

lease should be included in the restoration if they have not been maintained adequately by the Government and are not in the required condition upon the termination of the lease.)

- (a) Foundation work.
- (b) Waterproofing or membranizing.
- (c) Exterior tuck pointing.
- (d) Cleaning or repair of catch basins, cesspools, or manholes.
- (e) Repair of: (1) Interior unfinished walls.
- (2) Unfinished hollow tile, concrete block, or gypsum block walls.
- (3) Floor joints, roof trusses (including roof boards and roofing), and framing timbers (including studs, sheathings, and exterior surface).
- (4) Insulating materials in walls necessitated by leakage in walls or roofs.
- (5) Damage to plaster caused by leakage in wall or roof.
- (6) Windows and floors, where the damage is caused by elements or inadequate hinging, counterweighting, caulking or sealing.
- (7) Sheet metal such as eaves, gutters, downspouts, flashings, hips, valleys, skylights, ventilators, and metal ceilings.
- (8) Structural steel or iron.
- (9) Fire escapes.
- (10) Heating systems.
- (11) Plumbing systems.
- (12) Ventilating systems and air conditioning systems.
- (13) Power plants.
- (14) Electric wiring.
- (15) Lighting fixtures (or replacement).
- (16) Sprinkler systems.
- (f) Settling or subsidence.
- (g) Other structural repairs to buildings or equipment.

**§ 644.451 Nature of required restoration.**

Restoration by the Government will ordinarily include the following:

- (a) Wear and tear beyond that which is reasonable and ordinary.
- (b) Damage due to negligence by Government personnel.
- (c) Restoration or reinstallations necessitated by alterations or removals by the Government.
- (d) Neutralization of unexploded bombs or artillery projectiles, disposition of military scrap, and decon-

tamination of chemically contaminated lands or improvements. (See §§ 644.516 through 644.539).

**§ 644.452 Minor restoration cases—determining extent of restoration required.**

(a) In minor restoration cases, ENG Form 1440A-R, Joint Terminal Condition Survey, will be used. The Government representative, in these cases, will also make a detailed investigation as to the extent of damages, cost of repairs, and other factors sufficient to properly complete and sign ENG Form 1440B-R, Cost of Restoration. In order to effect economies, the DE may arrange for the utilization of the services of the Facilities Engineer or the using service to perform joint terminal condition surveys. Such use, however, should be coupled with issuance of proper instructions for guidance of the respective personnel. A restoration case is considered to be minor under the following conditions:

- (1) The initial cost of Government improvements or alterations did not exceed \$5,000; and
- (2) The net salvage value of Government improvements remaining does not exceed \$1,000; and
- (3) The cash payment to the lessor in lieu of restoration does not exceed \$1,000; and
- (4) The lessor has agreed to accept a cash settlement in lieu of physical restoration.

(b) *Preparation of ENG Form 1440-R.* Use of ENG Form 1440B-R is premised upon the ability of the field investigator to adequately analyze conditions and develop sufficient supporting data as to the cost of the items of restoration involved. While this form is considered self-explanatory, the following is to be noted:

- (1) The procedure hereunder envisions the use of both ENG Form 1440A-R and ENG Form 1440B-R, which complement each other.
- (2) The use of ENG Form 1440B-R for estimating restoration costs does not waive the requirements for a proper evaluation of the Government's restoration obligations either as to the legal principles or as to the proper measure of damages.

(3) Distribution of these forms, together with any supporting exhibits, will be accomplished in the same manner as set forth in paragraph (b) of § 644.460.

**§ 644.453 Major restoration cases—determining extent of restoration required.**

(a) *Engineer Estimate and Appraisal.* Any restoration case not covered by the definitions of minor restoration case in paragraph (a) of § 644.452 is a major restoration case. A complete engineer estimate and appraisal will be prepared by the DE for use in negotiating a cash settlement, or to determine the cost of restoration, if the work is to be performed by the Government. ENG Form 1440-R, Cost of Restoration, will be used for this purpose. A copy of this form will be transmitted to the General Accounting Office in support of settlements made with landowners in the case of military property and contains the minimum data required by that office. Such transmittal is not required when civil works property is involved. In order to afford a measure of flexibility, ENG Form 1440-R is divided into five parts, each relating to specific factors, to be used as conditions may require.

(b) *Preparation of ENG Form 1440-R.* Comments and instructions for preparation of ENG Form 1440-R are contained in the following paragraphs which are keyed to the item numbers on the Recapitulation sheet, part I of the form:

(1) "1" to "6" Self-explanatory.

(2) "7. Original Cost (Actual or Estimated) of Government-owned improvements, fixtures and alterations: (part 4)." The General Accounting Office requires that, in all cases involving the relinquishment of Government-owned improvements to lessors in lieu of restoration, and in any other cases where a contract is entered into between the Government and another party to transfer improvements, the original cost of the improvements be given. If not ascertainable, an estimate should be submitted. In exceptional cases, where, because of the circumstances or expense of the work involved, neither the original cost nor a reasonably accurate estimate can be given, an expla-

nation of the facts and circumstances is required. Where structures have been built under contract, or improvements made under contract, a citation to the contract under which the work was performed should be submitted with the original cost statement, estimate, or explanation.

(3) "8. Estimated Market Value, (Value in place of Government-owned improvements, fixtures, and alterations): (part 4)." An estimate will be made of the current market value of the buildings or improvements in place. In those cases where it is indicated that the Government-owned buildings or improvements located on leased lands may materially enhance the value of the leased site, an appraiser will estimate the market value of the fee title to the leased area in its unrestored condition. He will also separately estimate the market value of the site, assuming restoration as provided in the existing lease. The difference between the fee title value and restored land value will be reported as the "value in place" of the improvements to be sold or otherwise disposed of. "Value in place" is defined as the amount by which the improvements involved enhance the market value of the leased site. This value will serve to establish the top sales price expectancy in negotiations with the landowner.

(4) "9. Gross Salvage Value of Government-owned property: (part 4)". The "gross salvage value" is the highest price obtainable in the open market for Government-owned improvements when sold for use elsewhere than on the leased premises, assuming that no expense to the buyer is involved in the dismantling and/or removal of the improvements from the leased property to the nearest probable market or location of future use. The estimate of gross salvage value should be made in accordance with established property appraisal procedures. Because market demand usually determines the highest and best use to which the components of a group of improvements will be put (e.g., whether a building will be worth more on the market for moving intact to a new site for continued use as a building, or worth more as a stockpile of used construction material), it is