

SWLRE-M

DEPARTMENT OF THE ARMY
Little Rock District, Corps of Engineers
P. O. Box 867
Little Rock, Arkansas 72203

LRDOM 405-I-4

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Office Memorandum
No. 405-1-4

24 September 1976

Real Estate
ASSIGNMENT, TRANSFER, AND SUBLEASING OF COMMERCIAL
CONCESSION LEASES - (BOAT DOCKS)

1. Purpose. This regulation prescribes and defines the procedure to be followed in assignment, transfer, and subleasing of commercial concession leases within the District, including the audit of the assignor's accounting records.
2. Applicability. This regulation is applicable to all persons involved with transfer or sublease of commercial concessions.
3. References.
 - a. ER 405-1-830
 - b. OCE Supplement 1 to AR 11-7
 - c. EC 405-2-12
4. Procedures. The following procedures are prescribed for consideration and approval of assignment, transfer, and subleasing of commercial concession leases within the District.
 - a. Applications from the seller (assignor) and the buyer (assignee), in the form of letters from each, that they want to sell and buy the personal property and desire to transfer the lease will be made to the Resident Engineer. The letters should contain the date the transfer is desired, the total purchase price with a breakdown showing the cost of the facilities used to produce income, inventory, and goodwill, if any. The seller shall furnish a depreciation schedule, and the buyer shall furnish a proposed depreciation schedule reflecting the cost of the facilities to be used in reporting income to the Internal Revenue Service. The names and addresses of three (3) references as to the buyer's experience and three (3) references as to the buyer's financial responsibility must be furnished. In lieu of the names and addresses, the buyer may furnish letters giving pertinent information. The buyer shall also furnish a current financial statement showing all assets and liabilities. The Resident Engineer shall forward the information to the Real Estate Division with recommendations.

This memorandum supersedes LRDR 405-1-4, dated 25 April 1975

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b. The Chief, Real Estate Division, will make the necessary investigation as to the buyer's suitability and capability for operating the lease area. The buyer will be required to meet with the Chief, Real Estate Division, to discuss the operations on the lease area prior to approving the transfer. After the Chief, Real Estate Division, has determined that the transfer of the lease or sublease will not be detrimental to the best interest of the Government, the assignment, transfer, or sublease will be approved.

c. The Real Estate Division will notify the SWD Resident Audit Office as soon as possible of the request for transfer or sublease in order that an audit may be scheduled and performed without undue delay.

d. The seller (assignor) will be notified by the Real Estate Division that this request has been received and that no objection is interposed to the transfer, subject to an audit of the accounting records of seller (assignor) and those of all subleases. If there are no deficiencies to be corrected, the Real Estate Division will take necessary action to modify the lease.

e. Upon completion of the audit, if additional rental is due the Government, the Real Estate Division will advise the seller, furnish updated computer printouts and a bill for the amount due.

FOR THE DISTRICT ENGINEER:



CHARLES E. DOWNS
LTC, Corps of Engineers
Deputy District Engineer

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