



## Genie Electronics Company, Inc.

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### Statement of Purchase Order Terms & Conditions for Genie Electronics Company, Inc.

**1. Price:**

- A. Prices on the goods are exclusive of all city, state and federal excise taxes, including, without limitation, taxes on manufacture, sales, receipts, gross income, occupation, use and similar taxes. Wherever applicable, any tax or taxes will be added to the invoice as a separate charge to be paid by buyer.
- B. Prices do not include the cost of insurance during shipment.
- C. All orders are subject to buyer obtaining credit approval.

**2. Terms of payment: (All terms pending credit approval)**

- A. Production contract: Payment due within 30 days of invoice date.
- B. Development contract: 25% with order; 25% upon receipt; 50% net cash 30 days.
- C. Regarding Blanket Orders not complete within 12 months: 80% of unit price to be paid on units not delivered by the end of 12 months from date of order. Balance to be paid upon release or, customer may buy remaining inventory at GEC's cost, plus 20%.

**3. Delivery, packaging, and risk of loss:**

- A. Delivery dates are approximate and based on seller's prompt receipt of all necessary information and documentation to be supplied by buyer.
- B. Seller is not liable for liquidated, consequential, incidental, indirect, or special damages or costs, charges or penalties.
- C. Product shall be packaged for shipment in accordance with standard commercial practices that will afford protection against corrosion, deterioration and physical damage during transport.
- D. In the event a third party carrier is utilized to deliver the goods, shipments shall be F.O.B. seller's premises in York, Pennsylvania. Shipments shall be freight collect. UPS shipments shall be prepaid and added to the invoice. Any special handling charges by carrier shall be paid by buyer. Title and risk loss or damage shall pass to buyer at seller's shipping dock immediately after loading on the carrier in York, Pennsylvania. If the product is lost, destroyed or damaged during transport, buyer bears the risk of loss. Buyer shall file loss or damage claims with the carrier.
- E. In the event seller delivers the goods in its own vehicle, then title and risk of loss or damage shall pass to buyer after the shipment is unloaded at buyer's facility.

**4. Delays:**

- A. Seller shall not be liable for any delay in the performance or orders or contracts, or in the delivery or shipment of product, or for any damages suffered by buyer by reason of such delay, if such delay is, directly or indirectly, caused by or in any manner arises from fires, floods, accidents, civil unrest, act of god, war, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials, or supplies, transportation delays, or any other cause or causes beyond its control.

**5. Conditions:**

- A. All orders or contracts are accepted with the understanding that they are subject to seller's ability to obtain the necessary raw materials, and all orders or contracts as well as shipments applicable thereto are subject to seller's current manufacturing schedules, and government regulations, orders, directives, and restrictions that may be in effect from time to time.
- B. Any changes to the Bills of Materials, manufacturing methods, or any other documented buyer requested specifications of the goods, at the request of the buyer, must be received by the seller, in writing. Upon receipt of written change request, seller will, at its option, notify buyer that the contract is null and void. Seller, at its option, can choose to continue with contract through written agreement between buyer and seller that details financial, delivery, or other discrepancies outside of original contract, due to said changes. Seller will, at its option, review implications of said change, and advise in writing, of the resulting financial, delivery, or other obligations of the buyer due to the change.



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### 6. Warranties:

- A. At its option, for a period of one (1) year from the date of shipment, seller will repair, replace, or credit, any portion or total assembly deemed to be defective due to defective workmanship by seller after review by seller's technical staff.
- B. Material supplied to seller by the buyer and incorporated into the work performed is not warranted.
- C. Seller disclaims any warranty responsibility for buyer's design deficiencies.
- D. Seller shall be permitted an opportunity to cure and rejected material within a reasonable period after notification of rejection by buyer. Rejected material may be reworked by the buyer at seller's expense only if seller agrees in advance in writing.
- E. No warranty or guarantee, express or implied, including any warranty as to merchantability or fitness for any purpose, is made unless the same is specifically set forth herein, but in such case warranty or guarantee is limited as herein provided. .
- F. In any event, the total extent of financial liability of seller shall be no greater than the total value of the labor and material at seller's cost for the specified assembly. This section (6) comprises the complete warranty by seller. In no event shall seller be held liable for any direct, indirect, consequential or incidental damages resulting from any defect, or other related items and processes, including, but not limited to, any interruption of service, loss of business, anticipated profit or other consequential damages.

### 7. Termination

- A. Buyer may terminate an order in whole or in part by written notification effective upon receipt by seller. Seller will immediately terminate all work, as directed in buyer's written notice.
- B. In the event buyer terminates the order, buyer shall pay to seller all actual costs incurred by seller, plus 20% of such actual costs, plus unrecovered, nonrecurring Engineering and tooling costs. Actual costs include purchased material and parts, all incidental costs and expenses with respect to material and parts, direct labor, labor overhead, termination charges imposed by seller's subcontractors and vendors, general and administrative costs and seller's expense.
- C. Seller may terminate the order if buyer fails to make payments due or otherwise fails to promptly cure any breach of the order provisions. Upon termination via the seller, termination costs as stated in Section 7 (B) will apply.

### 8. Miscellaneous

- A. This order and the relationship between the seller and buyer shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. Any controversy or claim arising out of or relating to this order or the performance or breach thereof shall be settled by arbitration in the city and county of York, Pennsylvania, in accordance with the rules and procedure of the American Arbitration Association. In the event arbitration is unsuccessful and the parties proceed to court, the parties agree that the court of common pleas of York county, Pennsylvania, or where applicable, the federal District court for the middle district of Pennsylvania, shall be the exclusive venue and have exclusive jurisdiction for any and all legal actions commenced by seller or buyer hereunder. The buyer hereby knowingly waives its right to trial by jury in any action brought by or against the buyer on, mentioning, related to or connected with this order. Buyer agrees to pay the costs and expenses incurred by seller in any such arbitration or court action, including seller's reasonable attorney's fees.
- B. This order shall be binding upon and insure to the benefit of both parties and their respective successors and assigns
- C. Seller will comply with all laws and regulations which govern seller's performance hereunder.
- D. Seller will perform all work to the current revision of the institute for interconnecting and packaging electronics circuits IPC-A-610, Class I Level, unless otherwise specified.
- E. Buyer agrees to defend and indemnify seller and hold seller harmless from and against all claims, liability, loss, damage, and expense, including attorneys' fees, resulting from any claims or litigation with respect to any part of the goods covered by this order.
- F. Buyer's acceptance of seller's product shall be conclusive evidence of buyer's acceptance of seller's schedule of charges, terms and conditions, unless seller has signed a written modification. If collection activities are necessary, buyer agrees to pay the expenses thereof, including seller's attorneys, fees.
- G. This offer may be changed or revoked at any time prior to acceptance. Acceptance of this offer is expressly limited to the exact terms contained herein and any attempt to alter or omit any of such terms shall be deemed a rejection and a counteroffer.
- H. All quotes and subsequent purchase orders designated as "blanket" will have, unless otherwise approved by seller in writing, a duration of 12 months after receipt of the first purchase order. After 12 months or approved time frame, the buyer is responsible for all materials, whether finished goods, WIP, or raw material. Buyer may choose to receive delivery of materials or have seller scrap.