

4. The Government of the United Kingdom of Great Britain and Northern Ireland will endeavour to convert its right of use of the property referred to in sub-paragraphs (a), (b), (c) and (d) of paragraph 2 above into tenancy arrangements under private law.

With respect to property referred to in sub-paragraph (a) of paragraph 2 the Government of the Federal Republic of Germany will meet the Government of the United Kingdom of Great Britain and Northern Ireland to a reasonable extent in agreeing the amount of the rent.

Rents for property referred to in sub-paragraphs (b) and (c) of paragraph 2 shall be based on those usual in the locality for the property concerned. So far as concerns Federal property referred to in sub-paragraph (d) of paragraph 2, for the period of nine months after the entry into force of the Convention on the Settlement of Matters arising out of the War and the Occupation, compensation shall be paid only in respect of the use of the land, taking into account, however, public charges and charges for special services or assessments for local improvements payable by the owner of the land in respect of such land. After such period a rent which is reasonable in the circumstances shall be paid for both land and buildings.

The Government of the Federal Republic of Germany will place its good offices at the disposal of the Government of the United Kingdom of Great Britain and Northern Ireland for the conclusion of tenancy arrangements with respect to property referred to in sub-paragraphs (b) and (c) of paragraph 2.

5. If tenancy agreements pursuant to the foregoing paragraph are not concluded, the Government of the United Kingdom of Great Britain and Northern Ireland shall pay compensation for use (Nutzungsvergütung) from the entry into force of the Convention on the Settlement of Matters arising out of the War and the Occupation. The amount of such compensation as well as the amount of compensation to be paid for damage which occurs after the entry into force of the Convention on the Settlement of Matters arising out of the War and the Occupation shall be determined in accordance with the Federal legislation relating to the procurement of goods, services and land for official agencies (Bundesleistungsgesetzgebung) which shall also apply to the manner of use of the property. Until the entry into force of this legislation, the hitherto existing basis for the assessment of compensation (Vergütung) for the property used, in accordance with Article 13 of Chapter One of the Convention on the Settlement of Matters arising out of the War and the Occupation and this letter, by the Embassy and Consulates shall continue to operate.

The Government of the Federal Republic of Germany will not demand compensation for wear and tear of its property referred to in sub-paragraphs (a)

and (d) of paragraph 2, and the Government of the United Kingdom of Great Britain and Northern Ireland will not demand compensation for improvements made by it to such property.

6. The release of property referred to in sub-paragraph (c) of paragraph 2 will be given priority and will be effected at the earliest possible moment and in any case not later than six months after the entry into force of the Convention on the Settlement of Matters arising out of the War and the Occupation, unless, in respect of any such property, tenancy arrangements have been concluded in pursuance of paragraph 4.

Property referred to in sub-paragraph (e) of paragraph 2 will be released not later than nine months after the entry into force of the Convention on the Settlement of Matters arising out of the War and the Occupation. Its continued use after that date will be the subject of negotiation between the Government of the Federal Republic of Germany and the Government of the United Kingdom of Great Britain and Northern Ireland.

The Government of the United Kingdom of Great Britain and Northern Ireland undertakes to release all other property referred to in paragraph 2 at the earliest possible moment and in any case as soon as it becomes surplus to the requirements of the Government of the United Kingdom of Great Britain and Northern Ireland with regard to its Embassy and Consulates.

The Government of the Federal Republic of Germany will endeavour, by the construction of new buildings, to make available alternative accommodation for rental or purchase by the Government of the United Kingdom of Great Britain and Northern Ireland.

7. The personnel of the Embassy and Consulates of the United Kingdom of Great Britain and Northern Ireland not possessing German nationality shall be entitled to make use of the facilities of the non-German organizations established by the Forces of the United Kingdom, the United States and the French Republic pursuant to Article 36 of the Convention on the Rights and Obligations of Foreign Forces and their Members in the Federal Republic of Germany or to similar provisions, if any, in Agreements which supersede that Convention.

8. Nothing in Article 13 of Chapter One of the Convention on the Settlement of Matters arising out of the War and the Occupation or in this letter shall be deemed to affect property required by the Governments of the United Kingdom of Great Britain and Northern Ireland, the United States of America and the French Republic for the use of their Armed Forces.

9. I should be grateful if you would confirm the agreement of your Government with the foregoing."