

# *Beltrami County*

*Natural Resource Management*

*701 Minnesota Ave NW, Suite 234 – Bemidji MN 56601-3178*

## **Contract Conditions for Payment of Timber using a Letter of Credit (LOC)**

### **2.1.3. Full Payment**

2.1.3.1. The sold value of the appraised volume of timber must be paid before cutting begins.

2.1.3.2. The value of each separate block must be paid in full before any cutting may begin on that block.

2.1.3.3. If paid by check, the contract is not valid until the check has cleared.

2.1.3.4. The balance of the sale may be secured using an Irrevocable Letter of Credit issued by a Financial Institution. This letter of credit will not exceed the closing date of the permit or one (1) year, whichever comes first. If the contractor removes their equipment from the sale area, Beltrami County must be paid for the timber that has been hauled within thirty (30) days. On area estimate sales, the sale administrator will estimate the percentage complete. Beltrami County will contact the Financial Institution to reduce the value of the Letter of Credit.

(See second page for sample LOC)

# Beltrami County

Natural Resource Management

701 Minnesota Ave NW, Suite 234 – Bemidji MN 56601-3178

Irrevocable Letter of Credit - Number

Date

Beltrami County Natural Resource Management  
701 Minnesota Ave NW – Suite 234  
Bemidji, MN 56601

**Attention: Beltrami County Director of Resource Management / Land Commissioner**

The \_\_\_\_\_ (Financial Institution) of \_\_\_\_\_ has established an Irrevocable Letter of Credit in favor of the Beltrami County Natural Resource Management Department at the request of and for the account of \_\_\_\_\_ (permittee ) in the amount of \$ \_\_\_\_\_, to secure the performance on Beltrami County Timber Permit Number \_\_\_\_\_.

In the event of default in payment by the permittee of monies due the County under the permit, said funds are available by presentation of your written demand against this irrevocable letter of credit which specifies the number of this credit, the timber permit number, and the amount due.

This letter of credit shall expire on the earlier of the following dates: (1) the date the permittee makes full payment of the permit obligations, or (2) the date this bank makes full payment of its obligation herein, after Beltrami County has made demand therefor. This letter of credit is provided under Minnesota Statutes 90.173 in lieu of the bond required by Minnesota Statutes 90.161 or 90.171.

Sincerely;

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Financial Institution

State of Minnesota

County of \_\_\_\_\_ }  
SS

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Street Address or P.O. Box

\_\_\_\_\_  
City, State, Zip

Notary Public