

the appended plans and specifications (Annex "B"). There shall be no change made in the plans and specifications without prior consent, in writing, of the Contracting Officer. Construction shall be commenced within sixty (60) days of receipt of a Government letter of acceptability. The entire 500 units shall be fully livable, operational and complete in every detail as set forth in the plans and specifications within () calendar months from the date of the execution and delivery of the executed copy of this agreement to the Construction Agent. In the event of any delay occasioned by the construction of Government facilities, an extension of completion date as determined by the contracting officer will be allowed the Construction Agent.

2. The Government will provide project site improvement and construction as delineated in detail on appended plans and specifications under "Annex C".

3. Title to all construction material passes to the United States upon delivery to water carriers for shipment to Newfoundland.

ARTICLE III

Management

1. The Construction Agent covenants and agrees to operate, maintain and manage the project for a period of twenty (20) years following completion of the project in accordance with the provisions of Article II, and to lease all units of the project to such U.S. military and U.S. national civilian employees of the Government as are designated by an authorized representative of the Government, (hereinafter referred to as designated U.S. personnel). Such designation of military personnel to occupy units in the project shall not, however, be considered an assignment to government quarters under the provisions of 37 U.S.C. 252(a).

2. (a) In the event an authorized representative of the government shall authorize, in writing, the Construction Agent to rent units in the project to personnel other than U.S. military and U.S. national civilian employees of the Government (hereinafter referred to as undesignated personnel) during the initial ten (10) years following completion of this project, the Construction Agent shall make every effort to lease such units as they become vacant at rents no lower than those charged to designated U.S. personnel unless lower rents are authorized by the Government, plus an amount equal to any deferred taxes levied on the units pursuant to Article VIII (2). Undesignated personnel permitted to occupy units in the project will be subject to airbase rules and regulations set forth by the base commander of Pepperrell Air Force Base. Rental of quarters to undesignated personnel will be subject to the approval of an authorized representative of the Canadian Government for the duration of this agreement. The Canadian Department of National Defence shall have the right of first refusal on the rental of any units to undesignated personnel.

(b) The Construction Agent shall notify the Government's authorized representative of all vacancies or notices of intention to vacate the rented units. If the Government's authorized representative fails to designate a new tenant within fifteen (15) days of receipt of such