

and contracts for work in connection with the Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the Project.

B. The parties to this Contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development and all applicable rules and orders of the Department issued thereunder prior to the execution of this Contract. The parties to this Contract certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.

21.4 Contractor Default

A. If the Contractor is adjudged as bankrupt or insolvent or if it makes a general assignment for the benefit of its creditors; or if a trustee or receiver is appointed for the Contractor or for any of its property; or if it files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws; or if it repeatedly fails to supply sufficient skilled workman or suitable materials or equipment; or if it repeatedly fails to make prompt payment to subcontractors or for labor, materials or equipment; or it disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction; or if it disregards the authority of a City development official, agent or employee; or it otherwise violates any provisions of this Contract; then the City may, without prejudice to any other right or remedy, and after giving the Contractor and its surety seven (7) days written notice, terminate the services of the Contractor and take possession of the Project and of all materials, equipment, tools, construction equipment and machinery at the property owned by the Contractor, and finish the work by whatever method the City may deem expedient. In such cases the Contractor shall not be entitled to receive any payment under this Contract until the work is finished. If the unpaid balance otherwise due the Contractor exceeds the direct and indirect costs borne by the City in completing the Project, including compensation for additional professional services, such excess shall be paid to the Contractor. If such costs exceed such unpaid balance, the Contractor will pay the difference to the City. Such costs incurred by the City will be determined by the City and incorporated in a change order or other applicable document.

B. Where the Contractor's services have been terminated by the City pursuant to the provisions of Paragraph 21.4.A above, said termination shall not affect any right of the Owner(s) against the Contractor then existing or which may thereafter accrue. Any retention or payment of monies by the City due the Contractor will not release the Contractor from liability.

21.5 City Right to Terminate – Upon the delivery of written notice to the Contractor, the City may, without cause or penalty whatsoever, and without prejudice to any other right or remedy, elect to abandon the Project and immediately terminate this