



Tuesday, August 26, 2008

Please Post Immediately

Organization Announcement

To All Employees:

As we begin the work of positioning Humboldt Redwood Company for long-term success, we hope to duplicate those things that have worked well for MRC and MFP over the last ten years. In an effort to transplant the best of MRC and MFP's practices (including a public purpose that balances stewardship of the forest and business success, as well as lots of processes for every day operations), several key leadership positions at HRC will be filled by individuals who currently hold, or who have previously held, the same position at MRC and MFP.

I am very pleased to announce the following appointments:

- Mike Jani – President and Chief Forester, HRC
  - Mike previously held the position of President and Chief Forester of MRC, where he was responsible for the overall management of the MRC forestlands. Mike has excellent technical forestry skills, a great understanding of regulation and public interest in forestry, and played a key role in the FSC certification of the MRC lands. In his new role at HRC, we will look to Mike to provide leadership in implementing the MRC forestry practices on HRC's lands, including establishing stewardship and forest operation objectives.
- Tom Schultz – Forest Operations Manager, HRC
  - Tom has been with MRC since its formation ten years ago, and has largely provided operational leadership for MRC's lands for his entire tenure. In his new position, Tom will work closely with the HRC forestry staff in providing direct operational leadership for accomplishment of stewardship and forestry operations objectives.
- Jon Woessner – Area Manager, HRC
  - Jon has previously been an area forester at MRC, and has also been the leader of MRC's in-process HCP. Jon's experience managing some of MRC's best forestlands, and years of work on the MRC HCP will make him an excellent leader among the area foresters at HRC.
- Mike Hottinger – Senior Vice President, HRC
  - Mike has worked with MRC on a variety of projects, and was for a time previously responsible for all of the non-forestry operations at Mendocino Forest Products. Mike will once again be responsible for all the non-forestry operations of the Company, only this time he will do it for HRC. In addition, Mike has previously made critical contributions to the formulation of marketing and distribution strategy for MFP, and we expect he will do the same for HRC.
- Doug McIsaac – Mill Operations Manager, HRC
  - Doug has managed the Ukiah sawmill for several years. He was instrumental in transforming the Ukiah mill to a market based "pull" manufacturing facility, and we look forward to Doug's leadership in implementing a similar approach at the Scotia Mill.

In addition to the above HRC leadership appointments, Jim Pelkey will maintain his existing responsibilities as CFO at the Mendocino Companies and has also assumed the CFO position at HRC. Similarly, I will continue to serve as the CEO of the Mendocino Companies and at HRC.

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Finally, as a direct result of our success in forming HRC, Jim Holmes joined MRC this week as President of Mendocino Redwood Company. With several of our top managers from MRC headed north, we have the need for additional leadership resources at MRC. Jim has been the President and COO of Soper-Wheeler (owner and manager of about 100,000 acres in California) for the last 15 years. Jim brings a level of experience, professionalism and forestry knowledge that will be a great compliment to our existing MRC team. We are delighted that Jim will join us at a time when the formation of HRC has created an outstanding fit for someone with his experience. Among other things, Jim's mission at MRC will include maintaining and enhancing the stewardship efforts at MRC; people development; fire prevention, preparation, suppression, training and recovery efforts; and redwood promulgation activities.

We have high hopes that the past experience of each of these people will be highly relevant to the challenges we collectively face. Please join me in welcoming each of these individuals to their new position.

Sincerely,

Richard Higgenbottom  
CEO