



**ADVANTAGE MACHINE & MFG., INC.**  
**910 Tenth St. #100**  
**Plano, TX 75074**  
**972-424-8701**

**STANDARD TERMS AND CONDITIONS**

Buyer referred to in these Terms and Conditions is Advantage Machine & Mfg., a Texas Corporation with offices in Plano, Texas. No other affiliate, parent, subsidiary or division of Advantage Machine & Mfg., Inc. is a party to or in any way subject to the terms, rights and obligations hereof, including but not limited to any rights of set-off or recoupment accruing to the Seller.

None of the terms and conditions contained in the Purchase Order/Subcontract Agreement may be added to, modified, superseded or otherwise altered except by a written instrument signed by buyer and delivered by buyer to seller. All work performed hereunder and each shipment received by buyer from seller shall be deemed to be only upon the terms and conditions contained in the Purchase Order/Subcontract Agreement except as they may be added to, modified, superseded or otherwise altered, notwithstanding any terms and conditions that may be contained in any acknowledgement, invoice or other form of seller and notwithstanding buyer's act of accepting or paying for any shipment or similar act of buyer.

1. This is a fixed price order and prices cannot be increased. This purchase is exempt from sales and use taxes. In the event repairs are needed Advantage Machine and Seller will enter into negotiations to establish a reasonable price for the inspection and evaluation costs associated with such repairs. No repairs are to be made until seller advised cost by individual piece and receives approval in the form of a change order to this purchase order. Cost, if any, or analyzing the extent of needed repair, if no work is authorized to be performed, is to be absorbed by Seller.
2. The delivery schedule specified is firm and shall not be changed without the prior written approval from Buyer. In the event the Seller becomes delinquent in the delivery of hardware to the specified schedule herein, Advantage Machine reserves the right to cancel all or any part thereof of those items which are delinquent at no cost to Advantage Machine & Mfg.
3. All rejected hardware shall be returned to Seller at Seller's expense. Replacement shipments to Advantage Machine shall be at the Seller's expense.
4. Over-shipments to the purchase order quantity will not be accepted by Advantage Machine unless authorized by the Buyer and documented by change order.
5. Air or other premium shipping charges generated as a result of supplier being delinquent to purchase order schedules shall be charged to the Seller.
6. If applicable, all materials required for fabrication shall be furnished by subcontractor, the cost of which is included in the contract prices stated herein.
7. All tooling ordered hereunder will become the property of Advantage Machine & Mfg.. Invoices for said tooling will be paid by Buyer when the tool is completed and received by the Buyer and the first article made

with the tooling is accepted by Buyer. In addition, upon completion of this order, seller agrees to retain and protect said tooling for use on future orders for Buyer or return said tooling to Buyer when requested by Buyer.

8. All tools either produced or provided by the Buyer will be used only for the fabrication of Buyer's parts and assemblies, unless otherwise authorized by Buyer. This tooling is not to be destroyed, disposed of, or transferred without written authorization from Buyer. Tooling must be maintained per DAR 7.104.24-A and FAR 52.245-2 government property.

9. Seller shall notify Buyer immediately of all articles not in strict conformance with drawings, specifications or contractual requirements. Such items shall not be shipped without prior written approval of Buyer.

10. Buyer shall have the privilege of sending personnel into the Seller's plant for the purpose of coordination of the work being performed under the Buyer's purchase order. Seller may make such visits to Advantage Machine & Mfg. when required for assistance or coordination toward the integration of Seller's effort with Buyer's purchase order requirements.

11. All articles shall be adequately wrapped, packed and crated to prevent damage in transit.

12. Seller shall furnish CERTIFICATE OF CONFORMANCE stating as a minimum that items meet the purchase order requirements. C of C must reflect the purchase order, part number, revision number, quantity and authorized signature. This must be repeated for partial shipments.

13. Advantage Machine & Mfg. source inspection is required on first lot only. Notify Advantage Machine ten (10) days in advance of test to final inspection of first lot. Final acceptance is at Advantage Machine offices in Plano, Texas. Advantage Machine source inspection shall not constitute product acceptance, nor shall it relieve the Seller of any responsibility and/or liability for full compliance with all requirements of this purchase order.

14. Seller shall provide evidence of and maintain a quality control system acceptable to Advantage Machine and the Government.

15. The government has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The government shall perform inspections and tests in a manner that will not unduly delay the work. The government assumes no contractual obligation to perform any inspection and test for the benefit of the contractor unless specifically set forth elsewhere in this contract.

16. If the government performs inspection or test on the premises of the contractor or a subcontractor, the contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the government shall bear the expense of government inspections or tests made at other than the contractor's or subcontractor's premises, provided that in case of rejection, the government shall not be liable for any reduction in the value of inspection of test samples.

17. Supplies delivered under this purchase order may be eligible for duty-free entry into the United States. Please contact the Advantage Machine purchasing agent if you need more information.

**TERMS AND CONDITIONS OF PURCHASE**  
**Supplement 1 – Government Contract Provisions (FAR/DFARS)**

<u><b>FAR Reference</b></u>	<u><b>Title of Clause</b></u>
52.202-1	Definitions
52.203-3	Gratuities
52.203-5	Covenant Against Contingent Fees
52.203-6	Restriction on Subcontractor Sales to the Government (if order exceeds \$100,000)
52.203-7	Anti-Kickback Procedures
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (if order exceeds the simplified acquisition threshold)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (if order exceed the simplified acquisition threshold)
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (if order exceeds \$100,000)
52.203-13	Contractor Code of Business Ethics and Conduct
52.204-2	Security Requirements
52.209-5	Certification Regarding Debarment, Suspension, Proposed Debarment and Other Responsibility Matters
52.209-6	Protecting the Government's Interest when, Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (if order exceeds \$25,000)
52.211-5	Material Requirements
52.211-6	Brand Name or Equal
52.211-15	Defense Priority and Allocation Requirements
52.215-8	Order of Precedence – Uniform Contract Format
52.215-14	Integrity of Unit Prices
52.215-19	Notification of Ownership Changes
52.216-18	Ordering
52.216-19	Order Limitations
52.216-22	Indefinite Quantity
52.219-6	Notice of Total Small Business Set-Aside
52.219-8	Utilization of Small Business Concerns
52.219-14	Limitation on Subcontracting
52.222-1	Notice to the Government of Labor Disputes
52.222-6	Davis Bacon Act
52.222-10	Compliance with Copeland Act Requirement
52.222-11	Subcontracts (Labor Standards)
52.222-12	Contract Termination-Debarment
52.222-13	Compliance with Davis Bacon and Related Regulation Act
52.222-20	Walsh-Healy Public Contracts Act
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-35	Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam

	Era, and Other Eligible Veterans
52.222-41	Service Contract Act of 1965, as amended
52.222-43	Fair Labor Standards Act and Service Contract Act-Price Adjustments (Multiple Year and Option Contracts)
52.225-8	Duty Free Entry
52.225-13	Restrictions on Certain Foreign Purchases
52.227-1	Authorization and Consent
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.227-3	Patent Indemnity
52.227-9	Refund of Royalties
52.227-10	Filing of Patent Applications – Classified Subject Matter
52.227-11	Patent Rights – Retention by the Contractor
52.227-13	Patent Rights – Acquisition by the Government
52.228-5	Insurance – Work on a Government Installation
52.229-3	Federal, State, and Local Taxes
52.229-5	Taxes – Contracts Performed in U.S. Possessions or Puerto Rico
52.230-2	Cost Accounting Standards
52.230-3	Disclosure and Consistency of Cost Accounting Standards
52.230-4	Consistency in Cost Accounting Practices
52.230-5	Cost Accounting Standards – Educational Institutions
52.230-6	Administration of Cost Accounting Standards
52.232-1	Payments
52.232-8	Discounts for Prompt Payment
52.232-11	Extras
52.232-17	Interest
52.232-23	Assignment of Claims
52.232-25	Prompt Payment
52.232-33	Payment by Electronic Funds Transfer – Central Contractor Registration
52.232-35	Designation of Office for Government Receipt of Electronic Funds Transfer Information
52.233-1	Disputes
52.233-3	Protest After Award
52.242-13	Bankruptcy
52.242-15	Stop-Work Order
52.242-17	Government Delay of Work
52.244-2	Subcontracts
52.245-2	Government Property (Fixed-Price Contracts)
52.246-1	Contractor Inspection Requirements
52.246-2	Inspection of Supplies – Fixed-Price
52.246-6	Inspection of Services – Fixed-Price
52.247-34	F.O.B. Destination
52.247-64	Preference for Privately Owned US-Flag Commercial Vessels
52.249-2	Termination for Convenience of Government
52.249-8	Default (Fixed-Price Supply and Service)
52.251-1	Government Supply Sources
52.252-2	Clauses Incorporated by Reference
52.253-1	Computer Generated Forms

<b><u>DFAR</u></b>	<b><u>Reference</u></b>	<b><u>Title of Clause</u></b>
	252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense – Contract – Related Felonies
	252.204-7000	Disclosure of Information
	252.208-7000	Intent to Furnish Precious Metals as GFM
	252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty
	252.211-7000	Acquisition Streamlining
	252.223-7001	Hazard Warning Labels
	252.223-7005	Hazardous Waste Liability
	252.225-7001	Buy American Act
	252.225-7009	Duty Free Entry Qualifying Country Products and Supplies (End Products and Components)
	252.225-7010	Duty Free Entry – Additional Provisions
	252.225-7012	Preference for Certain Domestic Commodities
	252.225-7014	“Alternate 1” Preference for Domestic Specialty Metals
	252.225-7015	Preference for Domestic Hand or Measuring Tools
	252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
	252.225-7022	Restriction on Acquisition of Polyacrylonitrile (PAN) Carbon Fiber
	252.225-7025	Restriction on Acquisition of Forgings
	252.225-7026	Reporting on Contract Performance Outside the United States
	252.225-7032	Waiver of United Kingdom Levies
	252.225-7037	Duty-free Entry-NAFTA Country End Products and Supplies
	252.227-7013	Rights in Technical Data-Non-Commercial Item
	252.227-7014	Rights to Computer Software and Software Documentation
	252.227-7030	Technical Data – Withholding of Payment
	252.227-7034	Patents – Subcontracts
	252.227-7037	Validation of Restrictive Markings on Technical Data
	252.228-7001	Ground and Flight Risk
	252.235-7003	Frequency Authorization
	252.239-7016	Telecommunications Security Equipment Devices, Techniques and Services
	252.244-7000	Subcontracts for commercial Items and Commercial Components
	252.247-7023	Transportation of Supplies by Sea
	252.247-7024	Notification of Transportation of Supplies by Sea
	252.249-7002	Notification of Anticipated Contract Termination or Reduction

Clauses incorporated in full text:

1) **EQUAL OPPORTUNITY REPORTING**

In accordance with FAR 52.222-26, Equal Opportunity seller is hereby notified of its responsibility to submit Annual Information Reports in accordance with instructions contained in the Employee Information Report EEO-1 Standard Form 100. These forms may be obtained from Joint Reporting Committee, 1800 G Street NW, Washington, DC 20506.

2) **AFFIRMATIVE ACTION COMPLIANCE PROGRAM**

The rules and regulations of the Secretary of Labor, which paragraph 6 of the Equal Opportunity clause incorporates, provide, among other things, that each Buyer and Seller shall require each Seller who has 50 more employees and a subcontract of \$50,000 or more to develop a written affirmative action compliance program for each of its establishments (41 CFR 60-1.20).

The Seller herein is required within 120 days from the commencement of this purchase order to develop and maintain such a program and to require its subcontractors who have 50 or more employees and a subcontract of \$50,000 or more to do the same. Such programs shall be developed and maintained in accordance with 41 CFR 60-1.40 and 60.2

3) **RELEASE OF INFORMATION**

Seller shall not publish any information developed under this purchase order nor distribute it nor make any news release about the subject matter of this purchase order or the prime contract without prior approval of the US Government agency which issued the prime contract. Seller shall request the approval through the Buyer.