tests and approval of the Owner and the Administrator, and the Bidder shall furnish all information required by the Owner or by the Administrator concerning the nature or source of any materials incorporated or to be incorporated in the Project. The Owner and the Administrator shall have the right to inspect all payrolls, invoices of materials, and other data and records of the Bidder and of any subcontractor, relevant to the Project. The Bidder shall provide all reasonable facilities necessary for such inspection and tests and shall maintain an office at the site of the Project, with telephone service where obtainable and at least one office employee to whom directions and instructions of the Owner may be delivered. Delivery of such directions or instructions in writing to the employee of the Bidder at such office shall constitute delivery to the Bidder. The Bidder shall have an authorized agent accompany the Engineer when final inspection is made and, if requested by the Owner, when any other inspection is made.

(d) In the event that the Owner, or the Administrator, shall determine that the work contains or may contain numerous defects, it shall be the duty of the Bidder and the Bidder's Surety or Sureties, if any, to have an inspection made by an engineer approved by the Owner and the Administrator for the purpose of determining the exact nature, extent and location of such defects.

(e) The Engineer may recommend to the Owner that the Bidder suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Bidder to comply with any of the provisions of the Contract: Provided, however, that the Bidder shall not suspend work pursuant to this provision without written authority from the Owner to do so. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Bidder to comply with any of the provisions of this Contract. In the event that work is suspended by the Bidder with the consent of the Owner, the Bidder before resuming work shall give the Owner at least twenty-four (24) hours notice thereof in writing

Section 4. Unsuitable Workmanship. The acceptance of any workmanship by the Owner or the Engineer shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Bidder. The Bidder shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Bidder shall have had notice, shall not have been remedied.

Article III-Payments and Release of Liens

Section 1. Payments to Bidder.

(a) Within the first fifteen (15) days of each calendar month, the Owner shall make partial payment to the Bidder for work accomplished during the preceding calendar month on the basis of completed rights-of-way clearing units furnished and certified to

by the Bidder, recommended by the Engineer and approved by the Owner solely for the purposes of payment: Provided, however, that such approval shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such estimate shall be paid by the Owner to the Bidder prior to Completion of the Project: Provided, however, that at any time after work, which, in the sole determination of the Engineer, amounts to fifty percent (50%) of the maximum contract price has been completed, the Owner may elect, in lieu of paying ninety percent (90%) of each such subsequent estimate, to pay each such subsequent estimate in full. Upon completion by the Bidder of the Project, the Engineer will prepare a Final Inventory of the Project showing the total number and character of rights-of-way clearing units and, after checking such inventory with the Bidder, will certify it to the Owner, together with a certificate of the total cost of the construction performed. Upon the approval of such certificates by the Owner and the Administrator, the Owner shall make payment to the Bidder of all amounts to which the Bidder shall be entitled thereunder which shall not have been paid: Provided, however, that such final payments shall be made not later than ninety (90) days after the date of Completion of Construction of the Project, as specified in the Certificate of Completion, unless withheld because of the fault of the Bidder.

(b) The Bidder shall be paid on the basis of the number of rights-of-way clearing units actually completed at the direction of the Owner shown by the inventory based on the staking sheets or structure lists; Provided, however, that the total cost shall not exceed the maximum contract price for the construction of the Project as set forth in the Acceptance, unless such excess shall have been approved in writing by the Administrator.

(c) Notwithstanding the provisions of Section 1 (a) above, the Bidder may, by giving written notice thereof to the Owner elect to receive payment in full for any Section of the Project upon:

(1) completion of such Section as certified by the Engineer and approved by the Owner and the Administrator;

(2) submission to the Owner and the Administrator of the releases of lien and the certificate referred to in Section 2 hereof;

(3) approval by the Owner and the Administrator of the inventory in respect of such Section; and

(4) submission to the Owner and the Administrator of the consent in writing by the Surety or Sureties, if any, on the Contractor's Bond to payment in full for such Section prior to Completion of Project.

If no Sections are designated in Article II, Section 1 (c), the term "Section" shall mean for purposes of this subsection (a) and Article IV, Section 3 (b) only, a part of the Project as designated by the Owner which represents at least twenty-five percent (25%) of the maximum Contract price as stated in Article III, Section 1.

(d) Interest at the rate of _%) per annum shall be paid by the Owner to the Bidder on all unpaid balances due on monthly estimates, commencing fifteen (15) days after the due date; provided the delay in payment beyond the due date is not caused by any condition within the control of the Bidder. The due date for purposes of such monthly payment shall be the fifteenth day of each calendar month provided (1) the Bidder on or before the fifth day of such month shall have submitted its certification of rights-of-way clearing units completed during the preceding month and (2) the Owner on or before the fifteenth day of such month shall have approved such certification. If, for reasons not due to the Bidder's fault, such approval shall not have been given on or before the fifteenth day of such month, the due date for purposes of this subsection (d) shall be the fifteenth day of such month notwithstanding the absence of the approval of the certification.

(e) Interest at the rate of ____ percent ⁴ (___%) per annum shall be paid by the Owner to the Bidder on the final payment for the Project or any completed Section thereof, commencing fifteen (15) days after the due date. The due date for purposes of such final payment shall be the date of approval by the Administrator of all of the documents requiring such approval, as a condition precedent to the making of final payment, or ninety (90) days after the date of Completion of Construction of the Project, as specified in the Certificate of Completion, whichever date is earlier.

(f) No payment shall be due while the Bidder is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Bidder the amount of any claim by a third party against either the Bidder or the Owner based upon an alleged failure of the Bidder to perform the work hereunder in accordance with the provisions of this Contract.

Section 2. Release of Liens and Certificate of Contractor. (See sample RUS Form 224, Waiver and Release of Lien and sample RUS Form 231, Certificate of Contractor.) Upon the Completion of Clearing by the Bidder (or any Section thereof if the Bidder shall elect to receive payment in full for any section when completed as provided above) but prior to final payment to the Bidder the Bidder shall deliver to the Owner, in duplicate, releases of all liens and of rights to claim any lien, in the form attached hereto from all manufacturers, materialmen, and subcontractors furnishing services or materials for the Project or such Section and a certificate in the form attached hereto to the effect that all labor used on or for the Project or such Section has been paid and that all such releases have been submitted to the Owner for approval.

Section 3. Payments to Subcontractors. The Bidder shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof

³ The Owner shall insert a rate equal to the lowest "Prime Rate" listed in the "Money Rates" section of the Wall Street Journal on the date such invitation to bid is issued.

⁴See Footnote 3.