



To all who have supported and donated to the Save Wildcat Falls Legal Fund,

It has been a while since we began our mission to save Wildcat Falls and surrounding lands, and many of you have no doubt been wondering what the status of our efforts is, and what has happened to date. As such, we thought it would be a good idea to bring everyone up to date. We apologize for not reporting sooner, but we have learned that these kinds of federal cases progress at glacial speed and, up to now, there has really been very little to report on.

As you may know, in early April, 2012, the US Forest Service denied our appeals to stop the Ottawa Forest Service from trading away 160 acres of unique and special land containing Wildcat Falls, Scott and Howe Creek, scenic beaver ponds and wetlands, beautiful moss covered and rugged rock outcrops, and significant areas of old growth hemlock and cedar forests to a private land developer in exchange for unremarkable, heavily logged-over land further north. As a result, it was felt that the only recourse was to file a lawsuit in federal court to try and stop this trade. The seven conservation-minded individuals who filed appeal statements against this action joined forces with Partners in Forestry and Northwood Alliance as plaintiffs. As a result of your generous financial support, we were able to hire a conservation-minded attorney who

specializes in NEPA law and has significant experience with cases like this. We are also grateful that she has agreed to handle our case at relatively low fees.

Following months of waiting for the opposing lawyers to prepare and submit legal briefs and respond back and forth regarding same, as well as many delays and postponements, the court issued a final edict that it would rule on our case in early January of 2014. This was subsequently postponed to late February at the request of the new federal attorney who has recently been reassigned this case. In the mean time, we have been actively seeking conservation-minded buyers or a conservation foundation with the thought that perhaps we could negotiate an out-of-court settlement with Mr. Delich the private land developer. Our hope is that if Mr. Delich would agree in writing to sell the property at fair appraisal values to a group or foundation interested in preserving this unique land, we would agree to drop our lawsuit and allow the exchange to proceed. In an attempt to settle this lawsuit, our primary litigant has tried repeatedly, through a neutral third party, to get Robert Delich to agree to appraised values on the Wildcat Falls – County Line lake property of 160 acres. He has come a little closer, but is steadfastly sticking to his demand for 12.4% above the Yellow Book appraisals, and only if we would also purchase the 80 acres west of Lake Gogebic, or in other words, the whole 240 acres he receives in the trade.

There are several points regarding this matter that leave us to conclude that a significant injustice to the American people continues to be perpetrated by this exchange:

- Bob Delich purchased the 421 acres the FS would acquire in early 2006 for \$380,000. He cut nearly all the merchantable timber off the property shortly after, receiving for stumpage somewhere between \$150,000 (per Delich to third party) and almost \$400,000 (per local logger friend of Delich). The actual timber sale value was likely somewhere between these two figures.
- Bob Delich approached the FS and instigated this land trade, at first asking for much more acreage than the 240 acres justified by the appraisal.
- The appraisals are Yellow Book certified in 2010. The timber on the Forest Service land is worth more today than it was then.
- The Forest Service received at least 40 comments opposing this exchange, compared to two supporting it.
- The Forest Service parcels were valued at \$1210 per acre. The actual timber value of \$1310 per acre (2010 cruise), was reported in the 2010 appraisal. Actual timber values have climbed since then. A recent Yellow Book appraisal by the same appraiser states “the Upper Peninsula in general continues to decline (2.6% annually since 2007).....”, essentially demonstrating that the difference between timber and land values are now even greater than they were when the original appraisals were done. Timber values have risen and land values have declined. The FS lands will bring significantly less in compensatory value than the timber value.
- The Delich property, which has minimal residual timber volume with insignificant timber value, was appraised at \$750 per acre (\$316,000). The Forest Service will

make up the difference in cash, paying Mr. Delich an additional \$26,000 for the trade.

- The Wildcat Falls-County Line parcels exhibit old growth character including increasingly rare Hemlock and Cedar. They also include unique and impressive moss covered rock outcrops, Scott & Howe creek and Wildcat Falls, beaver ponds and associated wetlands.
- The Delich parcel now supports mostly sapling-sized aspen and regenerating northern hardwoods, with no outstanding features. The Forest Service admits that it will take at least 100 years for this land to recover its original forested features that existed before Mr. Delich clear-cut it.

The bottom line is that if we are unable to reach a reasonable and satisfactory agreement with Mr. Delich, we remain steadfast in continuing with our lawsuit to stop this unjust trade. Note that if the court rules against us in February, we fully expect to appeal. Unfortunately, although we have raised barely enough funds to cover our legal fees of this initial lawsuit, we will likely have nothing left to fund an appeal, let alone pay for any court costs that may be imposed upon us by the judge. Therefore, we may need to send out another plea for donations in the near future.

If you are looking for a worthy cause to support, please consider donating to us again. You can be assured that all donations will be used to fund local conservation projects. Checks should be made out to Northwood Alliance, Inc. (Note: "Wildcat Falls Legal Defense Fund" on the notation line.) Or, if you prefer, you may donate on-line on the NWA website: www.northwoodalliance.org

Northwood Alliance continues to handle the fundraising and payouts for expenses involved in this endeavor. Northwood Alliance is a 501c (3) charitable organization whose mission is the conservation of unique lands and public values. Your gift is tax deductible to the fullest extent of the law.

Thank you all for your continued support,

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