

IDS Terms and Conditions Guide
Section F

Clause Number: F213
Effective: 9/22/2006
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TERMINATION LIABILITY (Variable)

(a) The termination liability amount authorized by Buyer under this contract is set forth in paragraph (f). Seller agrees that such amount shall permit performance of this contract through the date set forth in paragraph (f) and agrees to continue performance through that date. Buyer may, by unilateral modification to this contract, extend that date, and Seller agrees to continue performance through the new date. If such change increases the cost required to perform under this contract, Buyer and Seller shall negotiate an equitable adjustment in the termination liability amount to reflect the increase. Buyer shall modify this contract in writing accordingly.

(b) If the termination liability date is not extended by the date set forth in paragraph (f) or the date set forth in Seller's notice submitted pursuant to paragraph (d), (whichever is later), Buyer will, upon written request of Seller, terminate this contract under the provisions of the Termination for Convenience article. Provided, however, that this contract shall not be terminated at Seller's request under the provisions of this paragraph until at least thirty (30) days after the date on which Buyer receives the aforementioned notice.

(c) Notwithstanding anything to the contrary contained in the Termination for Convenience article of this contract, if this contract is terminated under the aforementioned article, the maximum amount for which Buyer shall be liable, including termination expenses, shall not exceed the termination liability amount then authorized and set forth in paragraph (f). The termination settlement shall be limited to that material acquired, effort performed or both, which are determined by Buyer to have been necessary to protect the performance of this contract.

(d) Thirty (30) days before the date specified in paragraph (f), Seller shall notify Buyer in writing of any additional termination liability amount required to continue timely performance under this contract for sixty (60) days after the date specified in paragraph (f) or for any further period specified by Buyer. If Seller fails to give notice at least thirty (30) days before the date specified in paragraph (f), Seller agrees to continue performance of the work under this contract with no additional termination liability amount authorized for thirty (30) days from the date that the notice is received by Buyer in order to allow Buyer time to authorize the additional termination liability amount.

(e) Nothing in this condition will limit the rights of Buyer to terminate this contract for convenience or to cancel for default under the pertinent articles of this contract.

(f) Termination Liability Estimated Through Date: