

## LIMITATION OF COMPANY'S OBLIGATION

(a) Of the total subcontract price or, as applicable, the ceiling price, the sum of \$\_\_\_\_\_ is currently available for payment. It is anticipated that from time to time additional funds will be allotted to this subcontract until the total subcontract price or, as applicable the ceiling price is allotted.

(b) The Seller agrees to perform or have performed work on the subcontract up to the point at which, in the event of termination of this subcontract pursuant to the clause hereof entitled either "Termination for Convenience of the Government" or "Termination" the total amount payable by the Company (including amounts payable in respect of lower-tier subcontracts and settlement costs), pursuant to paragraph (e) of the "Termination for Convenience of the Government" clause or paragraph (f) of the "Termination" clause, would in the exercise of reasonable judgment by the Seller approximate the total amount at the time allotted to the subcontract. The Company shall not be obligated in any event to pay or reimburse the Seller in excess of the amount from time to time allotted to the subcontract, anything to the contrary in the clause hereof entitled either "Termination for Convenience of the Government" or "Termination" notwithstanding.

(c) It is contemplated that funds currently allotted to this subcontract will cover the work to be performed until \_\_\_\_\_. In the event funds allotted are considered by the Seller to be inadequate to cover the work to be performed until the above date, or an agreed date in substitution thereof, the Seller shall notify the Company in writing when within the next thirty days the work will reach a point at which, in the event of termination of this subcontract pursuant to the clause hereof entitled either "Termination for Convenience of the Government" or "Termination," the total amount payable by the Company (including amounts payable in respect of subcontracts and settlement costs) pursuant to paragraph (e) of the "Termination for Convenience of the Government" clause or paragraph (f) of the "Termination" clause, will approximate 85 percent of the amount then allotted to the subcontract. The notice shall state the estimated date when such point will be reached and the estimated amount of additional funds required to continue performance to the above or an agreed substituted date. The Seller shall, thirty days prior to the date above or agreed substituted date, advise the Company in writing as to the estimated amount of additional funds which will be required for the timely performance of the subcontract for a further period , as may be specified in the subcontract or otherwise agreed to by the parties. If after such latter notification, additional funds are not allotted by the date above written or by an agreed date in substitution thereof, the Company will, upon written request of the Seller, terminate this subcontract on such date or the date set forth in the request, whichever is later, pursuant to the provision of the clause of this subcontract entitled either "Termination for Convenience of the Government" or "Termination."

(d) When additional funds are allotted from time to time for continued performance of the work under this subcontract, the parties shall agree on the applicable period of performance which shall be covered by such funds. The provisions of paragraphs (b) and (c) above shall apply to such additional allotted funds and substituted date pertaining thereto and the subcontract amended accordingly.

(e) If the Seller incurs additional costs, or is delayed in the performance of the work under this subcontract, solely by reason of the failure of the Company to allot additional funds in amounts sufficient for the timely performance of this subcontract, and if additional funds are allotted, an equitable adjustment shall be made in the price or prices (including appropriate target, billing, and ceiling prices and hourly rates where applicable) of said items or in the time of delivery or performance or both.

(f) The Company may at any time prior to termination, and with the consent of the Seller, after notice of termination, allot additional funds for this subcontract.

(g) Nothing in this clause shall affect the right of the Company to terminate this subcontract pursuant to the clause of this subcontract entitled either "Termination for Convenience of the Government" or "Termination."