PATZ MATERIALS & TECHNOLOGIES

TERMS AND CONDITIONS OF SALE

1. SCOPE AND ACCEPTANCE

These Terms and Conditions of Sale ("Terms") govern all sales of advanced composite materials, prepregs, carbon fiber structures, resins, and related aerospace/industrial components ("Products") by the Seller to the Buyer. Any terms proposed by the Buyer in a purchase order or acknowledgment that conflict with these Terms are explicitly rejected unless agreed to in writing by an authorized representative of the Seller.

2. SPECIFICATIONS AND TOLERANCES

Products will conform strictly to the mutually agreed technical specifications, datasheets, or drawings referenced in the Sales Order.

Buyer acknowledges that advanced composite manufacturing involves inherent material variances. Dimensions, weights, fiber volumes, and mechanical properties are subject to standard industry tolerances (+/- 10% unless otherwise specified).

Shelf Life & Storage: For temperature-sensitive materials (e.g., uncured prepregs, epoxy resins), the Seller guarantees shelf life *only* if stored strictly in accordance with the Seller's handling instructions (e.g., storage at or below -18°C / 0°F).

3. DELIVERY, RISK, AND EXPORT CONTROLS

Shipment dates are based upon Seller's best judgment, are subject to production limitations and factory schedules, and hence are not guaranteed. All sales are F.O.B. Seller's shipping point. Unless Seller specifically agrees otherwise, Buyer will pay the freight or other delivery charges and all other charges levied or imposed on the material after the loading is completed. If the Seller prepays such charges on Buyer's request or for Buyer, Buyer will reimburse Seller. Seller's weights or measurements taken at the shipping point shall control unless proven to be in error.

Export Regulatory Compliance: Buyer certifies that Products will not be exported, re-exported, or transferred in violation of applicable laws, including the U.S. International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR).

End-Use Certification: Buyer must provide a valid End-User Certificate prior to manufacture if requested by the Seller.

4. INSPECTION, TESTING, AND REJECTION

Testing Window: Due to the critical nature of composite applications, the Buyer must inspect and perform non-destructive testing (NDT) or visual checks within 21 business days of receipt.

Latent Defects: Notice of any latent defects or non-conformity must be submitted in writing with supporting laboratory/testing data before the material is cut, laminated, cured, or altered in any manner. Altering, cutting, or placing the Products into a manufacturing cycle constitutes irrevocable acceptance and waives all claims for visible defects.

5. LIMITED WARRANTY AND REMEDIES

Warranty Period: Seller warrants that Products are free from defects in materials and workmanship for 90 days from delivery, or until the established material expiration date, whichever occurs first.
Storage Prerequisite: This warranty is completely voided if temperature logs or storage conditions violate the Product's technical data sheets.

Sole Remedy: Seller's sole obligation is to replace the non-conforming Product or credit the Buyer's account for the specific purchase price.

6. LIMITATION OF LIABILITY

Liability Cap: Seller's maximum aggregate financial liability under any legal theory (contract, tort, strict liability) will never exceed the specific **purchase price** paid for the Products giving rise to the claim.

Consequential Damages: Seller is completely exempt from any liability for indirect, incidental, special, punitive, or consequential damages, including but not limited to airplane grounding costs, production downtime, loss of profits, or structural recall expenses.

7. INTELLECTUAL PROPERTY AND CUSTOM TOOLING

IP Ownership: All proprietary composite formulations, resin blending techniques, tooling designs, and manufacturing processes remain the exclusive intellectual property of the Seller.

Tooling: Any specialized molds, mandrels, or dies fabricated by the Seller remain the Seller's property, even if the Buyer paid a tool-use or engineering charge, unless explicitly transferred via a separate written Tooling Agreement.

8. PRICE AND PAYMENT

Payment for all shipments hereunder shall be made by Buyer against Seller's invoice within thirty (30) days from date of the invoice, terms net cash, unless otherwise indicated on the face hereof. Past due invoices shall be subject to a finance charge of 1.5% per month or the maximum rate allowed by law, whichever is less. If at any time, in Seller's opinion, the financial responsibility of Buyer becomes impaired or unsatisfactory to Seller, or inadequate to meet the obligations hereunder, the terms of payment may, at Seller's option, be revised or withdrawn, and Seller may require cash or other satisfactory security before making further shipments to Buyer.

9. FORCE MAJEURE

In case performance of any terms or provisions hereof shall be delayed or prevented because of compliance with any law, decree, request or order of any governmental agency or authority, either local, state or federal, or because of riots, war, public disturbances, strikes, lockouts, differences with workmen, fires, floods, acts of God, accidents of navigation, breakdown or failure of transportation or transportation facilities, failure of or interference with the manufacture, receiving, handling, or consumption of the material covered hereby, inability to obtain raw materials, fuel, power, labor, containers or transportation facilities, or commercial impracticability, or for any other reason (whether or not of the same class or kind as herein set forth) which is not within the control of the party whose performance is interfered with and which by the exercise of reasonable diligence said party is unable to prevent, the party so suffering may at its option suspend deliveries or receipts during the period such cause continues, and no liability shall attach against either party on account thereof. In the event of a force majeure affecting Buyer, Buyer shall apportion its purchases among its written contract suppliers of material, including its own departments and affiliates, on an equitable basis. In the event of a force majeure affecting Seller, Seller may apportion its available supply of such material among its purchasers, including its own departments and affiliates, on an equitable basis without incurring liability for failure to perform this Agreement. The provisions of this paragraph shall not be available to any party that fails to use reasonable diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch. The requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes or labor controversies by acceding to the demands of the opposing party or parties.

10. CANCELLATIONS

Seller’s goods are manufactured to Buyer’s specific requirements and may require the purchase of unique raw material(s) to fabricate the goods. As such, the goods have limited and/or no use outside of Buyer’s need for such goods. Therefore, the goods are not readily returnable or re-saleable to others. In the event that Buyer determines it necessary to delay and/or cancel Buyer’s order in-part or in-total, Buyer must notify Seller in writing of such intent immediately. Based on the timing of any such notification from Buyer to Seller, Seller reserves the right to apply cancellation charges and/or handling charges that may reflect up to 100% of the sales value of the cancelled items.

10. RETENTION OF TITLE & SECURITY INTEREST

Seller hereby retains, and Buyer hereby grants to Seller, a purchase money security interest ('PMSI') in all goods delivered hereunder, as well as all proceeds thereof, until the purchase price has been paid in full. Buyer authorizes Seller to file Uniform Commercial Code financing statements (UCC-1) to perfect this interest.

Seller reserves the right, by written notice, to suspend performance, halt goods in transit, or require cash in advance or a letter of credit if Seller, in its sole discretion, deems Buyer’s financial condition insecure. Failure by Buyer to provide adequate assurance of performance within ten (10) days of a written request shall constitute a material breach of this Agreement.

11. GOVERNING LAW AND ARBITRATION

Jurisdiction: These terms are governed by the laws of the state where the Seller’s manufacturing facility is located, excluding its conflict of laws principles.

Dispute Resolution: Any unresolved technical or commercial dispute will be settled by binding arbitration under the rules of the American Arbitration Association (AAA).