

may agree upon at the time of each option exercise. The Government may exercise the option for the first successive period without obligation to exercise the option for the second period. The exercise in each case shall be by written notice signed by the Contracting Officer and furnished to the Contractor on or about 15 July of the year involved.

SECTION G - GOVERNMENT FURNISHED PROPERTY

- (a) The Government-furnished property hereunder shall be all existing Government-owned equipment and facilities on Kwajalein Atoll which are required for the performance of this contract and all existing Government-owned material on Kwajalein Atoll which is required for performance of this contract.
- (b) Upon depletion of existing supplies of Government-owned material on Kwajalein Atoll, the Contractor shall procure supplies for non-merchandizing functions within the inventory levels established by the Contract Administrator through regular Navy channels. If the contractor determines that the required supplies are not available from current Navy stocks at NSC Oakland, procurement shall be from sources determined by the contractor and consistent with the best interests of the Government. The Contractor shall procure supplies for the merchandizing facilities within the monetary inventory level established by the Contract Administrator. Procurement of such supplies shall be through channels determined by the Contractor and consistent with the best interests of the Government.
- (c) The Contractor's personnel shall be housed in Government-owned quarters on Kwajalein Atoll. The assignment to quarters,