



Terms of Sale

1. GENERAL

The following terms and conditions, including those on CDS Corporation's Quotation, shall constitute the entire agreement for the purchase and sale of CDS Corporation products. Any acceptance contained herein is made expressly conditional upon the Purchaser's assent to the terms, which are different from, in addition to, or vary the terms contained in the Purchaser's purchase order or request for quotation. Such assent shall be deemed to occur upon the failure of the Purchaser to object in writing specifically to such term or terms within 14 days from the receipt hereof. Any terms and conditions contained in the Purchaser's purchase order or request for quotation, which are different from, in addition to, or vary CDS Corporation's terms and conditions, shall not be binding upon CDS Corporation hereby objects thereto.

2. CHANGES

Prior to the date of delivery of any product or products hereunder, the Purchaser shall have the right to make changes in its order provided that CDS Corporation receives written notice of the desired changes and accepts the same and provided further that the Purchaser accepts the additional charge therefore as determined by CDS Corporation. Changes, which interfere with or alter CDS Corporation's production schedules, will not be acceptable unless the time for performance is extended for such period as deemed necessary by CDS Corporation. Failure of CDS Corporation to accept a Purchaser's request to change its purchase order shall not be cause for Purchaser's cancellation of its order except upon payment of a cancellation charge to be determined by CDS Corporation.

3. CANCELLATION

- (a) CDS Corporation shall have the absolute right to cancel this Agreement upon breach thereof by the Purchaser, failure by the Purchaser to make any payment required by this Agreement, or the insolvency or bankruptcy of the Purchaser.
- (b) A Purchase order or any part thereof, which is hereby accepted by CDS Corporation, may not be cancelled unless and until CDS Corporation receives written notice of the cancellation, has determined the additional charge to be made and the same has been accepted and paid by the Purchaser. Upon receipt of a notice of cancellation, CDS Corporation shall be entitled to take whatever action it deems necessary and advisable to minimize cancellation charges.
- (c) Special Products: Special Products can be manufactured to suit customer's needs. Special Products and systems shall be defined as those products that are not listed in current or past catalogs or have special drawing numbers. In such cases, CDS Corporation will build the product to our drawing specifications and no other. Modifications to orders for special products must be agreed to in writing by CDS Corporation. Orders for special products cannot be cancelled without agreement in writing by CDS Corporation. In cases of such accepted cancellations, purchaser may be required to accept products and components produced or in production at moment of cancellation acceptance.

4. WARRANTY

- (a) CDS Corporation warrants, except as hereinafter provided, each product sold hereunder which is manufactured by CDS Corporation to be free from defects under normal use and service for a period of 24 months after shipment thereof to the original Purchaser.
- (b) CDS CORPORATION'S WARRANTY EXTENDS ONLY TO PRODUCTS MANUFACTURED BY IT AND IS, TO THE EXTENT PERMITTED BY LAW, IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND ANY PRIOR WRITTEN OR ORAL REPRESENTATIONS REGARDING SUCH PRODUCTS MADE BY CDS CORPORATION, ITS EMPLOYEES, AGENTS OR REPRESENTATIVES.
- (c) PRODUCTS OR COMPONENTS THEREOF, SUPPLIED BY ANY OTHER PARTY TO CDS CORPORATION, WHICH ARE NOT MANUFACTURED OR ASSEMBLED BY CDS CORPORATION, ARE COVERED ONLY BY THE INDIVIDUAL WARRANTY OF SUCH OTHER PARTY AND COPIES OF SUCH WARRANTY WILL BE FURNISHED UPON REQUEST.
- (d) CDS Corporation reserves the right to inspect products claimed defective under warranty either at the Purchaser's location or at CDS Corporation, Sparta, NJ. A defective product is not to be returned to CDS Corporation's warehouse unless authorized by CDS Corporation. Products so returned shall be returned to CDS Corporation's warehouse or original manufacturer's location freight prepaid. Any product proving defective due to faulty manufacturing within 90 days from date of shipment will be replaced or repaired free of charge, F.O.B. CDS Corporation's plant, Sparta, NJ. CDS Corporation assumes no liability for labor charges incidental to the adjustment service, repairing, removal or replacement of the product or other costs, or for the expense of repairs made outside its factory except when made pursuant to CDS Corporation prior written consent. CDS Corporation, at its option, may ship a replacement or replacements immediately under standard billing and make warranty adjustment after inspection of the defective product by means of credit memorandum.
- (e) Return of Goods: CDS products are built specific for each customer's application and therefore built to order. Any and all expenses related to return shipments not addressed under warranty provisions shall be paid by purchaser. A re-stocking fee of seventy percent (70%) of sales price shall be added in all cases. Product must be returned in original CDS crate with original packing materials and in new condition. CDS Corporation must receive written notice of customer intent to return goods within thirty (30) days from the date of shipment to the customer. Any product installed in a machine or assembled with customer fixtures/tooling is considered used equipment and is not eligible for return. Electrical components which have been installed in a machine or powered up cannot be returned for credit and fall under warranty terms listed above.

5. DELAYS

CDS Corporation shall not be liable for damages in performance due to circumstances beyond its reasonable control, including without limiting the generality of the foregoing, and priority system established by an agency of the United States Government, fires, floods, storms and other acts of God, accidents, strikes, insurrections, war, shortage of materials, lack of transportation and failure of performance of subcontractors and/or suppliers for similar reasons. Failure of CDS Corporation to perform for these reasons aforesaid shall not be grounds for Purchaser's cancellation of its order but the delivery date shall be extended accordingly.

6. LIMITATION OF LIABILITY

No claim made hereunder by the Purchaser, whether as to goods delivered or for non-delivery shall be greater than the purchase price of the goods in respect if which such claim is made, and CDS Corporation shall under no circumstances be liable for consequential damages.

7. MISCELLANEOUS

- (a) This agreement may not be assigned or otherwise transferred by Purchaser without the prior written consent of CDS Corporation, and any such assignment or transfer without such prior written consent shall be null and void and of no force or effect whatsoever.
- (b) CDS Corporation's failure to insist, in one or more instances, upon the performance in any term or terms of this Agreement shall not be construed as a waiver or relinquishment of its right to such performance or the future performance of such term or terms and Purchaser's obligation with respect thereto shall continue in full force and effect.
- (c) Any notice or other communication required or permitted hereunder shall be sufficiently given if sent in writing by registered or certified mail, postage prepaid, to the other party thereto at its respective address first above written. Any such notice, if so mailed, shall be deemed to have been received on the third business day following such mailing. Either party hereto may change its address for notice purposes by written notice to the other party.
- (d) The paragraph headings in this agreement are used for convenience only. They form no part of this agreement and are in no way intended to alter or affect the meaning of this agreement.
- (e) This agreement may be amended at any time by mutual agreement of the parties hereto by an endorsement to this Agreement signed by each of them.
- (f) The invalidity, in whole or part, of any provisions of this Agreement shall not affect the validity or enforceability of any other of its provisions.
- (g) This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.
- (h) Catalogs: Technical characteristics, pictures and all other data stated on our catalogs and other technical documents are not binding. We reserve the right to modify any characteristic or description without notice.

8. TAXES

All applicable federal, state or local sales, use or excise taxes are the responsibility of the Purchaser and shall be in addition to the price or prices stated on CDS Corporation's Quotation unless otherwise specifically stated. CDS Corporation shall have the right to invoice separately any such tax as may be imposed at a later time. Applicable tax exemption certificates must accompany any order to which the same applies.

9. PAYMENT TERMS

- (a) CASH PAYMENT: Net 30 days upon credit approval. A service charge of 1 1/2% per month 18% annual rate will be charged on balances which are over sixty (60) days.
- (b) First time customers: 30% deposit with Purchase order, 50% at time of shipment and 20% net within 30 days of receipt of order. Deposits are not refundable.
- (c) F.O.B.--- NJ/NY Port Shipping Point unless otherwise stated on CDS Corporation Quotation.
- (d) Minimum order requirement: \$250.