

TERMINATION LIABILITY

- (a) Reference is made to the section of the Purchase Contract schedule entitled “Sum Allotted and Performance Period.” Notwithstanding anything in this contract to the contrary, if this contract is terminated, the maximum amount for which Buyer shall be liable, including termination expenses, shall not exceed the Sum Allotted. 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.
- (b) Unless Buyer otherwise directs, Seller shall perform within the Sum Allotted and Performance Period specified. Buyer may unilaterally modify this contract to extend the Performance Period, in which case Seller shall continue to perform to the new Performance Period. If such change increases the cost required to perform under this contract, Buyer and Seller shall negotiate an equitable adjustment to the Sum Allotted.
- (c) Thirty (30) days prior to the expiration of the Performance Period, Seller shall notify Buyer in writing of any additional amount that would be required to continue performance for an additional sixty (60) days beyond the Performance Period, or for any other period the Buyer may specify. If Seller fails to give notice at least thirty (30) days before the expiration of the Performance Period, Seller shall continue to perform under this contract within the Sum Allotted for thirty (30) days from the date that the notice is received by Buyer in order to allow Buyer time to either authorize additional funding or implement termination.
- (d) If the Performance Period is not extended, Buyer will, upon written request of Seller, terminate this contract under the provisions of the Termination for Convenience article, provided Seller has complied with the provisions of paragraph (c).
- (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.