

(All Programs Except D&MC)

GENERAL OBLIGATION--BENEFITS CONDITIONED UPON PAYMENT

(a) The obligation of the Contractor to pay the United States as provided in this contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligations to the Contractor.

(b) The payment of charges becoming due hereunder is a condition precedent to receiving benefits under this contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears in the advance payment of [water rates] [any operation and maintenance charges] due the United States [or in arrears for more than 12 months in the payment of any construction charges due the United States]. The Contractor shall not furnish water made available pursuant to this contract for lands or parties which are in arrears in the advance payment of [water rates] [operation and maintenance charges or in arrears more than 12 months in the payment of construction charges as] levied or established by the Contractor.

Approved 2/22/71; Revised 11/84

Note: This article should be modified for Public Law 984 contracts when Federal project water is not being furnished by omitting the second sentence in Section (b) beginning with the words, "The United States shall. . ." It should also be modified for 9(c)(2) and 9(e) type contracts by omitting reference to both the operation and maintenance charges and construction charges and substituting therefor payment of "water rates". Alternative language show in brackets ([]).

Not applicable in D&MC

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