection Horton determines that the Goods do not conform to the description on the front side hereof or any warranties contained herein, Horton 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, Horton 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 Horton shall affect Seller's warranties or Horton's rights hereunder, and such warranties and rights shall survive any such inspection, test, acceptance or use.
9. **REJECTION.** In the event any Goods to be delivered hereunder fail to conform to the terms of this Purchase Order, or in the event delivery is not made as herein provided, Horton may, at its option, reject the whole, or accept any unit or units and reject the rest. If Horton rejects any part of the Goods delivered or tendered under this 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 Horton to state a particular defect shall not preclude Horton from relying upon the unstated defect to justify rejection or to establish breach.

10. **TERMINATION**. Horton shall have the right to terminate, cancel or suspend, by written notice, in whole or in part, this Purchase Order. Except in case of termination by Horton 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 Horton 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.
11. **FORCE MAJEURE**. Failure of Seller to make, or of Horton 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 Horton'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 Horton due to conditions beyond Seller's control, Horton 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 Horton.
12. **NONCONFORMING GOODS**. Seller will not substitute nonconforming Goods, or back order Goods without first obtaining Horton's consent thereto.
13. **PROPRIETARY INFORMATION - CONFIDENTIALITY - ADVERTISING**. All information furnished by Horton 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 this Purchase Order, unless Seller obtains prior written permission from Horton to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Horton in connection with this Purchase Order. Seller shall not advertise or publish the fact that Horton has contracted to purchase goods from Seller, nor shall any information relating to this Purchase Order be disclosed without Horton's express written permission. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Horton shall be deemed secret or confidential and Seller shall have no rights against Horton with respect thereto. Seller recognizes that Horton's employees have no authority to accept any information in confidence.
14. **INDEMNIFICATION**. Seller shall defend, indemnify and hold Horton, and Horton'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 Horton as a result of or arising out of a claim that (a) any Goods infringe on any patent, trademark, copyright or other intellectual property right of any person or entity or (b) from breach of the warranties set forth in Paragraph 5 of these Terms. Horton 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. The fact that Horton furnishes specifications to Seller with respect to any such article shall neither relieve Seller from its obligations hereunder nor limit Seller's liability therefor, nor shall the same be deemed to constitute an undertaking by Horton to hold Seller harmless against any such claim which arises out of compliance with the specifications.
15. **NON-WAIVER**. Waiver by either Seller or Horton of a breach by the other of any provision of this Purchase Order shall not be deemed a waiver of future compliance therewith, and such provision shall remain in full force and effect.
16. **MODIFICATION**. With the exception of express warranties made by Seller to Horton 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. This 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 THIS 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.
17. **ASSIGNMENT**. This Purchase Order may not be assigned by Seller, nor may Seller delegate its duties hereunder, without the prior written consent of Horton.
18. **GOVERNING LAW/FORUM SELECTION**. This 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.
19. **GRATUITIES**. Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Horton's employees, agents or representatives with a view toward securing this Purchase Order or securing favorable treatment with respect thereto.
20. **NOTICE OF HAZARDOUS SUBSTANCES**. Seller warrants that the Goods do not contain or constitute a hazardous or toxic substance or material or in any way pose a danger to Horton or its officers, agents, employees or customers or to any other person or entity. Seller shall promptly notify Horton if it at any time discovers or concludes that the Goods contain or constitute a hazardous or toxic substance or material or might otherwise constitute a threat to human health, welfare or the environment.

21. **CONFLICT MINERALS.** Unless Horton specifically agrees in writing that particular Goods may contain a particular material, Seller warrants that the Goods do not contain “conflict minerals” as defined by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 as it may be amended from time to time and any regulations, rules, decisions or orders relating thereto adopted by the Securities and Exchange Commission or any successor governmental agency responsible for adopting regulations relating thereto (collectively, “Dodd-Frank Section 1502”). Without limiting the generality of the foregoing, Seller agrees to disclose to Horton, upon Horton’s request, to the extent known or discoverable by Seller following inquiry, the original source and amounts of all minerals contained in the Goods. Seller shall comply with all laws regarding the sourcing of minerals, including, without limitation, laws prohibiting the sourcing of minerals from mines controlled by combatants and Dodd-Frank Section 1502. Without any further consideration, Seller shall provide such further cooperation as Horton may reasonably require in order to meet any obligations it may have, directly or indirectly, under conflict minerals laws, including, without limitation, under Dodd-Frank Section 1502.

22. **TAXES.** Unless expressly otherwise stated on this Purchase Order, Horton shall not be liable for any federal, state or local taxes related to the sale, purchase or use of the Goods, and Seller shall indemnify Horton with respect thereto.

23. **COMPLIANCE WITH LAW.** Seller shall, in the performance of this 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 this 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: 41 CFR §60-1.4, 41 CFR §61-300.10, 29 CFR Part 471 Appendix A to Subpart A, 41 CFR §60-300.5, 41 CFR §60-741.5, and, Employment Eligibility Verification under the Federal Acquisition Regulations (48 CFR 52.222-54). As a contractor and subcontractor shall abide by the requirements of 41 CFR §60-300.5(a) and §60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

24. **PRODUCT – PROCESS CHANGE.** With respect to any Goods purchased by Horton hereunder, Seller may not, without first obtaining Horton's prior written approval, change raw materials, Seller's manufacturing facilities, the tooling used to produce such Goods or in any manner change the process used to produce such Goods from the process described in the pre-production approval process submitted to Horton.

25. **ACCESS TO SELLER'S FACILITIES.** Horton, 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.