Standard Conditions of Sale

1. Exclusive Terms and Conditions of Sale

(1) Unless otherwise expressly agreed by CODAN in writing, all sales are subject to the terms and conditions set forth herein and our acceptance of any customer's order is expressly limited to the terms and conditions of our Standard Conditions of Sale as set forth herein. Any terms which add or are contrary to or which deviate from these Standard Conditions of Sale shall be void unless we have expressly agreed to such additional, contrary or different terms in writing. In the absence of such express written agreement by us, any attempt to vary from these Standard Conditions of Sale in any degree are hereby objected to and shall be deemed material.

(2) These Standard Conditions of Sale shall apply to all transactions with the customer and the customer's placement of an order constitutes agreement with and acceptance of the Standard Conditions of Sale.

2. Quotations - Printed Materials

(1) Our quotations are always subject to alteration without notice unless otherwise specifically stated in the quotation. All sales, contracts and orders become effective only after we have issued an acknowledgement of the order or upon fulfillment of the order.

(2) We hold the copyright on all illustrations, drawings, calculations and other documents sent by us to the customer. Such materials may not be made available or accessible to third parties without our express written consent.

(3) The customer shall keep confidential all documents and information marked or otherwise designated as "confidential" and will not use or disclose such documents or information to any third party without our prior written consent. If we disclose to the customer any research, development, technical, economic or other business information or "know how" of a confidential nature, whether reduced to writing or not, the customer will not use or disclose any such information to any other person or company at any time without our prior written consent.

3. Prices - Payment Conditions

(1) Unless otherwise agreed in writing, our prices are F.O.B. from our Santa Ana plant.

(2) Except as specifically provided in a quotation, all of our prices are subject to change.

(3) Our prices do not include applicable federal, state or local sales, use, excise or similar taxes and the customer shall be liable for such taxes whether or not shown on the invoice.

(4) Any deduction of a discount must be agreed upon separately in writing executed by us. Each separate discount must be separately agreed upon.

(5) Provided that nothing to the contrary is contained in the acknowledgment of order, the purchase price is due for payment (without deductions) and shall be made net 30 days of the invoice date.

(6) If payment by the customer is overdue, interest may accrue at a rate of 1.5% of the outstanding unpaid balance per month or the maximum legal rate allowed by applicable law, whichever is lower. Accrual and payment of such interest shall not preclude or satisfy any claims we may have for additional damages.

(7) The customer has a right to offset payments only if the customer's claim is the subject of a judgment entered by a court of law, is uncontested or has been recognized in writing by us. The customer has no right to retain shipped goods to satisfy a contested claim.

4. Delivery Times

(1) Quoted delivery times and shipping dates are only estimates and are subject to change.

(2) We shall not bear any liability whatsoever, including without limitation any direct, indirect or consequential damages due to delays of any deliveries.

(3) The customer may not cancel its order after acceptance unless approved in writing.

(4) Our ability to fulfill our delivery estimates may be subject to the timely fulfillment of all of the customer's obligations.

(5) Orders that are expedited in advance of their scheduled delivery date, may be subject to a 10% expedite fee.

(6) If the customer delays acceptance of the goods or breaches any other obligations, we are entitled to demand compensation for losses we thereby incur, including any additional costs. In such a case, the risk of accidental destruction or deterioration of the goods purchased is transferred to the customer at
5. Transfer of Risk

(1) Except as expressly stated in a prior written agreement, delivery shall be F.O.B. from our Santa Ana plant. Accordingly, all risk and title passes to the customer as soon as the goods have been handed over to a shipping company or have left our plant or warehouse and the customer has the obligation to insure once title passes. This applies even if we are paying the transportation costs. Damages in transit must be reported directly to the shipping company within the specified period.

6. Warranty for Defects

(1) EXCEPT AS EXPRESSLY PROVIDED HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY EXPRESSED OR IMPLIED WITH RESPECT TO OUR PRODUCTS. WE SHALL HAVE NO LIABILITY TO THE CUSTOMER FOR ANY NEGLIGENCE DESIGN OR MANUFACTURE. WE SHALL HAVE NO LIABILITY TO THE CUSTOMER FOR ANY DAMAGES, CONSEQUENTIAL, INCIDENTAL OR OTHERWISE, WHETHER ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, PACKING, DELIVERY, STORAGE, USE, MISUSE OR NONUSE OF ANY OF OUR PRODUCTS OR ANY OTHER CAUSE WHATSOEVER.

(2) For a period of six (6) months from the passing of title, we warrant that our products when properly shipped, maintained and used will be free from defects in material and workmanship. If the goods are defective in materials or workmanship for reasons for which we are to blame, we are entitled at our discretion to either remedy the defect or replace the goods.

(3) All claims under paragraph (2) must be made in writing within six (6) months of the passing of title.

(4) Paragraph (2) sets forth the limits of our liability. We shall not be liable for loss of profits or other pecuniary losses of the customer.

7. Customers Liability

(1) The customer shall indemnify and hold us harmless from all costs, damages or losses incurred by us which arise from any claims or liability for unfair competition or U.S. or foreign patent, trademark, or copyright infringement or any other claim resulting from the delivery, the use of or from our manufacture of goods according to the customer's specifications. Such losses and damages shall include reasonable attorneys’ fees incurred in defending ourselves from such claims. Such indemnity shall be in addition to any other remedies afforded by law or contract.

8. Security Interest in Goods

(1) We retain, and customer grants, a security interest in the purchased goods to secure payment.

(2) The customer agrees to execute and deliver to us financing statement evidencing our security interest in the goods, at our request.

9. No Waiver

(1) Our rights and remedies are cumulative and may be exercised from time to time. Any failure by us to insist on the customer's strict performance of the terms and conditions contained herein shall not be deemed or construed as a waiver by us of any future exercise of our rights.

10. Governing Law – Venue

(1) The agreement between the customer and us shall be governed by the internal law of California without regard to its choice of law provisions.

(2) Any action arising out of or relating to this agreement shall be brought before the applicable federal or state court in Orange Country, California and the customer consents that any such court shall have personal jurisdiction over the customer.

11. Entire Agreement

(1) These Standard Conditions of Sale and any writing signed by the customer and us relating to the subject matter hereof embody the entire agreement between the customer and us. Any change, modification or amendment to such agreement must be in written and signed by one of our officers who is duly authorized to execute such writing.