

3. All structures shall be constructed in accordance with governing Canadian codes and/or Department of National Defence published directives.

4. The costs of these new structures and any subsequent additions or modifications thereto as requested by the Bundeswehr shall be borne by the Federal Republic of Germany.

III—*Procedures to be employed to implement construction*

1. The Federal Ministry of Defence shall provide the Department of National Defence with detailed requirements. All plans (preliminary, final and working), specifications and complimentary documents will be produced in English employing only measurements and techniques known commonly to the Canadian Construction Industry. The Department of National Defence will prepare a cost estimates report complete with explanatory notes and drawings. This report will be forwarded to the Federal Ministry of Defence for approval. Subsequent to these actions being properly completed and funds being transferred, the Department of National Defence will have the structures completed in accordance with sound engineering practices.

2. While construction is in progress a designated representative of the Federal Ministry of Defence has the right to inform himself through on-site inspections of progress and execution of the construction. The finished structures shall be accepted by representatives of the Federal Ministry of Defence. Any defects and/or deficiencies will be corrected expeditiously by Canada.

3. Funds for all construction, renovations and modifications, other than for new structures, will be transferred to the Department of National Defence in accordance with a schedule to be determined by the Department of National Defence. Funds in total to cover the cost of new structures shall be transferred to the Department of National Defence prior to the awarding of any contract. Funds will be transferred to the Department of National Defence through the Administrative Office with the German Military Representative USA/Can in Washington, D. C. This Office is also responsible for the final settlement of all funding.

IV—*Costs for maintenance of buildings and installations*

1. The Federal Republic of Germany shall bear the cost of the maintenance of all buildings and installations set forth in Sections I and II and occupied by the Bundeswehr. These costs will be reimbursed by substantiated lump sum payments. In determining these costs the Canadian Forces will give due consideration to the different levels of maintenance required for existing and newly constructed buildings and installations.

2. Subject to Article VIII of N.A.T.O. S.O.F.A., the Federal Republic of Germany shall reimburse to Canada the cost of repair of any damage caused by members of the Bundeswehr in excess of fair wear and tear.