

**428—3.10(216A,232) Contract termination.**

**3.10(1) Termination by subgrantee.** The contract may be terminated by the subgrantee at any time during the contract period by giving 30 days' notice to the division.

**3.10(2) Termination by the division.**

*a.* The division may terminate a contract upon ten days' notice when the subgrantee or any of its subcontractors fail to comply with the grant award stipulations, standards or conditions. The division may terminate a contract upon 30 days' notice when there is a reduction of funds by executive order.

*b.* Termination for convenience. The performance of work under the agreement may be terminated by the division in accordance with this clause in whole or, from time to time, in part whenever the division shall determine that such termination is in the best interest of the state. The division shall pay all reasonable costs associated with the agreement that the subgrantee has incurred up to the date of termination. The division shall not pay for any work that has not been done prior to the date of termination.

*c.* Termination for default. If the subgrantee fails to fulfill its obligations under this agreement properly or on time, or otherwise violates any provision of this agreement, the division may terminate the agreement by written notice to the subgrantee. The notice shall specify the acts of commission or omission relied on as cause for termination. All finished or unfinished products and services provided by the subgrantee shall, at the option of the division, become the state's property. The division shall pay the subgrantee fair and equitable compensation for satisfactory performance prior to receipt of notice of termination.

**3.10(3) Responsibility of subgrantee at termination.** Within 45 days of the termination, the subgrantee shall supply the division with a financial statement detailing all costs up to the effective date of the termination.