



Humboldt Redwood
COMPANY, LLC

July 12, 2010

To All Employees:

I am writing to let you know about a change in our senior leadership team.

Richard Higgenbottom joined us in the fall of 2000, and is about to complete 10 years of service with us. Our business has grown substantially during this time, and we have enjoyed some significant successes and also in particular in 2009 some tough challenges. Throughout our successes and challenges, Richard has been a valued partner to me, and worked very hard to do the very best job possible for our employees, customers and owners.

Richard and I have been discussing his desire to pursue additional interests for a little while, and he and I have concluded that our businesses are well positioned for him to now act on his desires for change. Ten years is a long time to lead an organization, and we appreciate all Richard has done for us in this time, and also want to support him as he works to begin new chapters in his professional and personal life. Accordingly, effective July 15, Richard will step down from being CEO of our family of businesses. Richard will continue to have a relationship with our businesses; however, he has agreed to be available to consult with us and work on specific projects. We will benefit by continued access to his judgment, relationships and experience.

I will step into Richard's role on an interim basis, and work with our management team to review and determine our organizational structure for the short and long term. As part of my interim role, I hope to have the chance to interact with many of you, and look forward to once again being closer to the daily pace of our collection of businesses.

When Richard started with us in 2000, we were just attaining FSC certification of our MRC lands. Since then we have grown and strengthened our business with Home Depot, substantially grown our treated businesses, established relationships with almost 1000 retail lumber yards, systematized a great many processes in our business, formed Humboldt Redwood Company and realized more public support for our model of forest management than I could have ever imagined. While we have work left to do, Richard's contribution to our progress will be a part of our company history, and he has our sincere gratitude for his years of service.

Even in this time of change, much will remain the same; our mission of being good stewards of the land and also a successful business, service of our customers, respect for our employees, our long term approach in all our interactions, and our ownership, all remain the same. Thank you for all that each of you do every day to help us be a success, and I look forward to seeing you soon.

Best regards,

Sandy Dean
Chairman