

## Power of Attorney Frequently Asked Questions

- **What is this “Power of Attorney” letter? What am I signing?**

In order to proceed with the timber sale on this allotment we need the consent of the majority (more than 50%) of allotment interests. By signing this letter you are essentially voting in favor of this timber sale. If you have a 25% interest in this allotment your vote will put us 25% closer to getting the 50% consent we need to proceed. If you have a 1% interest in this allotment your vote will put us 1% closer.

- **What if I don’t sign this letter?**

If you don’t sign and return this letter you are essentially voting against proceeding with this timber sale. If you have a 25% interest in this allotment we’ll need at least 50% of the remaining interests to proceed. If we get a majority of interests voting in favor of this timber sale, even if you voted against it, we’ll still proceed and you’ll still be paid. If we don’t get the consent of 50% of the interests we will not proceed with this sale.

- **How much will I be paid?**

The amount of money you receive will depend on how much timber will be cut, how valuable the timber is, and what percent interest you have in the allotment. For example, if there was \$10,000 worth of wood in the timber sale and you had a 25% interest in the allotment that would be 25% of \$10,000 or \$2,500. The forestry department deducts 10% to help pay for management and will also use the money to do other things on the allotment such as planting trees or planting open areas with wildlife seed mixtures. So, in this example you’d receive \$2,500 – 10% or \$2,250. If you owned 1% of this allotment you’d receive \$90. Please be aware the amount of timber **can vary widely** from one timber sale to another depending on how big the timber sale is, what’s in the timber sale, what the market conditions are, and what is being cut.

- **When will I be paid?**

When a logging company buys the timber sale they must pay 25% of the estimated value of the timber sale right away. This money will be distributed soon after the timber sale contract is signed. The remaining 75% of the timber sale value will be paid as it is cut. Be aware there may be several months between when you sign the POA letter and when the contract is signed. Also, sometimes when timber sale contracts are signed the actual logging doesn’t occur for several months or maybe a year so it can be awhile before you start to see money after the initial down payment money is disbursed.

- **Who distributes the money from a timber sale?**

The Office of Special Trust (OST) located in Bemidji, MN distributes timber sale money. The Fond du Lac forestry department does not handle any money.

- **What does “percent interest” mean?**

If you were the only owner of an allotment you would have a 100% interest. Oftentimes allotments may have dozens or even hundreds of allottees. Each may have only a few percent or maybe just a fraction of a percent of ownership. This occurs as allottees die and leave their ownership to their surviving spouse, brothers, sisters, and children. For example, if an allottee had a 100% interest in the allotment and then died and left their allotment to 10 people, each of the 10 people may each have only 10% interest in that allotment. Then, if they die and leave their 10% to 10 more people now the allotment will have 100 owners each with only 1% interest. Over a few generations allotments may have hundreds of owners.

- **How do I know I’m getting a fair price for my timber?**

Fond du Lac Forestry uses an average of the final bid price, for each species, of the most recent timber sale auctions made by Carlton County, St. Louis County – Pike Lake Office, and the MN DNR – Cloquet Office. This means your timber is priced equally to large open-market auction sales of large regional timber owners.

- **Who can I contact if I have questions?**

If you have questions about your allotment, payments, probate, or anything else related to ownership or money please contact the MN Agency at 1 (888) 233-9262. If you have questions specifically about the timber sale, its location, or a description of the allotment please contact the Fond du Lac Forester at 1 (218) 878-7105 or 878-7118.