

- (c) For the cost of the repair of any damage caused by actions of the tenant or tenant's family to any part of the structures of the project as set forth in the terms of the individual lease.

ARTICLE VI

Inspection

1. During construction, the project may be inspected at all reasonable times by authorized representatives of the Government to assure compliance with the plans and specifications. In particular, no foundation, plumbing, electrical or heating system, or portions thereof, shall be covered prior to inspection and approval by such representatives.

2. Each progress inspection, each inspection of units for the purpose of acceptance for occupancy, and the final inspection of the entire project shall be completed, and the Construction Agent advised in writing of the results, thereof, promptly after notification of readiness for inspection given by the Construction Agent.

3. The Government shall have the right, after acceptance of any unit or units for occupancy, to inspect the premises at all reasonable times to assure itself that the Construction Agent is complying with the terms of this agreement.

ARTICLE VII

Acceptance for Occupancy

If, after inspection, the Government's authorized representative shall determine that a building group is suitable for occupancy, he shall so advise the Construction Agent that such building group is acceptable for occupancy for all the purposes of this agreement.

ARTICLE VIII

Taxes and Charges

1. Inasmuch as the project falls within the exemption provisions of the Leased Bases Agreement of 1941-48, construction, operational and maintenance material utilized on the project will be exempt from all Canadian Federal customs or sales or excise taxes on original importation.

2. To the extent that units in the project may be occupied by undesignated personnel pursuant to Article III, an equitable portion of the customs and excise taxes which would have been levied on materials imported for construction of such quarters in the absence of tax exemption pursuant to the Leased Bases Agreement, may be charged the Construction Agent by the Canadian Government during any period such undesignated personnel occupy units of the project. The amount of such tax payments shall be determined at the time Canadian permission for such occupancy is given. Such taxes may be included in the rent to be charged undesignated personnel.

3. The Construction Agent shall assume and pay all taxes, assessments and charges, if any, levied against the Construction Agent of the project, other than those exempted in this agreement.

4. The Construction Agent shall pay for services rendered by the Government as outlined in paragraph 2 of Article V Maintenance and Operation, of this agreement, except services listed in paragraph (3) of Article V.