

ANNEX C

Hereinafter, unless the context otherwise requires, "Canada", means the Government of Canada, "United States" means the Government of the United States of America, "Her Majesty" means Her Majesty the Queen in Right of Canada and "The Management Authority" means that authority designated by the Government of Canada to manage, in whole or in part, the area sublet by this Agreement.

1. The United States agrees to and does hereby sublease to Her Majesty that part of the area of the United States Naval Station, Argentia, Newfoundland described in Annex A and depicted in Annex B (hereinafter called the "Management Area") for the purposes of this Agreement, subject to the condition that the United States may resume full and exclusive occupancy of the whole or such part thereof as it may require, immediately in the event of war or national emergency, and otherwise as mutually agreed upon. Upon such re-entry, and for so long as such re-occupancy shall continue during the term of the lease (hereinafter called "The Headlease") under the Leased Naval and Air Bases Agreement of March 27, 1941, as amended (hereinafter called the "1941 Agreement"), the United States shall have all rights of ownership, including rights of use, alteration and removal, in any and all permanent improvements located within the Management Area or such part thereof as it shall have reoccupied hereunder.

2. The United States shall have the right, upon reasonable notice to the Management Authority, to the use of wharves in the Management Area, free of charge, for the loading and unloading, by United States Navy personnel or employees, of ships in support of the Naval Station, together with necessary rights of ingress and egress over the Management Area for such purposes.

3. In the event the United States shall re-enter and reoccupy all or any part of the Management Area pursuant to paragraph 1 of this Annex, and for so long as such reoccupancy continues, the provisions of paragraph 2 of this Annex shall not apply to any wharves reoccupied but the provisions of the 1941 Agreement shall apply thereto for purposes of allowing the United States the unimpeded use of such wharves.

4. Canada will from time to time designate to the United States in writing a Management Authority responsible in full or in part for the administration of the Agreement and Her Majesty's sublease.

5. Canada will take all necessary measures to ensure that any sublessee (it is understood that the Province of Newfoundland shall be considered as a sublessee in the event that Canada transfers the administration and control of part of the Management Area to Newfoundland) of Her Majesty of the whole or any part of the Management Area does not interfere with the activities, including communications, of the United States at the United States Naval Station, Argentia (hereinafter called the "Base"), or with the security of those activities. To this limited end, the Management Authority will forward all applications for subleases to the Commanding Officer of the