EXCERPT FROM ACS CONTRACT WITH TOWN

ARTICLE 7 – TERMINATION

7.1   WITHOUT CAUSE: This Agreement may be terminated without cause by the Town upon thirty (30) days written notice. In the event of termination, the Contractor shall immediately terminate work, but shall bring to a reasonable state, not to exceed seven (7) days, the completion of those items whose value would be otherwise lost and shall turn over to the Town all data, charts, reports, notes, figures, drawings, and other records or information collected or secured herein, whether partial or complete. Upon such termination, the Contractor will be paid: (i) the compensation provided in Article 12 of this Contract for all civil penalties collected as of the termination date; and (ii) 60% of the amount Contractor would receive pursuant to Section 12.1 if all outstanding civil penalties for violations of Chapter 21, Article II (a) of the Chapel Hill Town Code that occurred within the 365 day period immediately proceeding the date that notice of termination is given were paid immediately without additional collection efforts (*i.e.* addition of late payment civil penalty to citations not yet thirty (30) days old, referral of civil penalty accounts to collection agency, or filing of civil action to recover civil penalties).

7.2   FOR CAUSE: Either party may terminate this Contract immediately upon written notice to the other if:

A)   Either party materially violates or fails to perform any covenant, provision, obligation, term or condition contained in this Agreement, provided that, unless otherwise stated in this Agreement, such failure or violation shall not be cause for termination if both of the following conditions are satisfied: (i) such default is reasonably susceptible to cure; and (ii) the defaulting party cures such default within twenty (20) days of receipt of written notice of default from the other party. The parties stipulate and agree that a failure to deliver any services within ten (10) days after the time required for delivery in the delivery schedule agreed upon by the parties shall not be deemed a failure "reasonably susceptible to cure," and that such failure shall constitute an Event of Default