



October 3, 2018

Pine Forest Products
1123 Water Road
West, WI 54000

RE: Contract Expiration- Timber Sale # 4000

Dear Mr. Frost,

In January of this year you were offered the final extension for the contract #4000 with a contract expiration date of December 31, 2018. With substantial work remaining uncompleted as the date of this letter, and the very low likelihood of the work being completed by the December 31, 2018 deadline, this letter is to inform you that as of 12:00am on Wednesday January 1, 2019, Pine Forest Products contract #4000 with the Northern Highland-American Legion State Forest will have officially expired.

At the point of the contract expiration the Department will seek to cover its incurred losses by retaining your entire performance bond in the amount of \$25,000.00. In the event the losses to the state exceed this amount the department, at its own discretion, may seek to recover additional damages by initiating collection activities through legal counsel.

Furthermore, as a result of your failure to perform this contract, your current bidding privilege revocation for Jack Frost, Pine Forest Products and those individuals associated with Pine Forest Products; instituted as of December 31, 2018 will be extended for a 2-year term from January 1, 2019 to January 1, 2021.

If you have any questions, please feel free to contact our office.

Sincerely,

James Wetterau
Forester

cc: Leeann Thole, Financial Specialist Senior
Tom Shockley, NR Region Team Supervisor
Craig Dalton, NHAL-SF Property Manager
Doug Brown, County Forest & Public Lands Specialist



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Scott Walker, Governor
Dan Meyer, Secretary
James Yach, Regional Director

Woodruff Service Center Annex
8770 Highway J
Woodruff, Wisconsin 54568
Telephone 715-356-5211 Ext.242
FAX 715-356-9174

December 4, 2018

Pine Forest State Bank
P.O. Box 128
Laona, WI 54541

Dear Mr. Black:

This letter is to notify the Great Northwoods Bank that the Department of Natural Resources is drawing on Irrevocable Letter of Credit #1329 issued to Jack Pine Logging in the amount of \$9,684.60 for contract #1000-H, Max Creek Pine. Jack Pine Logging is in breach of numerous conditions of contract #1152-H. The actual damages are itemized as follows:

Non-payment of stumpage	\$10,000.00
Penalty Interest due on stumpage	\$ 2,000.00 (As of Nov.30, 2018)
Cost for re-establishment of sale	\$ 500.00
Loss of re-sold stumpage values	\$ 1,000.00
<u>Administrative costs</u>	<u>\$ 70.00</u>
<u>Total</u>	\$ 13,570.00

Please send a check for \$13,570.00 to the following address:

Department of Natural Resources
Trout Lake Forestry Headquarters
4125 County Hwy M
Boulder Junction, WI 54512
Attn: Leeann Thole

Please make the check payable to the Department of Natural Resources. For any financial inquiries regarding this matter contact Leeann at 715-385-0000 Ext. 111. For any other questions, please give me a call. I can be reached weekdays between 8:00 AM and 4:30 PM at 715-892-0000.

Sincerely,

James Wetterau
Forester

cc: Leeann Thole, Financial Specialist Senior
Tom Shockley, NR Region Team Supervisor
Craig Dalton, NHAL-SF Property Manager
Doug Brown, County Forest & Public Lands Specialist
Kassie Lang, Legal Services Attorney
Jack Pine Logging



September 16, 2019

Northwoods Financial Services
1111 First Avenue
Brown Lake WI 54000

Subject: Irrevocable Letter of Credit # 19931

Dear Sir / Madam:

The purpose of this letter is to notify Northwoods Financial that the Department of Natural Resources is drawing on Irrevocable Letter of Credit # 19931 that was issued for Wisconsin DNR timber tract #01-00 (Cylon Wildlife Area, St. Croix County). This letter of credit was issued to Tony Black / Pine Loggers LLC in the amount of \$11,500.00 for State of Wisconsin timber sale contract #0000-017. Tony Black was determined to be in violation of the terms of this contract. In accordance with clause 4 of the timber sale contract, the Department has terminated contract #0000-017. Pursuant to clause 5a of the timber sale contract, the Department is exercising its right to collect damages associated with failure to perform on the contract. The actual damages relevant to contract # 5603-017 are itemized as follows:

Difference in re-sale value of timber sale	\$15,663.44
Cost of advertising	\$ 123.96
Administrative costs	\$ 591.80
Mileage	\$ 64.39
<u>Total Actual Damages</u>	<u>\$16,443.59</u>

In this case, since the total actual damages exceed the bond amount, the Department requests payment equal to the full bond amount. Please send a check for \$11,500.00 to the following address:

Department of Natural Resources
Menomonie Field Office
Attn: Robert Strand
921 Brickyard Road
Menomonie, WI 54751

Please make the check payable to the Department of Natural Resources. The original Letter of Credit is included per requirement by Northwoods Financial Services for requests of payment. If you have any questions, please give me a call at 715-232-6980.

Sincerely,

Robert Strand
Forester, Wisconsin DNR

CC: Ryan Haffele, Cylon WLA Property Manager
Andrew Sorenson, Eau Claire Team Leader
Doug Brown, County Forest / Public Lands Specialist – Tomahawk
Tony Black, 3900 Cty Hwy P, Chippewa Falls, WI 54729

State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
8770 County Highway J
Woodruff WI 54568

Tony Evers, Governor
Preston D. Cole, Secretary
Telephone 608-266-2621
Toll Free 1-888-936-7463
TTY Access via relay - 711



February 1, 2019

Pine Loggers LLC
1234 Old HWY 8
Rhineland WI 54541

Dear Mr. Logger:

The State of Wisconsin Department of Natural Resources has drawn on Irrevocable Letter of Credit #1329 at the Pine Forest State Bank issued to Pine Loggers LLC for the amount of \$9,684.60. You have breached contract #6000-11XXH, Max Creek Pine, and the amount recovered from the letter of credit does not fully satisfy the Department's damages. Your remaining balance due to the Department following the collection under the line of credit is \$13,214.68.

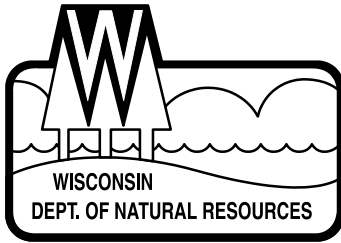
Please send a check in the amount of \$13,214.68 to cover the outstanding stumpage payments, the administrative costs for reestablishing and selling the remaining timber, and the penalty interest to date as of January 30, 2019. Please make the check payable to the Wisconsin Department of Natural Resources and send to the following address:

Trout Lake Forestry Headquarters
4125 County HWY M
Boulder Junction, WI 54512
Attn: Leann Thole

If you have any questions regarding these charges, please contact Leann at 715-385-3355 ext. 111. For any other questions, please feel free to contact me. I'll do my best to help.

Sincerely,

Tom Shockley
NHAL State Forest Team Leader



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Matthew J. Frank, Secretary
John Gozdziwski, Regional Director

Trout Lake Forestry Headquarters
4125 Forest Headquarters Road
Boulder Junction, Wisconsin 54512
Telephone 715-385-2727
FAX 715-385-2752
TTY Access via relay - 711

January 6, 2010

Good Pine Logging LLC
c/o Tony Black
W0000 County Road A
Hooperville, WI 54000

Subject: Termination of Timber Sale Contract 700-H

Dear Tony:

The Department of Natural Resources has determined that you have violated Condition 2, paragraph 2, of Timber Sales Contract 700-H, (Grassy Field), entered into on July 1, 2000, and therefore have breached the contract. The contract is hereby terminated in accordance with Condition 4 of that contract.

On January 1, 2010 your timber sale contract expired and you have failed to complete state land timber sale 700-H within the specified contract period despite two separate contract extensions that were granted to you extending the original two year contract to 3 ½ years. As of this date no work has been completed on this contract.

In accordance with Condition 5 of the contract, your performance bond will be drawn upon to cover the actual damages incurred by the State of Wisconsin, Department of Natural Resources. Currently your performance bond is covered by a letter of credit (LOC). The Irrevocable Letter of Credit #901863 issued by Northwoods National Bank in the amount of \$47,970.00 will be drawn upon, following the re-sale of this tract in May 2010. All administrative costs relating to the closure of the present sale and all costs relating to the re-establishment of a future sale will be deducted from your performance bond. In addition, if the stumpage value of the future timber sale is less than the original value of the current sale, the difference will also be deducted from your LOC. We will not pursue beyond the bond however, even if the actual damages exceed the performance bond. Any remaining money will be returned to either you or your bank.

Sincerely,

James Wetterau
NHAL State Forester

cc: Jeff Olsen, Natural Resources Team Supervisor, NHAL-SF
Steven Gossman, NHAL-SF Superintendent
Michael Luedeke, Regional Forester NOR
Bureau of Legal Services
Northwoods National Bank