

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT
WASHINGTON OFFICE
1849 C STREET, NW
WASHINGTON, DC 20240

FOREST PRODUCT SALE PROCEDURE
HANDBOOK SERIES

CONTRACT MODIFICATION-EXTENSION-
ASSIGNMENT

H-5470-1

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2. Repair of Damage. The Authorized Officer should meet with the Purchaser on site to resolve exactly what needs to be done to correct the damage and who is to do the work. Normally, it will be advantageous for the Purchaser to repair the total damage; particularly if the contract requires approval of road construction prior to removal of forest products and equipment is on the area. If the Government is not in a position to pay its share, or to perform its share of the work, the Contracting Officer may direct the Purchaser to accomplish the total job with appropriate purchase price adjustment. If the Purchaser refuses and the damage is such that is detrimental to the interest of the Government to allow the contract to proceed without the repair, the Contracting Officer must then proceed with cancellation of contract. (See Handbook 5480-1, Chapter IV.)
 - a. Purchaser Repair. If the Purchaser is to perform restoration or repair of physical damage, the work required must be authorized through a contract modification that details the extent of work together with the purchase price adjustment made to cover the cost of such work. (See Illustration 2.) If the Purchaser is willing to do the work, but objects to the dollar adjustment, and the cost estimates cannot be resolved, the Purchaser may submit written notice of intention to file a claim for damages pursuant to the Disputes Section of the contract together with the return of the executed modification. A copy of such notice must be forwarded immediately to the Sate Director.
 - b. Government Repair. If the Contracting Officer decides the Government will repair only its share, the Contracting Officer shall advise the Purchaser relative to what the Government will do as well as the portion the Purchaser must do to meet the Purchaser's share of the work. If, by agreement, the Government will assume total responsibility for repair effort, the Purchaser must make direct payment for Purchaser's share of the cost. (See Illustration 3.)
- C. Design Change in Road Construction Under Sale Contract. Section 20 Design Change, of Form 5430-3, Contract for the Sale of Timber – Lump Sum Sale, makes provisions for accomplishing necessary design changes in contract construction or improvement requirements for roads, road structures such as culverts or bridges, designated surfacing or rip rap sources, end haul disposal areas, etc. This section of the contract may be utilized to take care of gross design errors and unanticipated complications due to changed conditions. Such changes shall be processed by contract modification that details the nature of the change, the revised specifications, and the increase or decrease in the total purchase price of the sale contract resulting from the cost adjustment associated with the change. (See Illustration 4.)
 1. When to Process a Design Change. The contract defines design change of a substantial nature as one that would result in a cost adjustment of \$1,000 or more. All design changes equaling or exceeding this amount should be processed. Additionally, any change that logically results in a revision of written specifications or design, should be processed irrespective of the dollar amount and a purchase price adjustment made accordingly.

- D. Adding or Deleting Contractual Requirements. Frequently, changes in contracts are identified that should be made to meet the needs of the Government and Purchaser to expedite operations; to correct errors or omissions; to protect resources; or to prevent environmental degradation. Certain contract changes are permissible even though the contract wording may not specifically provide for such changes.
1. Alternate Access. For sales offered wherein the Bureau is guaranteeing access, the sale contract is normally prepared authorizing access and a direction of haul to the closest public road leading to the nearest utilization center. If the Bureau has complete access over other routes, the alternate access may also be included in the contract utilizing appropriate special provisions. If a decision is made not include alternate access routes, but such is a realistic possibility, a provision should be included in the contract requiring the Purchaser to enter into a contract modification if Purchaser elects to use other routes. The policy is to collect road maintenance fees, or require Purchaser maintenance, on BLM controlled roads as well s direct payment of maintenance fees, or establish maintenance arrangements, and use fees (or use credits) on private or other public agency roads (where BLM has existing access documents), based upon the control of the road routes the Purchaser actually intends to use.
 - a. Change in Haul Route. Occasionally, a Purchaser may wish to utilize a transportation route totally unplanned or one in which the Bureau can provide only partial access. For portions of the route for which BLM cannot provide access, the Purchaser must make necessary access arrangements. In order to provide use authorization including appropriate road maintenance considerations for BLM controlled roads or authorization, maintenance considerations, use fees (or credits), of privately or other public agency controlled roads over which BLM has access arrangements (i.e., honoring the terms and conditions of easements and R/W agreements), the contract must be modified to cover these arrangements. (See Illustration 5.) Unless the modification is requested, prepared, and approved in advance of hauling, the Purchaser must comply with the original contract terms relative to payment of road use and maintenance fees.
 - b. Split Haul. Occasionally, a Purchaser may wish to utilize the authorized contract access route for one product such as sawlogs, but desires another route for other products such as peelers, poles, piling, etc. The Purchaser must advise of such intentions in advance of hauling in order that the necessary modifications may be completed. If the Bureau can provide access, or partial access, over the additional route, an appropriate split haul paragraph may be added to the contract covering use of any additional BLM road together with special provisions covering use of additional private, or other public agency road (See Illustration 6.)

2. Change in Sale Layout or Required Logging Techniques. If, after the contract is executed, further evaluation of the sale area indicates critical changes are needed to protect the interest of the United States and that changes are preferable to a unilateral cancellation of the contract, such changes may be made if agreed to by the Purchaser. Examples of this may be items overlooked in the original sale layout or in preparation of the contract such as the need to establish a vegetative buffer along an important stream to protect a fishery resource; the need to change yarding systems to protect fragile soils; the need to require directional felling to protect streams or buffers; the need to provide for stream clearance to prevent degradation of water quality or damage to downstream structures; or the need to require gross yarding to ensure successful rehabilitation of the cutting area. Such changes may be made utilizing the contract modification procedure, detailing the nature of the change, including revised contract exhibits and the revision, addition, or deletion of special provisions. An appropriate purchase price adjustment shall be made if the resultant change in practice or additional work required results in additional expense to the Purchaser, or there is a need to adjust for additions or deletions of material sold. (See Illustration 7.)
3. Road Maintenance Beyond Purchaser Responsibility. Section 16, Construction, Use and Maintenance of Roads and Facilities, of Forms 5450-3 and 5450-4, Contract for the Sale of Timber, establishes parameters relative to Purchaser responsibility for maintenance or repair of roads used under the terms of the contract. This section of the contract stipulates that the standards for required Purchaser maintenance must be listed under Sec. 41, Special Provisions of the contract. The Purchaser's time span of responsibility for maintenance is constricted to the time from commencement of operations until completion of all operations, except slash disposal. The purchaser is not relieved of responsibility for maintenance and repair of damages resulting from such slash disposal activity or for maintenance and repair during shut down period between operating periods. The purchaser is not responsible for repair of wear or damage when caused by third party users or when required maintenance exceeds the standard established in Section 41.
 - a. Modification for Additional Work. If, prior to the "start up" of Purchaser operations, or other periods for which the Purchaser is not responsible, maintenance work is required for roads serving the sale, such maintenance work is required for roads serving the sale, such maintenance work is the Government's responsibility. If during conduct of operations maintenance work is needed that exceeds the Purchaser level of responsibility stipulated in the contract, such maintenance work is also the government's responsibility and the Contracting Officer must determine the best alternative for performing the necessary work with the least impact on the Purchaser's operation (i.e., utilizing BLM maintenance forces or other personnel, construction/service contracts, or the Purchaser to perform the necessary maintenance). If a decision is reached that the Purchaser should do the work, and the Purchaser is agreeable, a contract modification may be processed adding the additional work to the contract. The modification must adequately detail the maintenance work to be done together with the dollar adjustment in the total purchase price required to offset the cost of the additional work. (See Illustration 8.)

4. Treatment of Cutting Area. Occasionally, after a sale or portion of a sale is harvested, conditions turn out different than anticipated and corrective actions required. Usually, the most economical, practical, and expedient method to conduct additional unplanned corrective work is while the Purchaser still has equipment on the area. Types of work that relate specifically to environmental protection measures, and productivity of site (such as scarification, manipulation of slash, etc.), may be added to the contract. Significant land treatment work adjacent to or of the cutting area of the contract that could be construed to be “augmentation of appropriations” is not permitted.
 - a. Modification for Additional Work. If the Purchaser is agreeable to performing the additional needed work, a contract modification maybe processed adding the work to the contract. The modification must detail the specifications for the work to be added, as well as, provide for an adjustment in the total purchase price to offset the cost to the Purchaser, or if the total purchase price is paid, a refund for the cost thereof upon completion and approval of such work. (See Illustration 9.)
 5. Repair of Damage to Roads Not the Responsibility of the Purchaser. Sections I.B., I.C, and I.ID deal with measures of cost relieve available to the Purchaser for roads included in a sale contract wherein the Purchaser has responsibility for road construction, improvement, and/or maintenance. This paragraph deals with damage to roads included in a contract wherein the Purchaser has no such contractual responsibility. For example, if under the terms of a sale contract the Purchaser is authorized to use existing BLM controlled and maintained roads, The Purchaser’s only contractual obligation is the payment of road maintenance fees. When such roads receive storm or other damage, the responsibility for damage repair rests totally with the Government.
 - a. Methods of Damage Repair. In most instances, the repair of storm or other damaged roads associated with the sale of forest products must be done quickly and timely to prevent further damage and to accommodate transportation of the resources sold. The order of priority in accomplishing Government repair work is through: (1) BLM maintenance forces or direct use of other BLM personnel; (2) construction/service contracts – informal or formal; and (3) modification of a sale contract. The modification process is limited to roads included in a specific current operational sale contract and should be used only when it is not practical or feasible to repair damage with BLM forces or by repair contract. If the Contracting Officer determines that road repair through a contract modification is the best alternative, and the Purchaser is willing to perform the work, an appropriate modification may be processed that includes specifications and details for the work to be added to the contract together with the dollar adjustment in the purchase price necessary to cover the cost of such work. (See Illustration 10.)
- E. Contract Modification Cost Adjustment Determination.
1. Cost Determination. When it is necessary to adjust the total purchase price of a contract upward or downward to accommodate contract modifications processed under this section, the appraiser should utilize the current BLM appraisal cost schedules and prescribed appraisal procedures at time of modification. Local cost data may also be used if it is more applicable to a particular situation and its use is not prohibited by the contract. Similarly, cost estimates submitted by the Purchaser may be used if found to be a realistic representation of current costs.

2. Road Maintenance and Rockwear Fees. When it is necessary to adjust dollar amounts established by special provision in the contract with regard to collection of road maintenance and rockwear fees, be guided by the following instructions:
 - a. For sales of additional timber use maintenance and rockwear fees in effect at the time of the modification.
 - b. For modifications involving different haul routes and/or split haul, use maintenance and rockwear fees in effect at the time of the modification.
 3. Deletion of Forest Products. When it is necessary to delete forest products from the contract because of unforeseen conflicts with other resources not specifically provided for in the contract, compute the market value of the forest product to be deleted (may be more or less than values established in Exhibit B of the contract) together with any reasonable differences in logging or other costs associated with deletion of the volume. Compute a net cost which reflects both increased and decreased cost differences.
- F. Execution and Distribution of Contract Modification. Modifications processed under this section calls for the same signature and approval requirements as required for the original contract. Purchaser execution must be consistent with District/Area Office Operator Rating Information. For a corporation, this requires a signature of an authorized signing officer and affixing of the corporate seal attested to by the secretary or assistant secretary of the corporation. The officer for the Bureau delegated authority to enter into the original contract also has authority to approve a modification to that contract. Four copies of a modification are required. The fully executed and approved modification is distributed as follows: (1) original to official District/Area office contract file; (2) first carbon to Purchaser; (3) second carbon to performance bond surety; and (4) third carbon to District /Area Office field file.

II. Sales of Additional Forest Product.

A. General. Sales of additional forest product may be made by modification of a contract, when the requirements of 43 CFR 5402.0-6 and Sec. 8, Sales of Additional Forest Product, of Forms 5450-3 and 5450-4, Contract for the Sale of Timber, are met. Additional forest products which should be removed may be reserved trees which are either needed for the normal conduct of logging, having been unavoidably damaged during logging operations, or have been newly damaged by wind, insects, or disease and should be promptly salvaged in conjunction with the ongoing operation. No additional sale will be made that would eliminate a forest product trespass liability of the Purchaser.

B. Procedures.

1. Sales of Additional Forest Products. Procedures for marking and sale of additional forest products by contract modification may vary depending upon the quantity and value of the forest products involved, the existence of delegated authority for field representatives to take action, and the status of payments made on the contract. All additional sales shall be supported by a written justification for the sale.

a. Sales by Contracting Officer. Additional sales which are not completed in the field:

- (1) Criteria. The contracting Officer determines that proposed additional forest products sales meets criteria of Section II.A., above. The sale request may be initiated by purchaser.
- (2) Marking. All additional forest products must be marked in a manner which is distinctly different from the original sale marking. (See Handbook 5420-1, Preparation for Sale, Chapter II.)
- (3) Cruise and Appraisal. Use BLM prescribed procedures. (See Handbook 5420-1, Chapter III.)
- (4) Agreement Letter. The agreement letter, as shown in Illustration 11:
 - (a) Describes conditions giving rise to the additional sale situation and the field action taken.
 - (b) States BLM agreement that additional forest products should be removed.
 - (c) States estimated volume and value of the additional forest products and how payment shall be made.
 - (d) Lists modifications needed for all pertinent contract sections or exhibits, including changes in road use or maintenance fees required for removal of additional forest products.
 - (e) Requests Purchaser's written agreement to additional forest products sale and contract modification.
 - (f) Prepared in triplicate and sent to Purchaser. Purchaser returns signed original and surety copy to BLM. A machine copy is made for field file.

III. Extension of Time for Cutting and Removal. When circumstances beyond the control of the Purchaser prevent timely completion of the contractual obligations, the Contracting Officer may allow additional time for performance of the contract.

A. Extension Without Reappraisal.

1. Extension of Green Sales to Allow Harvest of Salvage Timber. Upon written request of the purchaser, and approval of the State Director, the Contracting Officer may extend a contract to harvest green timber to allow that purchaser to harvest as salvage from Federal lands timber that has been damaged by fire or other natural or man-made disaster. The duration of the extension shall not exceed that necessary to meet the salvage objectives. The State Director may also waive reappraisal for such extension.
2. Delay of Harvest Caused by Government Actions. The Contracting Officer may grant an extension of time, without reappraisal, not to exceed the amount necessary to provide an additional amount of operating time equal to operating time lost as a result of:
 - a. Additional contract requirements incorporated in contract modifications requested by the Government.
 - b. Delays necessitated by the requirements for consultation with the U.S. Fish and Wildlife Service under the Endangered Species Act.
 - c. Reviews for cultural resource values.
 - d. Court injunctions obtained by parties outside the contract.
 - e. Closure of operations, by State fire protection agencies, due to fire danger.
3. Extension of 30 Days or Less. The Contracting Officer may grant an extension of time, not to exceed 30 days operating time, without reappraisal. No additional extensions may be granted without reappraisal under this provision.

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- B. Extensions Requiring Reappraisal. The Contracting Officer may grant an extension of time for cutting and removal for any other causes that are beyond the Purchaser's control, for a period not to exceed 12 months. Additional extensions may be granted, on the same contract, upon written request of the Purchaser.
- C. Application. The Purchaser must file a written application for extension with the Contracting Officer prior to expiration of the time for cutting and removal set out in the contract. Failure of the Purchaser to file for an extension before the expiration date may deprive the Purchaser of consideration of an otherwise valid application.
1. Letter Content. The request for an extension must set forth the reasons for the delay in cutting and removal of forest product and specify why these reasons were beyond the control of the Purchaser. Market fluctuations are not a valid reason for granting an extension. In addition to the reasons listed above (see III.A), acts of God such as fire, wind, and flood, which prevent the Purchaser from completing the contract will, under normal circumstances, constitute a justifiable reason for granting an extension. Substantial compliance by the Purchaser in meeting the obligations of the contract may also constitute a justifiable reason for granting an extension. In a letter requesting an extension, the Purchaser should state the length of time for which an extension is being requested.
- D. Evaluation of Application. It is the Purchaser's responsibility to establish that delays in completing the contract in a timely manner were beyond the Purchaser's control and not due to Purchaser's fault or negligence. The Purchaser also should document the amount of operating time that was lost due to delays caused by Government actions. It is the responsibility of the Contracting Officer to carefully weigh the reasons presented by the Purchaser and make a decision accordingly. The Contracting Officer must also determine whether the reasons, or the length of the extension requested, justify an extension without reappraisal. Extensions should not be granted for a shorter time period than the Contracting Officer believes is needed to complete the cutting and removal in order to get an extension without reappraisal.
1. Rejection of Request. If the Purchaser's reasons for asking for an extension are considered insufficient or unjustified, the application should be rejected at once with the reasons for rejection stated in writing to the applicant. (See Illustration 14.) Examples of invalid reasons are:
 - a. Procrastination. Purchaser made no effort to cut forest product.
 - b. Speculation. Purchaser bought forest product as a speculative venture and has not been able to interest anyone in taking over the sale.
 - c. Market Fluctuations. Purchaser is awaiting more favorable market conditions before harvesting the forest product.
 2. Approval of Request. If the Purchaser's reasons for asking for the extension are considered sufficient and valid, the Purchaser should be notified that an extension of time will be approved. The Purchaser should also be advised whether a reappraisal of the forest product remaining on the contract area is required. (See Illustration 15.)

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- E. Reappraisal Requirements. When the Contracting Officer determines that an extension of time for cutting and removal will be granted, and a reappraisal is required, all forest products remaining on the contract must be reappraised. Standing forest product is appraised as is; cut forest product is appraised as though it were standing. The reappraisal must reflect the fair market value of the forest product on the expiration date of the contract. (See Handbook 5420-1, Chapter IV, for policy and procedures to be observed in the reappraisal of forest product remaining on the contract area.)
1. Cruise Sales. Cruise sales written on Form 5450-3, Contract for Sale of Timber – Lump Sum Sale, shall be reappraised using the fair market value approach. The total reappraised purchase price must not be less than the total purchase price established by contract or previous extension. Use the following formula for computing the reappraised total purchase price.

$$R = V^c + V^r$$
 Where:
 R = Reappraised total purchase price
 V^c = Value of forest product cut and removed at contract unit prices
 V^r = Value of the forest product remaining on the contract area.
 2. Scale Sales. Scale sales written on Form 5450-4, Contract for Sale of Timber – Scale Sale, shall be reappraised using the fair market value approach. The fair market value shall be determined for each species. The reappraised unit price by species shall not be less than the prices established in the original contract or previous extension.
- F. Extension Agreement. Upon completion of reappraisal of forest product remaining on the contract area, a contract modification is prepared to effect any changes in the contract price due to reappraisal and to establish the extended period for cutting and removal of forest product. (See Illustration 16 and 17 for examples of typical contract modifications involving extension of time.) the modification must be executed by the Purchaser or an agent of the Purchaser who is authorized to sign BLM timber sale contracts. The Contracting Officer may require that the reappraised total purchase price, or estimated total purchase price in a scale sale, shall be paid in advance as a condition of granting an extension.

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Format for Modification Letter

ESSENTIAL ELEMENTS OF MODIFICATION LETTER

OPENING PARAGRAPH(S)

Describe in detail the particular situation or circumstances which necessitates the need for a modification. Include pertinent facts that have a bearing on the matter and which establish justification for the modification. In the case of sales of additional timber, the justification must show that the sale meets the requirements of 43 CFR 5402.0-6.

DESCRIBE MODIFICATION

Describe in specific terms the exact nature of the modification. If contract language is to be amended, the section of the contract to be changed must be identified and the amended language expressed in the modification letter.

If the total purchase price is to be changed, the modification must express the nature of the change, i.e., increase or decrease in total purchase price, and the amended total purchase price expressed in both words and figures.

If new exhibits are part of the contract change, such exhibits must be identified and included as attachments to the modification letter.

CLOSING PARAGRAPH

The closing paragraph of the modification letter is used to instruct the Purchaser on the signing requirements to effect the modification. The closing paragraph should also put the Purchaser on notice that the modification does not become effective until approved by the Contracting Officer and the Purchaser's copy of the modification returned to the Purchaser.

SIGNATURE

The modification letter is signed by the person proposing the modification. Generally This is the Area Manager, District Manager, or their designated representative. The person signing the letter proposing the modification need not be the same person who ultimately approve the modification

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Example of Modification Providing for a Pre-determined Haul Route

- 5. To provide a basis for payment of maintenance fees to the Government, we have calculated an estimated maintenance fee of \$55,440.53 based upon the volume you indicated would be transported over the Racks Road System and North Fork Alsea Access Road. Your maintenance installment payments of \$100.00 per each \$10,000 timber payment installment shall continue until the total estimated maintenance fee is paid. Since a split haul situation exists, at completion of hauling, you will be required to submit a scale report showing the volume hauled over each route. Upon receipt of the scale report, we will adjust your estimated maintenance fee by applying the ratio of these volumes, against the total contract volume using the following split haul formula:

$$\frac{\text{Scaled Vol. Hauled X Sale Volume X Maint. Fee/MBF/System}}{\text{Total Scaled Volume of Sale}}$$

When the actual maintenance formula is computed, you will be billed for any additional amount due the government or you will receive a refund for any excess amount paid.

All other terms and conditions of your original contract shall remain in full force and effect.

If you are in accord with the terms of this modification, please have an officer of your company who is authorized to sign Bureau of Land Management timber sale contracts execute and return all copies to this office for approval. Your approved copy will be returned to you which will be your authority to transport timber over the additional roads under the terms of the contract.

Sincerely yours,
(Signature)
Area Manager

JOHN DOE LUMBER COMPANY
Accepted: _____
(Date)

UNITED STATES OF AMERICA
Signed and Approved: _____
(Date)

By: _____

(Title)

By: _____

(Title)

(Corporate Seal)

Attest: _____

(Title)

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Example of Agreement for Field Sale of Additional Timber
by Designated Representative

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
(District Address)

ADDITIONAL TIMBER SALE AGREEMENT AND CONTRACT MODIFICATION

Purchaser: _____ Contract No.: _____
Address: _____ Modification No.: _____
_____ Date: _____

When signed by the duly designated representative of the contracting officer and by the purchaser's authorized representative, this agreement shall formally modify the above designated timber sale contract (or said contract as previously amended) and shall constitute written permission to the purchaser to cut and remove the timber designated herein pursuant to Sec. 8 of the contract.

On the above date, the contracting officer and the purchaser, by their respective representatives, agreed that the following designated additional timber should be sold and removed:

Such additional timber has been cruised and appraised and the contract is hereby modified As follows:

1. Total purchase price set forth in Sec. 2 is increased by \$ _____.
2. For the purposes set forth in Sec. 3(f) the following additional timber Is added to Exhibit B:

<u>No of Trees</u>	<u>Species</u>	<u>Estimated Volume</u>	<u>Price Per Unit</u>	<u>Amount of Estimated Volume x Unit Price</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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Example of Extension on Modification with Price Adjustment

The extension of "time for cutting and removal" under your contract may be accomplished by modifying your contract. Accordingly, Timber Sale Contract OR110-TS1-000-000 is modified as follows:

1. The total purchase price set forth in Sec. 2 increased to \$547,000.00.
2. The time for cutting and removal expressed in Section 4 is extended 12 months.

All other terms and conditions of your original contract shall remain in full force and effect.

Please have an officer of your company who is authorized to sign Bureau of Land Management timber sale contracts execute all copies of this modification and return them to this office along with your check in the amount of \$10,000.00, made payable to the Bureau of Land Management, to cover the amount due as a result of reappraisal of timber remaining on the contract area.

(Or -- if reappraised value has risen significantly, substitute the following paragraph for the preceding paragraph to provide installment payments.)

Please have an officer of your company who is authorized to sign BLM timber sale contracts execute all copies of this modification and return them to this office. Payment for the amount due as a result of the reappraisal may be made in accordance with Section 3 of the timber sale contract.

When modification has been approved by the Authorized Officer for the Bureau, your approved copy will be returned to you which will be your authority to continue with cutting operations under the terms of your contract.

Very truly yours,

(Signature)

District Manager

JOHN DOE LUMBER COMPANY

UNITED STATES OF AMERICA

Accepted: _____

Signed and Approved: _____

(Date)

By: _____

By: _____

(Title)

(Title)

[Corporate Seal]

Attest: _____

(Title)

H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ADJUSTMENT

Example of Extension Modification – No Price Adjustment

<p>JOHN DOE LUMBER COMPANY</p> <p>Accepted: _____ (Date)</p> <p>By: _____ _____ (Title)</p> <p>[Corporate Seal]</p> <p>Attest: _____ _____ (Title)</p>	<p>UNITED STATES OF AMERICAN</p> <p>Signed and Approved: _____ (Date)</p> <p>By: _____ _____ (Title)</p>
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H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

Illustration 20
Form 5470-4
(IV.c2)

H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

Example of Commitment of Surety to Be Bound by Assignment

Form 5470-4 (October 1982)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	FORM APPROVED OMB NO. 1004-0112 Expires: April 30, 1985
COMMITMENT OF SURETY TO BE BOUND BY ASSIGNMENT (Timber Sale)		Office Roseburg
		Contract Number OR100-TS2-000
		Date Contract Approved June 5, 1989

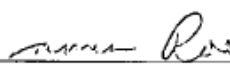
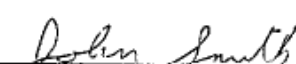
KNOW ALL MEN BY THESE PRESENTS, That **XYZ Bonding Company** is surety on a certain performance bond in the sum of One Hundred Forty Thousand and No/100 dollars (\$ 140,000.00) given to insure faithful performance of the terms of the above timber sales contract by and between the United States of America, and **John Doe Lumber Company** ; and

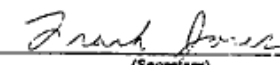
WHEREAS, **John Doe Lumber Company** has, by an instrument in writing dated **September 5, 19 89**, assigned, set over and transferred to **James Roe dba ABC Lumber Company**, hereinafter referred to as principal, all right, title and interest in and to the contract referred to above, and the principal has assumed said contract and accepted such assignment; and

WHEREAS, the undersigned surety does hereby give its commitment to be bound by the assignment of such contract;

NOW, THEREFORE, if the principal shall perform and fulfill all the undertaking, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the United States of America, with or without notice to the surety(ies), and during the life of any guaranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety(ies) being hereby waived, then the above obligation shall be void and of no effect.

Dated this 6th day of **September**, 19 **89**.

PRINCIPAL James Roe dba ABC Lumber Company _____ (Name of Firm)  _____ (Authorized Officer) Owner _____ (Title) [SEAL]	SURETY XYZ Bonding Company _____ (Name of Surety)  _____ (Authorized Agent) Attorney-in-Fact _____ (Title) [SEAL]
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Attest _____ Attest 
 (Secretary) (Secretary)



Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that: Information is being collected to obtain surety information relevant to the operation of this timber sale contract. Information will be used to guarantee performance under the terms of this timber sale contract. Response to this request is mandatory (43 CFR 3450) to fulfill the requirements of a timber sale contract.

CONTRACT FILE

H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

Example of Letter Transmitting Approved Assignment

	<p>United States Department of the Interior BUREAU OF LAND MANAGEMENT</p>	
<p>(District Address)</p>		
<p>September 23, 1983</p>		
<p>)LQOH\Jones dba Jones Logging Company P.O. Box 000 City, State Zip</p>		
<p>[Salutation]:</p>		
<p>The assignment of Timber Sale Contract OR120-TS-000 from Joe Doe Lumber Company (assignor) to)LQOH\Jones dba Jones /ogging Company (assignee) has been completed</p>		
<p>As attested by the execution of the following enclosed forms:</p>		
<ul style="list-style-type: none">- Assignment of Contract (signed by assignor)- Acceptance of Assignment (signed by assignee and approved by BLM)- Commitment of Surety to be Bound by Assignment (or a new surety bond covering the assignee)		
<p>Prior to beginning operations on the contract area the following requirements must be met: (described requirements in detail).</p>		
<p>A pre-work conference between your representatives and a representative of the Bureau of Land Management must be held at a location designated by the Authorized Officer before the Logging Plan will be approved.</p>		
<p>Before commencement of operations on the contract area, or any time after an extended shutdown, please notify this office as to the date you plan to start or resume operations. If you intend to cease operations for any extended period, please notify this office. Pursuant to Sec. 35 of this contract, Jack Smith is designated my representative for administration of this contract.</p>		
<p>While you are operating under this contract, please be sure to obtain from the Authorized Officer any permission or instructions required by the terms of this contract.</p>		
<p>Please refer to Sec. 14r concerning log export restriction. In the event you elect to sell restricted timber to domestic buyers, the buyer must complete and submit to this office Form 5460-16, Certificate as to Non-substitution and the Domestic Processing of Timber.</p>		
<p>You are reminded that prior to cutting the value of the last installment, the final payment must be paid. No cutting will be authorized until the second installment is received in this office. If you wish to avail yourself of the provision of Section 38.d. of the contract, please contact this office for approval of a performance bond increase.</p>		
<p>Also enclosed are two copies of Form 5460-15, Log Scale and Disposition of Timber Removed Report, on which you will be required to submit the net scale of the logs removed from the contract area. When you have completed removal of logs from this contract area, please complete and return one copy to this office. The</p>		

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Example of Letter Transmitting Approved Assignment

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Scale submitted is for administrative purposes only, and in no event will be used as a basis for adjustment of the total amount bid. The scale will become a part of the public record. A record of all sales or transfer of logs from the sale area must be available for BLM inspection and use a period of three years from the contract termination date.

We will be glad to confer with you regarding terms of this contract or any related problems.

Sincerely yours,

(Signature)

District Manager

Enclosure

cc: John Doe Lumber Company
XYC Bonding Company