

**IDS Terms and Conditions Guide
Section H**

**Clause Number: H510M
Effective 06/09/2005
Page: 1 of 1**

CANCELLATIONS/TERMINATIONS - MITIGATION OF DAMAGES

The parties agree they are obligated to mitigate damages in the event the purchase contract is terminated under Termination or Cancellation provisions of the Buyer General Provisions. In that event, Seller shall immediately cease work as directed in the termination notice and take all reasonable steps to mitigate its losses, costs and any liabilities resulting or arising from such termination. Except as specifically provided in the General Provisions, Buyer shall not be liable for Seller's expenses or liabilities expended or discharged prior to the effective date of the purchase contract, or after the date of the notice of termination. Under no circumstances shall Buyer be liable to Seller for any costs Seller "invested" into the program.

In addition, in the event of Seller's default, Seller will be deemed to have transferred to Buyer a royalty free, irrevocable, nonexclusive license for Buyer or Buyer's subcontractors to use Seller's Technical Data and know-how as necessary to re-procure and build the item or items provided for in the purchase order. Any transfer of Technical Data or know-how required for Buyer's assumption of such subcontracts shall be at no additional charge. At Buyer's request, Seller shall render to Buyer all reasonable assistance to enable Buyer to assume subcontracts with Seller's suppliers entered into by Seller for purposes of performing its outstanding obligations under the terminated contract.