

ANNEX B

Hereinafter, unless the context otherwise requires, "Canada" means the Government of Canada, "United States" means the Government of the United States of America, 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 Canada that part of the area of the Facility, described in Annex A and partially depicted in Annex C as the "Management Area" for the purpose 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, at such time as may be mutually agreed upon by the Government of the United States and the Government of Canada. Upon such reentry, and for so long as such reoccupancy 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, as necessary, have the right to control access to and usage of the airfield and surrounding airspaces and shall have all rights of ownership, including rights of use, alteration and removal (subject, however, to the rights of removal provided for in paragraph 7), in any and all permanent improvements located within the Management Area or such part thereof as it shall have reoccupied hereunder. Such reentry shall terminate the Canadian sublease of the reoccupied property.

2. The United States agrees to and does hereby sublease to Canada that part of the area of the Facility, described in Annex A and depicted in Annex C as the "Airfield Area" for the purposes of this Agreement, subject to the condition that the United States may unilaterally and immediately resume full and exclusive occupancy of the whole or such part thereof as it may require. Upon such reentry, and for so long as such reoccupancy shall continue during the term of the Headlease under the 1941 Agreement, the United States shall control access to and usage of the airfield and surrounding airspaces and shall have all rights of ownership, including rights of use, alteration and removal (subject, however, to the rights of removal provided for in paragraph 7), in any and all permanent improvements located within the Airfield Area or such part thereof as it shall have reoccupied hereunder. Such reentry shall terminate the Canadian sublease of the reoccupied property.

3. 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 Facility, together with necessary rights of ingress and egress over the Management Area for such purposes.

4. In the event the United States shall reenter and reoccupy all or any part of the Management or Airfield Areas pursuant to paragraphs 1 and 2 of this Annex, and for so long as such reoccupancy continues, the provisions of paragraph 3