1. **Explanation of Material Transmitted:** This release transmits BLM Manual H-5470-1 - Contract Administration-Extension-Assignment, a new Handbook which sets forth basic procedural guidelines for forest product sales contract modifications, extensions, and assignments.

2. **Reports Required:** None.

3. **Material Superseded:** None.

4. **Filing Instructions:** File as directed below immediately after the Manual Section.

   REMOVE

   None

   INSERT

   H-5470-1

   (Total: 36 Sheets)

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Michael J. Penfold
Assistant Director
Land and Renewable Resources
FOREST PRODUCT SALE PROCEDURE
HANDBOOK SERIES

CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

H-5470-1
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I. Contract Modification - General.

A. Criteria for Contract Modifications. The Government official who has authority to sign a contract also has authority to modify that contract as long as the modification is within the scope of their authority to sign the original contract and the modification is in accordance with applicable law, regulation, and BLM policy, and provided the other party to the contract consents to the modification. The reasons for and the rationale supporting the need for a contract modification must be carefully documented in the contract file. Intangible values associated with the protection of resources or the prevention of environmental degradation, may legitimately be included in supporting rationale as elements of compensating benefit to the United States. Modifications discussed in this section are bilateral in nature; that is, agreement must be reached with the Purchaser, and the documents fully executed, prior to the conduct of additional work or performance change in the contract. Illustration 1 is a generalized format for a modification letter. Proposed modifications of a general nature not covered under this section must be submitted to the State Director for review and approval prior to the initial transmittal to the Purchaser.

1. Purchaser Refusal of Contract Modification. Except as discussed in Chapter I.B., the Purchaser may refuse to execute a legitimate and fairly prepared modification. If such a situation occurs, the contract must be administered under its original terms and conditions. If the condition the Contracting Officer is attempting to correct with the modification is so critical that it is believed completion of the contract under the original terms is detrimental to the interest of the Government, the Government’s recourse may be a unilateral cancellation of the contract. (See Handbook 5480-1 Contract Violation-Suspension-Cancellation, Chapter IV.)

B. Physical Change in Conditions Associated with Road Construction. Sec. 19, Cost Adjustment for Physical Change, Form 5430-3, Contract for the Sale of Timber – Lump Sum Sale, sets forth certain cost versus contract size relationships for determining when the Government will share in the cost to repair or correct major physical damage due to a single “Act of God” type event (such as flood damage, washouts, fire, landslides, etc.) which occurs on a road being constructed by Purchaser but prior to road acceptance by the Contracting Officer. Basically, the Purchaser’s obligation is limited to (1) $1,000 for sales under one million board feet; (2) $1.00 per thousand board feet for sales of one to three million board feet; or (3) $3,3000 for sales over three million board feet. If it is determined that the Government has a share, the Contracting Officer may elect to meet the Government obligation by: (1) reducing the purchase price of the contract to accomplish necessary repair through the Purchaser; (2) by direct payment to the Purchaser for Purchaser repair; or (3) by performing the Government’s share of the necessary work via force account crew or construction/service contract.

1. Evaluation of Damage. The Authorized Officer must investigate the incident as soon as possible to determine whether purchaser negligence, or any contract violations, triggered the incident (if such is the case, no adjustment may be made and the Purchaser must repair total damage) and the estimated cost of restoring or repairing the damage.
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 State 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 its 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.)

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.D 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 maybe granted without reappraisal under this provision.
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.)
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:
   
   \[ R = \text{Reappraised total purchase price} \]
   
   \[ V_c = \text{Value of forest product cut and removed at contract unit prices} \]
   
   \[ V_r = \text{Value of the forest product remaining on the contract area.} \]

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.
IV. Assignment of Contract. On occasion, a Purchaser (assignor) may desire to transfer all right, title, and interest in and to a contract to a third party (assignee). This is accomplished through a contract assignment. The contracting Officer may approve such an assignment when the assignee qualifies as an original Purchaser and is able to satisfy all contractual requirements. Sufficient time must remain for completion of all operations within the time for cutting and removal expressed in the contract. An unexecuted or unsigned contract may not be assigned.

A. Conditions of Assignment. Contract assignments are subject to the following conditions:

1. Qualifications of New Purchasers. An assignee must possess the same qualifications as those required of a bidder or purchaser. Before approving an assignment, the Contracting Officer must determine that the assignee is qualified to carry out the terms of the contract.
   a. Check on Assignee’s Previous Record with BLM. (See Handbook 5450-1, Award of Contract, Chapter II.)
   b. Request for Qualification Documents. If the operators rating file contains no record of the assignee, the Contracting Officer shall request documentary evidence that the assignee is legally able to enter into the contract and has the financial means to complete the terms of the contract (see Handbook 5450-1, Illustration 9). The Contracting Officer shall also request that assignee submit Form 1140-7, Equal Opportunity Affirmative Action Program Representation and Form 1140-8, Equal Opportunity Compliance Report Certification. (See Handbook 5450-1, Illustration 13 and 14.)

2. Time of Assignment. A contract may not be assigned from one party to another until it has been executed by the high bidder and approved by the Contracting Officer. Conversely stated, a high bidder may not assign their rights to the award of a contract.

3. Contract Conditions. An assigned contract shall contain all the terms and conditions agreed upon by the assignor and the Government.

4. Contract Time Remaining. Normally, contracts having a short length of contract time remaining should not be assigned. For example, when a Purchaser holds a contract to within a few weeks or months of the expiration of time for cutting and removal and attempts to assign the contract to a second purchaser and it is obvious the proposed assignee cannot meet the contract time requirements, the request should be denied. However, if the assignee agrees to payment in full or desires only a month or two beyond the original contract time, then the Contracting Officer should weigh this request for assignment of the sale.

5. SBA Set-Aside Sales – Policies and Procedures. To qualify for assignment of a Small Business Set-Aside Sale, the assignee must satisfactorily meet the following additional requirements:
   a. Eligibility. Must not have been determined by the Small Business Administration to be ineligible for preferential award of set-aside sales.
b. **Self-Certification.** Must submit a statement that assignee is a small business concern as
defined by the Small Business Administration in its regulations set forth in Title 13, Code of
Federal Regulations, Part 121. The certification is made on Form 5430-1, Self-Certification
Clause (see Handbook 5430-1, Advertisement, Illustration 6).

c. **Small Business Certification.** Completes Small Business Administration Form 723, Small
Business Certification Required on All Preferential Sales of Set-Aside Timber (see Handbook
5430-1, Illustration 7).

d. **Certificate of Competency.** Secures a “Certificate of Competency” from the Small Business
Administration in cases where it appears that assignee lacks the financial or performance
capabilities to meet the contract requirements (see Handbook 5450-1, Chapter II).

B. **Method of Assignment.** Contract assignments are executed on Form 5470-3, Assignment of Contract.
(See Illustration 18.) This form provides for assignment of the contract by the original purchaser of all
said Purchaser’s right, title, and interest in and to the BLM forest product sale contract to an assignee.
It ensures that the two parties are properly identified. The signatures must be executed by authorized
company officials. Acceptance of assignment is accomplished when the assignee signs the form.

C. **Performance Bond.** The assignee is required to furnish a performance bond in the amount set forth in
the contract. The assignee may satisfy this requirement as follows:

1. **New Bond.** A new bond may be furnished in the amount stated in the contract. A discussion of
the types of performance bonds acceptable to the Government is set forth in the Handbook 5450-1.
The acceptance of a new bond by the Contracting Officer serves to cancel the bond furnished by
the original Purchaser (assignor). The original surety should be advised when a new surety is
substituted. (See Illustration 19.)

2. **Continuation of Existing Bond.** The existing bond may be continued as the performance bond
upon execution of Form 5470-4, Commitment of Surety to be Bound by Assignment. (See
Illustration 20.) The contract number, approval date, and penal sum of bond must be checked for
accuracy and the document must be properly executed by both principal and surety.

D. **Approval of Assignment.** Approval of the assignment is accomplished when the Contracting Officer
signs Form 5470-3, Assignment of Contract. (See Illustration 18, Page 2 and Illustration 21.) The
Contracting Officer’s signature signifies the approval of the new Purchaser’s qualifications and ability
to meet all the contract requirements.
GLOSSARY OF TERMS

-A-

Additional Sale: A sale of additional forest product to an existing contract for any of a variety of reasons. An “additional sale” is a form of “other than advertised sale.”

Authorized Officer: An employee of the Bureau of Land Management to whom has been delegated the authority to take action in connection with forest product sale contracts.

-C-

Contract Administrator: A Bureau of land Management employee designated in writing to inspect and administer forest product sale contracts.

Contract Assignment: Is a transfer of the rights and responsibilities of a timber sale contract from one party to another party, subject to the consent of the Contracting Officer.

Contract Extension: Extension of time for cutting and removal of forest product sold under the terms of a forest product sale contract.

Contract Modification: Contract modification is a change in the terms of an approved forest product sale contract.

Contracting Officer: The Bureau of Land Management official who has authority to execute a forest product sale contract and delegate authority to take action in connection with such contract.

-D-

Designated Representative: Any employee of the Bureau of Land Management who has been duly authorized to exercise certain rights and duties of the Contracting Officer.

-P-

Purchaser’s Representative: Any employee of the Purchaser who has been duly authorized by the Purchaser to receive notices or instructions from the Authorized Officer.
H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

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.
ACCEPTANCE AND APPROVAL BLOCKS

The acceptance block for the Purchaser should be structured for the type of business entity of the particular purchaser, i.e., individual, partnership, or corporation.

If Individual or Partnership: 

John Doe Lumber Company
By: _____________________
Address: _________________
By: _____________________
Address: _________________

If Corporation:

JOHN DOE LUMBER COMPANY, INC.
Accepted: ___________________
(Date)
By: _______________________
By: _______________________
Address: ___________________

The approval block for the Government must be structured for the level of organization, i.e., District Manager or Area Manager, having authority to modify the contract.

UNITED STATES OF AMERICAN

Signed and Approved: ________________
(Date)
By: _______________________________
______________________________
(Title)

Address: _________________
Example of Modification Providing Purchaser Repair of Physical Damage

October 4, 1983

CERTIFIED MAIL
RETURNED RECEIPT REQUESTED

John Doe Lumber Company
P.O. Box 000
City, State  Zip Code

[Salutation]:

During the weekend of September 22-23, 1983, a large earth slide occurred on the area of your timber Sale Contract No. OR080-TS3-000. This slide destroyed a portion of the Table Rock Access Road and deposited a large quantity of material onto the spur road #7-4E-9 that you are constructing under the terms of the contract.

Our investigation of the incident reveals that the slide was an “Act of God” unrelated to your activity on the sale area; thus, repair of the slide damage is provided for under the provision of Sec. 19, “Cost Adjustment for Physical Changes,” of the contract.

It is imperative that corrective measures be taken as soon as possible to prevent further damage to the roads and the environment. The repair work was discussed on site with your representatives, together with representatives of the State Forester, and it was agreed the following actions would be required.

(Describe repair work discussed and agreed upon.)

You previously indicated that your company is willing to perform the total repair effort; therefore, the cost adjustment for performing this repair work is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total estimated cost of road repair</td>
<td>$10,000</td>
</tr>
<tr>
<td>Purchaser Share</td>
<td>$ 3,000</td>
</tr>
<tr>
<td>Government Share</td>
<td>$ 7,000</td>
</tr>
</tbody>
</table>

According, pursuant to Sections 2 and 19 of your timber sale contract, your contract is modified as follows:

1. The total purchase price expressed in Sec. 2 and Exhibit B of your contract will be Decreased by $7,000. The total purchase price for the timber sold is now $195,000.
2. The repair work required is detailed on Exhibit C-1 attached hereto and made a part of the contract. All work shall be completed in accordance with the plans and specifications shown on Exhibit C-1 and Exhibit C of the contract.

All of the 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 authorization to proceed with the road repair work under the terms of the contract.

Sincerely,

Area Manager

Enclosure

Exhibit C-1

JOHN DOE LUMBER COMPANY

UNITED STATES OF AMERICAN

Accepted: _________________________

Signed and Approved: ___________

(Date)                                    (Date)

By: ________________________________

By: ________________________________

______________________________

______________________________

(Title)                                    (Title)

(Corporate Seal)

Attest: ____________________________

___________________________

(______________________)

(______________________)

___________________________

___________________________
October 4, 1984

CERTIFIED MAIL
RETURN RECEIPT REQUEST

John Doe Lumber Company
P.O. Box 000
City, State Zip Code

[Salutation]:

On December 17, 1983, debris caught up in flood conditions generated by the recent storms caused the failure of a 72-inch diameter corrugated metal culvert and the wash out of the culvert fill at station 68+30 on the road you have under construction under the terms of Timber Sale Contract No. OR080-TS2-000.

Our field examination revealed that you have not begun cutting operations involved with the specific drainage; thus, the debris problem is considered a natural situation and not associated with your activity under the sale. This "Act of God; type event qualifies you for some measure of road repair relief under Sec. 19, "Cost Adjustment For Physical Changes," of the contract.

It is important that this road failure be repaired at first opportunity to prevent further road damage, as well as, degradation of downstream conditions.

Our estimate of the total cost to replace the culvert and restore the road subgrade is $10,000.00. Pursuant to Sec. 19 of the contract, your share of this cost is $3,000.00.

On our joint on-site examination on December 18, 1983, we discussed the alternative methods for accomplishing the necessary repair work. At that time, Ms. Finley Jones, your designated representative, asked if BLM road maintenance forces could be utilized to repair the total damage as your equipment has been moved to a far distant operation and you do not plan to resume operations on this sale until next fall.

We can accommodate this request. We will restore the damaged road to a condition that existed prior to the Flood damage predicated upon payment of your share of the cost to the Government.

If you are in agreement with this plan of action, please have your officer authorized to sign Bureau of Land Management timber sale contracts sign this
Example of Modification Providing for Government Repair of Total Physical Damage; Purchaser to Make Share Payment

Letter in the space provided below and return the original of the letter to this office together with your payment of $3,000.00. Upon receipt of these items, we will then schedule our maintenance crews to perform the necessary repair work.

Sincerely yours

(Signature)

District Manager

We are:

John Doe Lumber Company

Date: ______________________
By: ______________________
Title: ______________________
Example of Modification Providing for Road Design Change

Willamette Industries, Inc.
P.O. Box 907
Albany, Oregon   97321

Gentlemen:

Please refer to your Bureau of Land Management Timber Sale Contract No. OR090-TS86-5. A discussion with your representative, Jim James, on January 23, 1987, and an examination of road No. 19-5-7.4 Imp. has revealed the need to modify the road construction requirements of your contract. The modification will include the installation of a geotextile fabric from approximately Station 5+00 to Station 9+30 with crushed rock placed over the fabric in two four-inch lifts to a compacted depth of eight inches.

The allowances to be credited in the adjustment of the purchase price are as follows:

- Purchase and installation of geotextile: $537.75
- Surfacing 4.30 Stations: $2,513.27
- Profit & Risk at 6%: $183.06

Pursuant to Section 20, your contract is modified as follows:

1. Exhibit C shall be modified to include the following Special Provision:

   **Special Provision No. 9:**
   A geotextile fabric conforming to the specifications and requirements of Section 300 shall be placed over the existing roadbed from Station 5+00 to Station 9+30. Two four-inch lifts of 1 1/2” minus crushed rock, gradation C, shall then be spread over the fabric to a compacted depth of eight inches. Placement and processing of the surfaces rock shall be in accordance with Section 1300.
Example of Modification Providing for Road Design Change

2. Section 300 of Exhibit C shall be modified by the inclusion of the attached Additional Road Construction Specifications.

3. The purchase price set forth in Section 2 shall be decreased by $3,234.08 to a total of $1,000,094.07.

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

If you agree 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 authorization to proceed with the modification under the terms of the contract.

Sincerely yours,

[Signature]

Area Manager

Enclosures

WILLAMETTE INDUSTRIES, INC.

Accepted: January 23, 1987

By: ______________________

Title: Vice President

[Corporate Seal]

Attest: ____________________

Title: J. A. Parsons, Assistant Secretary

UNITED STATES OF AMERICA

Signed and Approved: 2/5/87

By: _____________________

Title: Area Manager

[Signature]
Example of Modification Providing for a Change in Haul Route
But with an Option Left Open to Use Original Route

CERTIFIED MAIL
RETURNED RECEIPT REQUESTED

John Doe Lumber Company
P.O. Box 000
City, State Zip Code

[Salutation]:

Shortly after your purchase of the Little Lobster sale, Contract No. ORO80-TS3-000, we learned from your company representative, Mr. Jaime Roe, that you plan on hauling the timber via the South Fork Alsea Access Road and Hull Mainline to Dawson rather than to use access as specified in the contract. In order to accommodate this change it is necessary to modify your contract as follows to provide for alternate access:

Sec. 41.u. is modified in its entirety to read as follows:

(Select and use appropriate “RC” provisions tailored to this particular situation to provide access over alternate routes.)

In all other respects the timber sale contract shall remain in full force and effect.

If you agree to these contract changes, please execute and return all copies of this modification to our office for approval. Your approved copy will be returned to you which will be your authority to transport timber over the revised haul route.

Sincerely yours,
(Signature)
Area Manager

JOHN DOE LUMBER COMPANY

Signed and Approved: ______________________________
(Date)
By: ____________________________________________
(Title)
(Corporate Seal)

UNITED STATES F AMERICA

Accepted: ______________________________
(Date)
By: ____________________________________________
(Title)

Attest: ________________________________________
(Date)
By: ____________________________________________
(Title)
H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

Example of Modification Providing for a Pre-determined Haul Route

[Salutation]:

By letter dated November 28, 1983, you requested use of the Racks Creek Road System together with use of additional length of the North Fork Alsea Access Road for transportation of timber associated with your Timber Sale Contract No. OR080-TS2-000. This request may be accommodated with a modification your contract as follows:

1. Sec. 41.p. - The first paragraph only, is modified in its entirety to read as follows:

   “The Purchaser is authorized to use the Racks Creek Road No. 13-8-2, individual segments of which are owned or controlled by the Bureau of Land Management and Willamette Industries, Inc., as shown on Exhibit D for the removal of Government timber sold under the terms of this Contract; and the Purchaser is authorized to use those roads shown as “rock haul route” on Exhibit D for hauling rock as required under the terms of the Contract; provided The Purchaser shall perform road repair and maintenance work on all such roads as follows:

2. Sec. 41q. is modified in its entirety to read as follows:

   “The Purchaser is authorized to use the North Fork Alsea Access Road (12-8-19), which is under the jurisdiction of the Bureau of Land Management from the junction with the Parker Creek Road (13-8-12.1) in Sec. 12, T. 13 S., R. 8 W., W.M., to the junction with the Kilikitat County Road in Sec. 28 T. 12 S., R. 8 W., W.M, for removal of timber sold under the terms of this Contract provided that the Purchaser shall pay the Government a road maintenance fee at twenty six and three tenths ($0.263) per thousand board feet per mile. For administrative purposes the total maintenance fee due shall be based upon the estimated volume set forth in Exhibit B and mileage of roads used as determined by the Authorized Officer. In the event logs are hauled over more than one route, the estimated volume set forth in Exhibit B shall be proportioned on the basis of actual volume remove.”

3. Sec. 41.p. is modified by deletion of reference to Kilikitat Road No. 13-7-10” and inserting in lieu thereof the words “Racks Creek Road No. 13-8-2.”

4. Exhibit D is revised to show the various haul routes you are authorized to use and the road maintenance responsibility for those routes. All reference in the contract to Exhibit D shall now read Revised exhibit D, Modification No. 1.
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 ration of these volumes, against the total contract volume using the following split haul formula:

\[
\frac{\text{Scaled Vol. Hauled} \times \text{Sale Volume} \times \text{Maint. Fee/MBF/System}}{\text{Total Scaled Volume of Sale}}
\]

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)

By: ____________________________

(Title)

(Corporate Seal)

Attest: _________________________

(Date)

(Signature)

(Title)

UNITED STATES OF AMERICA

Signed and Approved: _____________________

(Date)

By: ____________________________

(Title)
Illustration 7, Page 1

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

Example of Modification Providing for a Change in Sale
Layout Logging techniques, etc.

United States Department of the Interior
BUREAU OF LAND MANAGEMENT

(Certified Mail)

November 14, 1983

Further evaluation of your Timber Sale Contract No. OR110-TS-000, East Creek, reveals that changes are needed to protect the anadromous fish resource of East Creek, as well as, to avoid potential soils problems associated with road to be constructed under this contract. The revisions have been discussed with your representative, Ms. Finley Jones, who was in agreement that changes under Sections 1., 2, 16, 20, 40, 41., and Exhibits A, B, and C of the contract would be mutually beneficial. These changes include: 1) revision in the construction location and specifications for the P-1 spur road, 2) construction of a spur road (P-4) into unit No. 2 to permit yarding without the need to yard across East Creek; and 3) the establishment of a buffer strip on both sides of East Creek where it flows through unit No. 2.

Accordingly, your Timber Sale Contract No. OR110-TS3-000 is modified as follows:

1. Exhibit A is modified by the attached Revised Exhibit A, Modification No. 1, that includes: 1) the additional spur road construction (P-4 spur); 2) the end-haul disposal sites; 3) the addition of NW1/2SE1/4 Sec. 11, T. 3 S., R. SW., W.M., to the contract area; and 4) a buffer strip along East Creek where it flows through Unit No.2. The buffer strip is designated “Approximate area in which trees are marked for cutting in the reserve area”, and its boundaries are painted orange and posted.

2. Exhibit B is modified as shown on the attached Revised Exhibit B, Modification No. 1, to reflect the timber volume that we previously designated for cutting, but is now reserved in the buffer strip.
Example of Modification Providing for a Change in Sale
Layout Logging Techniques, etc.

The volumes and values deducted from Exhibit B are as follows:

<table>
<thead>
<tr>
<th>No. of Trees</th>
<th>Species</th>
<th>Estimated Volume</th>
<th>Contract Price Per Unit</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Douglas-fir</td>
<td>7</td>
<td>$252.00</td>
<td>$1,764.00</td>
</tr>
<tr>
<td>5</td>
<td>Western hemlock</td>
<td>2</td>
<td>16.40</td>
<td>32.80</td>
</tr>
<tr>
<td>16</td>
<td>Western red cedar</td>
<td>4</td>
<td>100.00</td>
<td>400.20</td>
</tr>
<tr>
<td>1</td>
<td>Sitka spruce</td>
<td>1</td>
<td>56.80</td>
<td>$56.80</td>
</tr>
<tr>
<td>37</td>
<td></td>
<td>14</td>
<td></td>
<td>$2,253.80</td>
</tr>
</tbody>
</table>

3. Exhibit C is modified as shown on the attached Revised Exhibit C, Modification No. 1.

4. Sec. 2. is modified by the addition of the NW1/4SE1/4 Sec. 11, T. 3 S., R. S W., W.M. to the contract area.

5. The addition and deletion of work results in increased cost to you in increased cost to you of $7,003.00; the value of the timber deleted is $2,253.80; therefore, the total adjustment amounts to $9,258.80. The total purchase price expressed in Sec. 2 and Exhibit B of your contract shall be decreased by $9,258.80. The total purchase price for the timber sold is now $1,484,753.15.

6. Sec. 40 is revised to include the timber designated for cutting in the buffer strip. The number of trees designated for cutting with blue paint in the reserved area now total 156.

7. Sec. 41.j. is revised in total as follows: “No timber hauling operation shall be conducted over the P-4 spur road shown on Revised Exhibit A, Modification No. 1, between October 1 of one calendar year and June 1 of the following calendar year.”

8. Sec. 41.n is revised in total as follows: “In addition to the requirements set forth in Sec. 25 of the contract, the Purchaser shall remove existing debris, logs, and logging debris from streams to be cleared where they flow through the contract area, as shown on Revised Exhibit A, Modification No. 1. Method of removal shall be by a cable yarding system and/or by hand.”

9. Sec. 41.r is revised to include the following: The Purchaser shall construct the P-4 spur road in strict accordance with the plans and specifications shown on the revised Exhibit C, Modification No. 1. Construction of the P-4 spur road shall be completed between June 1 and October 1 of any one Calendar year.”

10. Sec. 41.s. is revised to include Purchaser’s maintenance of the P-4 spur road.

11. Sec. 41.t.t. is revised to include use of Road No. 3-8-15.1 which is under the jurisdiction of the Bureau of Land Management. The maintenance fee has been decreased by $195.08 to adjust for shorter haul on Road No. 3-8-15.1. The total maintenance fee is now due the government is $2,554.15.
Example of Modification Providing for a Change in Sale  
Layout Logging Techniques, etc.

12. Sec. 41.v. is added: “No yarding is permitted across East Creek as shown on Revised Exhibit A, Modification No. 1.”

13. Sec. 41.w. is added: “No trees may be felled into East Creek shown on Revised Exhibit A, Modification No. 1. Lines shall be attached to all trees designated for cutting within the streamside buffer prior to felling and such trees shall be pulled away from East Creek during felling.”

All reference in the contract to Exhibit A shall be to Revised Exhibit A, shall be to Revised Exhibit A, Modification No. 1. All reference in the contract to Exhibit B shall be to Revised Exhibit B, Modification No. 1. All reference in the contract to Exhibit C shall be to revised Exhibit C, Modification No. 1.

In all other respects, the timber sale contract shall remain in full force and effect.

If you are in accord with 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 of the office for approval. Your approved copy will be returned to you which will be your authority to proceed under the terms of the contract as modified.

Sincerely,
(Signature)
Area Manager

Attachments:

Revised Exhibit A, Modification No. 1
Revised Exhibit B, Modification No. 1
Revised Exhibit C, Modification No. 1

JOHN DOE LUMBER COMPANY  UNITED STATES OF AMERICA
Accepted: ____________________________  Signed and Approved: ____________________________
By: ____________________________  By: ____________________________
[Corporate Seal]
Attest: ____________________________
Title
H-5470-1 - CONTRACT MODIFICATION-EXTENSION-ASSIGNMENT

Example of Modification Adding Additional Road Maintenance Work to Contract

(District Address)

December 7, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Doe Lumber Company
P.O. Box 000
City, State Zip Code

[Salutation]:

A recent examination of your Timber Sale Contract OR100-TS3-000 revealed numerous slides and bank sloughs along the Fall Creek Road you are maintaining under this contract. We have determined that removal of these slides and sloughs by truck end haul is necessary to protect Fall Creek water quality and fishery values.

Since removal of this material exceeds the requirement of Section 41.s.(2) of your contract, we are willing to modify your contract to cover the cost of additional work. This modification has been discussed with your designated representative, Jaime Roe.

The areas from which material is to be end hauled have been marked on the ground and discussed with Mr. Roe. This material must be loaded and transported for disposition to the recently-completed truck turn and adjacent to the Fall Creek Road in NE1/2NE1/4 Section 13, T. 13 S., R. 9 W., or another site just west of the E1/2 corner of Section 7, T. 13 S., R. 8 W., Will. Mer., Oregon.

The estimated cost of the work is $475.00. Therefore, the total purchase price of your contract as set forth in Section 2 shall be decreased by $475.00. The total purchase value for the timber is now $988,499.22.

All other terms and conditions of your original contract as previously modified shall remain in Full force and effective.
Example of Modification Adding Additional Road Maintenance

If you agree to this contract change, please have an officer of your company who is authorized to sign Bureau of Land Management timber sale contracts execute all copies and return them to this office for approval. When the modification has been approved, your copy will be returned which will be your authorization to proceed with the additional maintenance work under the terms of Contract.

Sincerely yours,

Area Manager

JOHN DOE LUMBER COMPANY

United States of America

Accepted: ______________________  Signed and Approved  ________________
By: __________________________  By: ______________________________

[Corporate Seal]

Attest: ________________________

______________________________
October 1, 1981

[Salutation]:

A recent examination of Units #1 and #3 of your Jane Creek Timber Sale Contract No. OR080-TS4-000 reveals the desirability of scarifying and brush piling on portions of the two units. This matter has been with Mr. Jaime Roe, who has agreed to the additional work. Accordingly, we are modifying your contract as follows to reflect the additional work:

1. Exhibit A is modified by showing area to be scarified and brush piled.
2. Sec. 2. is modified to reflect decrease in price as a result of the additional cost of scarification and brush piling.
3. Sec. 41.2 is modified by the addition of the following:

   "The Purchaser shall scarify and pile all brush and logging debris in the clear cut units as shown on Revised Exhibit A, Modification No. 3, utilizing a tractor, having power equivalent to or greater than a D-7 caterpillar, equipped with an approved land clearing blade.

   Brush and logging debris piles shall not contain dirt and other unburnable materials which prevent proper burning. If, in the opinion of the Authorized Officer, heavy accumulations of unburnable materials will interfere with burning, the slash shall be repiled.

   All such work, and the burning, shall be performed to the satisfaction of the Authorized Officer. Rebunching of piles during the burning may be required.

The above change in the contract will result in an additional cost to your company of $1,600.00; therefore, the total purchase price expressed in Sec. 2 of the contract is reduced by this amount and is now $530,614.80. In all other respects, the timber sale contract as previously modified shall remain in full force and effect.

If you agree to accomplish the additional work described above, please have an officer of the Company who is authorized to sign Bureau of Land Management timber sale contracts execute and return all copies to this office. When the
Example of Modification Adding Treatment of Cutting Area to Contract

Modification has been approved by the Authorized Officer for the Bureau, your approved copy will be returned to you, which will be your authorization to proceed with the work. The total purchase price has been paid, therefore, when the additional work is completed and approved, we will process a refund of $1,600.00.

Sincerely yours

(Signature)

Area Manager

Attachments
Revised Exhibit A, Modification No. 3
Revised Exhibit B, Modification No. 3

JOHN DOE LUMBER COMPANY

Accepted: ______________________

____________________

(Date)

By: _____________________________

____________________

(Title)

(Corporate Seal)

UNITED STATES OF AMERICA

Signed and Approved:

____________________

(Date)

By: _____________________________

____________________

(Title)
Example of Modification Providing for Repair of Road Damage Not the Responsibility of the Purchaser

(District Address)
December 20, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

John Doe Lumber Company
P.O. Box 000
City, State Zip Code

[Salutation]:

Recent storms caused the windthrow of timber and a large slide on the Fourbit Creek Road serving the area of your Timber Sale Contract 0R080-TS3-000.

Under the terms of your contract, this road is maintained by the Government; however, due to the amount of maintenance work generated by the storms, it would be several months before BLM maintenance crews could reach this area and open the road system.

In our on-site meeting with your representative, Mr. Jaime Roe, he expressed a desired to have this road opened as soon as possible as access to your logging operation and equipment is totally blocked. At that time, Mr. Roe stated that your company was not interested in purchasing the windthrown trees blocking the road, but you would be willing to do the work necessary to open the road subject to appropriate reimbursement. We accept this proposal, and the additional work agreed to involved the following:

1. Cut approximately 50 M bd. ft. of timber lying on or over the road into standard log lengths; yard, and deck this material at designated locations. The trees that must be cut are marked with yellow paint. The total length of each individual tree marked must be limbed, bucked and the logs yarded and decked. For this purpose, yarding by tractor will be permitted on the Fourbit Creek Road. The timber to be cut and decked is reserved timber and will remain the property of the United States.
Example of Modification Providing for Repair of Road Damage Not the Responsibility of the Purchaser

2. Remove a slide of approximately 2,000 cubic yards located on the road at the south line of the NE1/2NE1/4, Sec. 34, T. 11 S., R.E., W.M. The work material must be end hauled with use of dump truck to a designated disposal area located adjacent to the existing road approximately one-half mile north of the slide. Upon removal of the slide, the road surface is to be graded and a 6-inch lift of surfacing material (approximately 100 cubic yards) must be applied to approximately 300 feet of the existing road affected by the slide. The surfacing material is to be obtained from the BLM Stockpile No. OROS-17.

To provide for the road opening and road repair work, your Timber Sale Contract No. 36-080-TS3-000 is modified as follows:

1. Exhibit A is modified by the attached Revised Exhibit A, Modification No. 1, that shows: 1) the addition of the NE1/2 Sec. 34, T. 11 S., R. 3 E., W.M.; 2) the approximate location of the trees to be bucked; 3) the log deck sites; and 4) the waste disposal site.

2. Exhibit D attached is hereby made a part of the contract. This Exhibit details the specifications for the cutting, yarding, and decking of the windthrown timber together with the plans and specifications for slide removal and road repair.

3. Sec. 1 is modified by the addition of the NE1/2, Sec. 34, T. 11 S., R. 3 E., W.M., to the contract area.

4. The estimated cost of this work is $4,620.00 ($1,750.00 for the timber cutting, yarding, and decking; $2,870.00 for the slide removal and road repair); therefore, the total purchase price expressed in Sec. 2 and Exhibit B of your contract shall be decreased by $4,620.00. The total purchase price for the timber sold is now $1,650,237.90.

All reference in the contract to Exhibit A shall be to Revised Exhibit A, Modification No. 1.

All other terms and conditions of your original contract shall remain in full force and effect.
Example of Modification Providing for Repair of Road Damage Not the Responsibility of the Purchaser

If you are in agreement 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 authorization to proceed with the additional work under the terms of the contract.

Sincerely yours,

(Signature)

Area Manager

Attachments:

Revised Exhibit A
Modification No. 1
Exhibit D

JOHN DOE LUMBER COMPANY

UNITED STATES OF AMERICA

Accepted: ______________________
Signed and Approved: ______________________

(Date) 

(Date)

By: ______________________
By: ______________________

(Title) 

(Title)

[Corporate Seal]

Attest: ______________________

(Title)
Illustration II, page 1
Rel. 5-153
6/18/92

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

Example of Agreement Letter for Additional Sale by
Contracting Officer

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
District Office
3550 Liberty Road S.
P.O. Box 3297
Salem, Oregon 97302

JAN 25 1979

Certified Mail No. 732231
Return Receipt Requested

Willamette Industries, Inc.
P.O. Box 907
Albany, OR 97321

Gentlemen:

Please refer to your timber sale contract OR-089-T57-103 covering timber purchased by you in Sections 15 and 23, T. 11 S., R. 1 E., Will Rr., Oregon.

On recent examinations of the contract area, we found that it would be in the interest of the Government to provide for the removal of certain reserve timber. Sale and removal of this timber has been discussed with your company representative and he has orally expressed willingness to purchase the additional trees as such a sale would be of mutual benefit.

For the purpose of this modification the timber is cruised and appraised and added to the Exhibit B as follows:

<table>
<thead>
<tr>
<th>No. of Trees</th>
<th>Volume</th>
<th>Species</th>
<th>Price per M Bd. Ft.</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>52</td>
<td>Douglas-fir</td>
<td>$220.00</td>
<td>$11,440.00</td>
</tr>
<tr>
<td>28</td>
<td>7</td>
<td>Western hemlock</td>
<td>165.00</td>
<td>1,162.00</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>Western redcedar</td>
<td>212.00</td>
<td>212.00</td>
</tr>
<tr>
<td>15</td>
<td>6</td>
<td>Bigleaf maple</td>
<td>25.00</td>
<td>50.00</td>
</tr>
<tr>
<td>65</td>
<td>82</td>
<td></td>
<td>$220.00</td>
<td>$12,864.00</td>
</tr>
</tbody>
</table>

A new boundary location on Unit No. 1 has been designated with orange paint and posted. The original boundary designations have been removed. The additional special mark trees of Unit No. 1, eucalyptus trees of Unit No. 2, and hazard tree of Unit No. 2 are designated on the ground with yellow paint above and below stump height.

Sale of this timber is authorized by Title 43 CFR 5402.0-6(c)(2) and may be accomplished by modifying your timber sale contract to include the additional volume and value.


| CONSERVE   | AMERICA'S   |
| ENERGY     | RESOURCES   |

Save Energy and You Serve America!
Illustration 11, Page 2

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

Example of Agreement Letter for Additional Sale by
Contracting Officer

OR-D-197-103
Winter Creek
Modification No. 1

Accordingly, your timber sale contract OR-D-197-103 is modified as follows to include the additional timber:

1. Exhibit A is modified as shown on the attached new Revised Exhibit A, Modification No. 1. All references in the contract to Exhibit A are modified to read Revised Exhibit A, Modification No. 1.

2. Section 2 is modified by the addition of the values listed in paragraph three of this letter. The total purchase price for the timber sold is now $93,881.80.

3. The reservation of timber described in Section 40, a. shall be amended to exclude the timber being sold by this modification.

There are an additional eleven (11) trees and snags marked for cutting with yellow paint above and below stump height.

4. Section 41, t. is modified to include the additional road maintenance fee of $18,49. The new total road maintenance fee is $178,721.

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

Payment for the additional timber shall be made in accordance with Section 3 of your contract until the new total purchase price has been paid.

If you are in agreement with this modification, please have your officer authorized to sign Bureau of Land Management timber sale contracts execute and return all copies to this office for approval.

When the 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 cut and remove the additional timber under the terms of your contract.

Sincerely yours,

[Signature]
District Manager

UNITED STATES OF AMERICA
Signed and Approved FEB 6 1979

[Signature]
District Manager

Attachment:
Revised Exhibit A
WILLAMETTE INDUSTRIES, INC.
Accepted January 31, 1979
(Date)

By: [Signature]
Title: Vice President

CORPORATE SEAL

Attest: [Signature]
Title: Assistant Secretary

BLM MANUAL
Rel. 5-153
6/18/92
RESOLUTION OF BOARD OF DIRECTORS
of Tree Products, Inc.

I HEREBY CERTIFY THAT I am the duly elected and qualified Secretary of Three Products, Inc., and that the following is a true and correct copy of a resolution duly adopted at a special meeting of the Board of Directors of said corporation, held at its office at 123 Hall Building, on March 28, 1977.

“Resolution that Harold F. Simpson is hereby authorized and empowered in the name and on behalf of Tree Products, Inc., to sign and execute any agreement and contract modification for the sale of additional timber which should be removed from the contract area in the conduct of operations by Tree Products, Inc. on Bureau of Land Management timber sale contracts. This authorization is limited to purchase of not more than 50,000 bf of timber in each additional timber sale. This resolution shall constitute a continuing authority for Harold F. Simpson to act on behalf of Tree Products, Inc., as herein above described until revoked by the Board of Directors of Tree Products, Inc., and formal written notice given of such revocation.”

CORPORATE SEAL

April 4, 1984

(Signature)
Donald Rogers, Secretary
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:

<table>
<thead>
<tr>
<th>No of Trees</th>
<th>Species</th>
<th>Estimated Volume</th>
<th>Price Per Unit</th>
<th>Amount of Estimated Volume x Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Illustration 13
(II.B1b)
Example of Agreement for Field Sale of Additional Timber
by Designated Representative

ADDITIONAL TIMBER SALE AGREEMENT AND CONTRACT MODIFICATION

3. the timber reserved from cutting described in Sec. 40 is amended to exclude the timber sold in this modification.

4. 
   ____________________________________________________
   ____________________________________________________
   ____________________________________________________

5. 
   ____________________________________________________
   ____________________________________________________
   ____________________________________________________

In all other respects the timber sale contract shall remain unchanged.

________________________________________
Contracting Officer’s Designated Representative

_____________________________
Date

I agree:

_____________________________________
Purchaser’s Authorized Representative

_____________________________
Date
Example of Letter Rejecting Application for Extension

March 16, 1984

John Doe Lumber Company
P.O. Box 000
City, State Zip Code

[Salutation]:

On February 26, 1984, you requested a 12-month extension of time on Timber Sale Contract OR110-TS2-000 covering O&C timber located in (legal description). You advised that you desired the extension because market conditions are not as favorable as you anticipated they would be at the time you purchased the tract.

Your request has been considered, but the reason you have given us to substantiate your need for a longer period of time on the contract is not sufficiently valid to warrant an extension. To the contracty, Sec. 9 of the contract specifically states that “market fluctuations are not cause for consideration of contract extension.”

Consequently, unless you are able to demonstrate more conclusively that an extension is warranted, the contract cutting and removal rights will terminate on its original expiration date. You will have one month within which to remove personal property from the contract area after that date.

Very truly yours,

(Signature)

District Manager
Example of Letter of Notification That Extension Will Be Granted

United States Department of the Interior
BUREAU OF LAND MANAGEMENT

(District Address)

April 25, 1984

John Doe Lumber Company
P. O. Box 000
City, State Zip Code

[Salutation]:

On March 15, 1984, you requested a 12-month extension of time on Timber Sale Contract No. OR110-TS2-000 covering purchase of O&C timber in (legal description). You advised that the extension was necessary because high water has washed out the bridge across Four Bit Creek, making it impossible for you to reach the tract and complete operations by the contract expiration date.

Your request has been considered, and this office will grant the extension requested. It will be necessary that a reappraisal be made of the timber remaining on the contract as of the expiration date. The reappraisal will be made using the fair market value approach.

We will advise you of the reappraised prices. Any change in the total contract purchase price as a result of reappraisal will be incorporated into a contract modification which will be submitted to you for signature shortly after June 19, 1984, the expiration date of our contract.

Very truly yours,

(Signature)

District Manager
Example of Extension Modification with Price Adjustment

John Doe Lumber Company  
P.O. Box 000  
City, State Zip Code

[Salutation]:

You requested a 12-month extension of time for cutting and removal of timber under the terms of Timber Sale Contract ORO90-TS1-000. Your reason for requesting the extension was that your mill was destroyed by fire making it impossible to process the timber. Our reply dated April 28, 1984, advised you that the extension would be granted subject to reappraisal of the timber remaining on the contract area in accordance with Section 9 of your contract.

Your reappraisal of the remaining timber has been made with the following results:

<table>
<thead>
<tr>
<th>Species</th>
<th>Estimated Volume M Bd. Ft.</th>
<th>Contract Unit Price $</th>
<th>Reappraised Unit Price $</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas-fir¹</td>
<td>2,000</td>
<td>$150.00</td>
<td>$160.00</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Douglas-fir²</td>
<td>500</td>
<td>$120.00</td>
<td></td>
<td>80,000.00</td>
</tr>
<tr>
<td>Ponderosa Pine¹</td>
<td>700</td>
<td>130.00</td>
<td></td>
<td>84,000.00</td>
</tr>
<tr>
<td>Ponderosa Pine²</td>
<td>300</td>
<td>60.00</td>
<td>70.00</td>
<td>39,000.00</td>
</tr>
<tr>
<td>White Fir¹</td>
<td>500</td>
<td>60.00</td>
<td></td>
<td>30,000.00</td>
</tr>
<tr>
<td>White Fir²</td>
<td>200</td>
<td>70.00</td>
<td></td>
<td>14,000.00</td>
</tr>
</tbody>
</table>

Reappraisal Total Purchase Price $547,000.00

Amount Due $10,000.00

¹ Volume and value of timber cut and removed prior to expiration of cutting rights.

² Volume and value of timber remaining at expiration of cutting and removal rights.
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)
Example of Extension Modification – No Price Adjustment

United States Department of the Interior
BUREAU OF LAND MANAGEMENT

(District Address)

June 23, 1984

John Doe Lumber Company
P.O. Box 000
City, State Zip Code

[Salutation]:

You have requested a 12-month extension of time for cutting and removal of timber under the terms of Timber Sale Contract OR110-TS3-000. Your reason for requesting the extension was that high water had washed out the bridge across Four Bit Creek, making it impossible for you to reach the timber. Our reply dated April 27, 1984, advised you that the extension would be granted subject to reappraisal of the timber remaining on the contract area in accordance with Section 9 of your contract.

Reappraisal of the remaining timber has been made and no increase was found in the total purchase price; therefore, the total purchase price will remain the same as listed in Section 2 of the contract.

The extension of “time for cutting and removal” under your contract may be accomplished by modifying the contract. Accordingly, the time for cutting and removal of timber set forth in Section 4 of Timber Sale Contract OR110-TS3-000 is extended twelve (12) months.

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

Please have an officer authorized to sign Bureau of Land Management timber sale contracts execute all copies of this modification and return them to this office. When the modification has been approved by the Authorized Officer for the Bureau, your approved copy will be returned to you and will be your authority to continue cutting and removal of timber in accordance with the terms of your contract.

Very truly yours,

(Signature)

District Manager
Example of Extension Modification – No Price Adjustment

<table>
<thead>
<tr>
<th>JOHN DOE LUMBER COMPANY</th>
<th>UNITED STATES OF AMERICAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accepted: ______________</td>
<td>Signed and Approved: _______</td>
</tr>
<tr>
<td>(Date)</td>
<td>(Date)</td>
</tr>
<tr>
<td>By: ______________</td>
<td>By: ______________</td>
</tr>
<tr>
<td>______________________</td>
<td>______________________</td>
</tr>
<tr>
<td>(Title)</td>
<td>(Title)</td>
</tr>
</tbody>
</table>

[Corporate Seal]

Attest: ______________________

_________________________

(Date)

_________________________

(Date)

_________________________

(Date)

_________________________

(Date)
Example of Modification Providing for a Change in Sale
Layout Logging Techniques, etc.

12. Sec 41.v. is added: “No yarding is permitted across East Creek as shown on Revised Exhibit A, Modification No. 1.”

13. Sec. 41.w. is added: “No trees may be felled into East Creek shown on Revised Exhibit A, Modification No. 1. Lines shall be attached to all trees designated for cutting within the streamside buffer prior to felling and such trees shall be pulled away from East Creek during felling.”

All reference in the contract to Exhibit A shall be to Revised Exhibit A, Modification No. 1. All reference in the contract to Exhibit B shall be to Revised Exhibit B, Modification No. 1. All reference in the contract to Exhibit C shall be to revised Exhibit C, Modification No. 1.

In all other respects, the timber sale contract shall remain in full force and effect.

If you are in accord with 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 of the office for approval. Your approved copy will be returned to you which will be your authority to proceed under the terms of the contract as modified.

Sincerely,
(Signature)
Area Manager

Attachments:
Revised Exhibit A, Modification No. 1
Revised Exhibit B, Modification No. 1
Revised Exhibit C, Modification No. 1

JOHN DOE LUMBER COMPANY
UNITED STATES OF AMERICA

Accepted: ____________________________

Signed and Approved: ________________

By: ________________________________

By: ________________________________

_______________________________
(Corporate Seal)

Attest: _____________________________

______________________________
Title
ACCEPTANCE OF ASSIGNEE

KNOW ALL MEN BY THESE PRESENTS. That the undersigned hereby accepts the foregoing assignment, and in consideration of such assignment, promises and agrees to abide and fulfill the terms and obligations set forth in said contract, and to cut and remove the timber in accordance with the terms therein.

IN WITNESS WHEREOF, the parties hereto have executed this assignment as of the day of approval herein below set forth.

IF INDIVIDUAL OR PARTNERSHIP, SIGN HERE:

ABC Lumber Company

(Owner of Firm)

By: [Signature]

(Partner/Owner)

P.O. Box 000, City, State, Zip Code

(Address)

By: [Signature]

(Partner/Owner)

(Address)

(Address)

(Address)

IF CORPORATION, SIGN HERE:

By: [Signature]

(Owner of Corporation)

(Title)

Corporation Seal

ATTACH: [Signature]

(Secretary)

THE UNITED STATES OF AMERICA

Signed and approved: September 20, 1989

By: [Signature]

(Owner of Officer)

District Manager

(Title)
Example of Letter to Original Surety
When New Surety Is Used

United States Department of the Interior
BUREAU OF LAND MANAGEMENT

(District Address)

July 20, 1984

ABC Surety Company
P.O. Box 000
City, State Zip Code

[Salutation]:

This is to advise that Timber Sale Contract OR120-TS3-000 issued to John Doe Lumber Company, P.O. Box 000, City, State, Zip Code, under date of January 16, 1983, and For which you executed a bond in the amount of $800.00 has been assigned to the Finley Jones dba Jones Logging Company as of this date.

Since a new bond, executed by another surety company, has been furnished in connection with this assignment, your bond is no longer needed. Liability under this bond is therefore terminated as of this date. The canceled bond is being retained by the Bureau of Land Management.

Sincerely yours,

District Manager

cc: John Doe Lumber Company
Example of Commitment of Surety to Be Bound by Assignment

**UNITED STATES**
**DEPARTMENT OF THE INTERIOR**
**BUREAU OF LAND MANAGEMENT**

**COMMITMENT OF SURETY TO BE BOUND BY ASSIGNMENT**
*(Timber Sales)*

**KNOW ALL MEN BY THESE PRESENTS,** That:

The undersigned surety company is morally bound by the terms of the timber sale contract between the United States and ABC Lumber Company, and therefore agrees to be bound by all modifications of said contract that may be granted hereunder.

Now, THEREFORE, if the principal shall perform and fulfill all the undertakings, 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(s), and during the life of any guarantee 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(s) being hereby waived, the above obligation shall be void and of no effect.

DATED: This 6th day of September, 1993.

**PRINCIPAL**

**James Doe dba ABC Lumber Company**

**SURETY**

**XYZ Surety Company**

**Owner**

**Attorney-in-Fact**

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 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

Information is being collected to obtain survey information relevant to the operation of this timber sale contract.

You are required to give the information requested. Failure to provide the information may result in the rejection of your contract.

*Signature*

*Signature*

*Signature*
Example of Letter Transmitting Approved Assignment

September 23, 1983

Finley Jones dba Jones Logging Company
P.O. Box 000
City, State  Zip

[Salutation]:

The assignment of Timber Sale Contract OR120-TS-000 from Joe Doe Lumber Company (assignor) to Finley Jones dba Jones Logging Company (assignee) has been completed. As attested by the execution of the following enclosed forms:

- 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)

Prior to beginning operations on the contract area the following requirements must be met: (described requirements in detail).

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.

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.

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.

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.

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.

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
Example of Letter Transmitting Approved Assignment

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