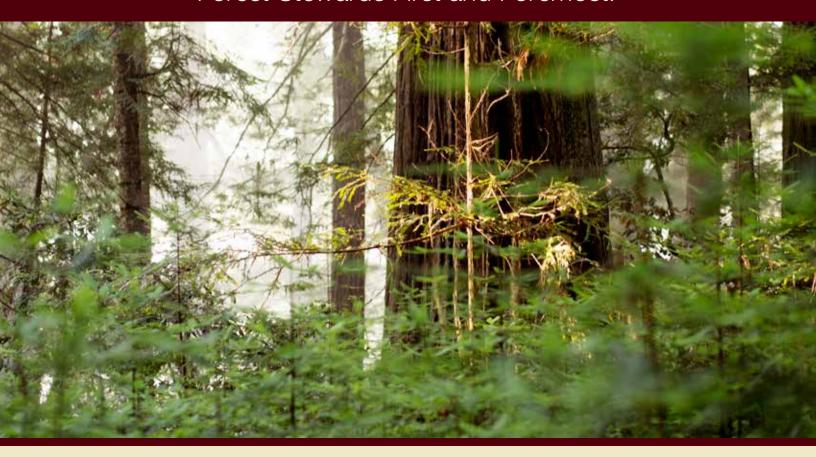
Mendocino Companies

Forest Stewards First and Foremost.











This handbook provides an overview of our operations in forest management, manufacturing, and distributing redwood, Douglas-fir, and preservative treated forest products.

Our goal with this handbook is to provide an understanding of our long-held objective of having an environmentally sustainable and economically viable business.



The Forest First and Foremost.

Coast redwood and Douglas-fir trees grow along a narrow strip of coastline from southern Oregon down to the Big Sur area of Monterey County, California. We are responsible for managing more than 440,000 acres of this sustainable, renewable resource.





Forest Stewardship Council® Certification.

The mark of responsible forestry.

The Forest Stewardship Council® (FSC® C031337, C013133) was created to improve the practice of responsible forestry worldwide. A non-profit, non-governmental organization, FSC certification and forest management standards are widely considered to be among the most stringent in the world.

FSC is supported by member organizations including The Home Depot, Procter & Gamble, International Paper, Williams-Sonoma, Professional Logging Contractors of Maine, Great Lakes Timber Professionals Association, World Wildlife Fund, Natural Resources Defense Council, Sierra Club, and The Nature Conservancy, among others.

Soon after its formation in 1998, Mendocino Redwood Company (MRC®) determined that the best benchmark for forest stewardship was certification to the standards of the FSC and publicly committed itself to achieving this goal. Humboldt Redwood Company (HRC) also publicly committed to attaining FSC certification when it began as a business in 2008.

The forestlands of MRC and HRC are certified to FSC standards. Furthermore, the Mendocino Companies' manufacturing and distribution operations are certified to FSC chain-of-custody standards.



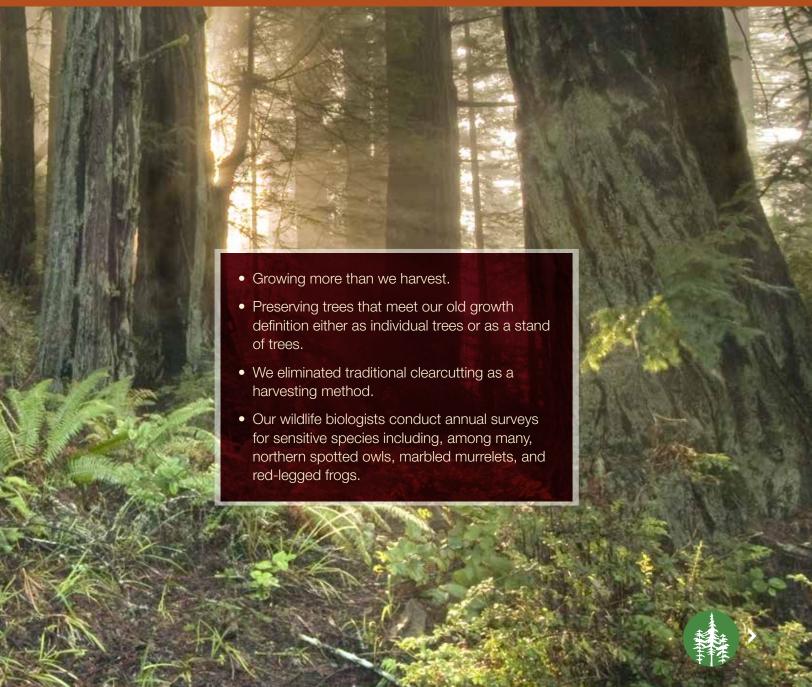
The mark of responsible forestry

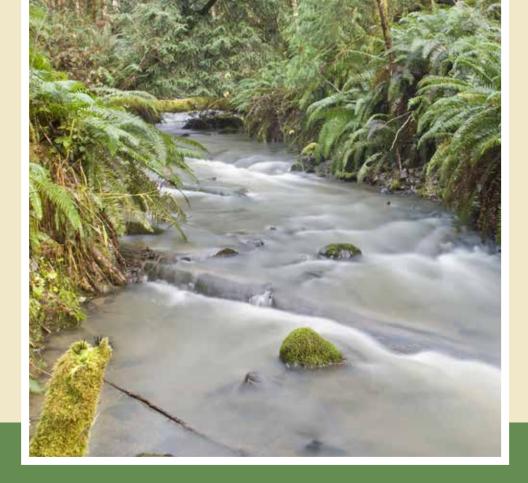


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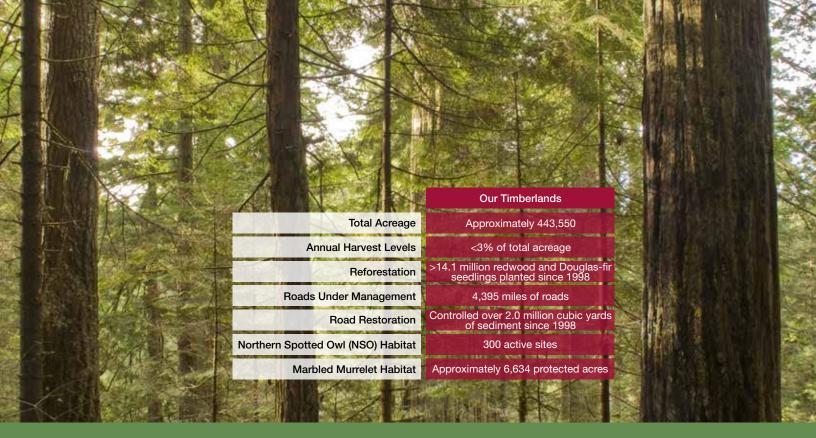






Protecting Habitat.

We budget millions of dollars annually, along with funds contributed by restoration partners, to maintain, upgrade, relocate, and retire roads and bridges. Road and bridge improvements have the most immediate, positive impact on reducing sediment in streams, thereby helping to protect and improve salmon and steelhead habitats.

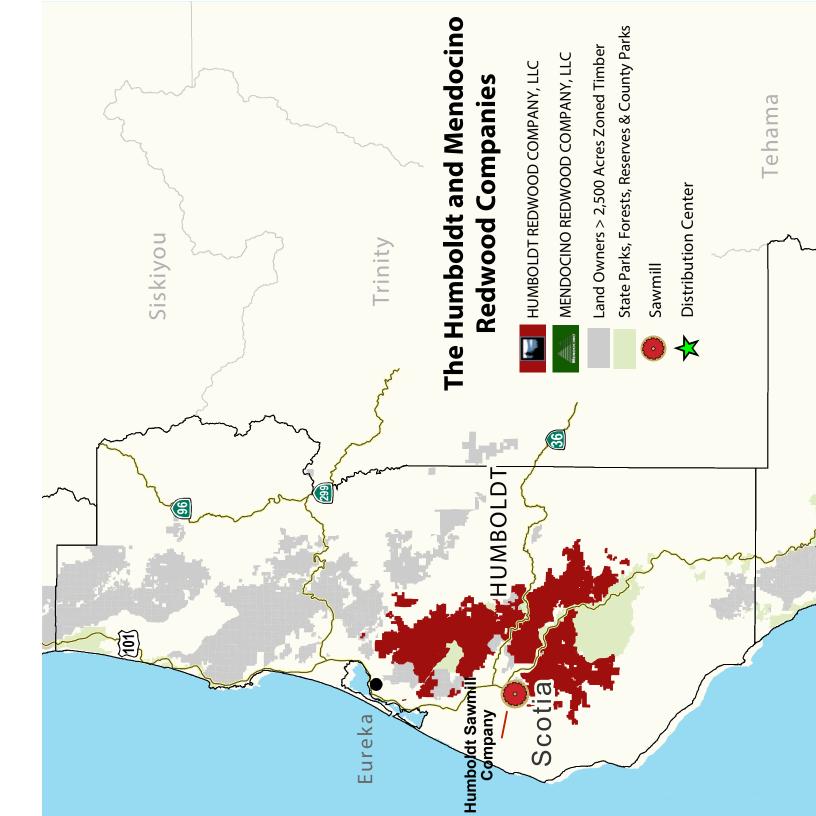


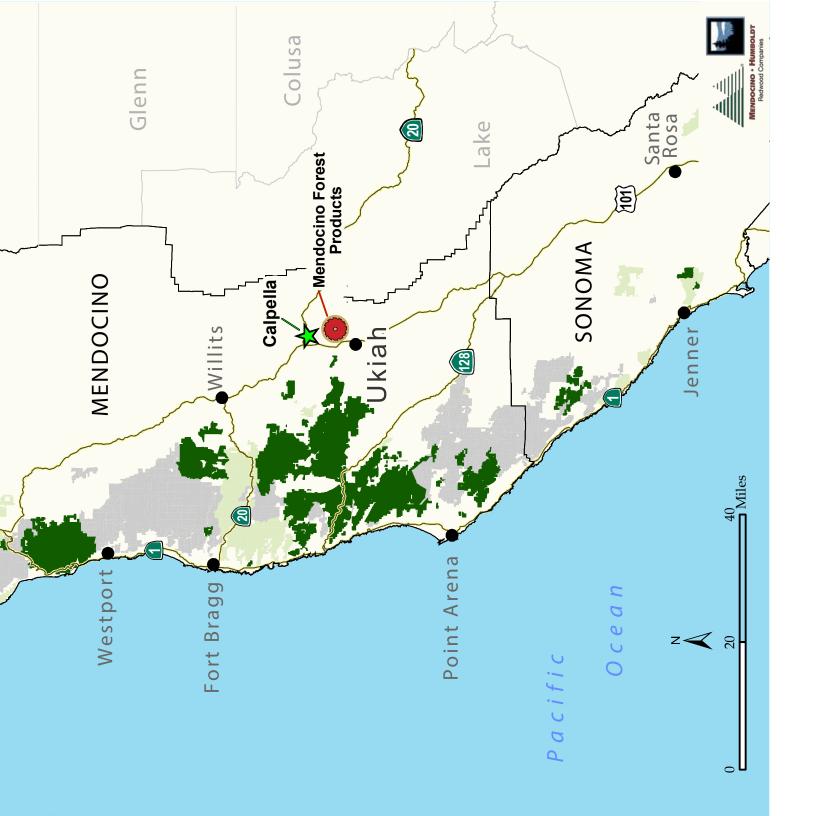
Preserving Old Growth.

Our old growth policy preserves trees from harvesting.

- 1. Any redwood tree, ≥ 48" diameter at breast height (dbh), established prior to 1800.
- 2. Any Douglas-fir tree, ≥ 36" dbh, established prior to 1800.
- 3. Any tree (conifer or hardwood) established prior to 1800, regardless of dbh, with a preponderance of species-specific old growth characteristics.
- 4. Any tree (conifer or hardwood) established prior to 1800, regardless of dbh or presence of old growth characteristics, that cannot be replaced in size or ecological function within 80—130 years.







Redwood and Douglas-fir Manufacturing.

Optimizing Output. Maximizing Quality.

"Operational excellence in our sawmills is important to how we manage our businesses in a sustainable manner."

Our commitment to environmental responsibility extends beyond the forest. Operational excellence in our sawmills is important to how we manage our businesses in a sustainable manner.

Through state-of-the-art optimization systems, which scan every log prior to cutting, we are able to determine the most efficient and effective way to produce lumber and timbers to meet customer demand. This maximizes solid lumber products.

The flexibility and efficiency in our manufacturing operations translates into a variety of superior quality redwood and Douglas-fir lumber and timbers.

The Scotia Mill

Humboldt Sawmill Company's Scotia, California sawmill can cut lumber up to 24' in length, and up to 8" x 14" in dimension* and process logs up to 60" in diameter. The Scotia complex has dry kilns, a planing mill, airyard, and a cogeneration power plant.

*Larger sizes may be available upon request.

The Ukiah Mill

Mendocino Forest Products' Ukiah, California sawmill is a small log mill, processing logs up to 28" in diameter and lumber up to 20' in length and up to 4" x 12" in dimension. The Ukiah complex also features dry kilns, a planing mill, airyard, and a fenceline.

Eco-friendly Operational Processes.

- Wood byproducts, such as sawdust, shavings, bark, and chips, are sold for use in power generation, landscape coverings, soil amendments, pulp, or reconstituted wood products.
- We use an environmentally responsible wood protection product registered with the Environmental Protection Agency (EPA) to prevent the growth of mold, stain, and decay organisms on our redwood and Douglas-fir lumber products.
- Engineering and Maintenance teams at both mills undertake initiatives to reduce energy consumption through equipment retrofits or replacements. Examples include lighting retrofits to reduce power consumption by 50%, more energy efficient compressors, and automation to shut down equipment when not in use.
- Items that may have been treated as disposable in the past are re-used, including corner guards, lumber banding, and treated bolsters, diverting waste from landfills and saving money.

	Humboldt Sawmill Company	Mendocino Forest Products
Log Processing	Large and small logs Max. 60' diameter; 24' lengths	Small log Max. 28″ diameter; 20′ lengths
Species	Douglas-fir, Redwood	Douglas-fir, Redwood, White Woods
Airyard	X	X
Dry Kilns	×	X
Planer	X	X
Fenceline		X



Preservative Treated Manufacturing.

Innovative. Best-in-Class Technology.

Allweather Wood is the largest producer and distributor of waterborne preservative treated wood products in the Western United States.

The company operates six wood preserving plants with locations in California, Colorado, Oregon, Utah, and Washington. These state-of-the-art facilities enable year-round production of a variety of preservative systems and wood species, including Hem fir, Douglas-fir, and Southern Yellow Pine.

Each facility features:

- High-speed incisors
- Custom pre-staining capabilities
- Computer controlled treatment cylinders
- Distribution capabilities
- Third-party quality control inspection in accordance with American Wood Protection Association (AWPA) industry standards



Map of our Treating Plants.





Retail Distribution.

The Right Products. On Time.

Our retail distribution network includes hundreds of independent lumber yards and the largest home improvement retailers, stretching from California through the Pacific Northwest to Alaska, and east to the Rocky Mountains. We also distribute lumber and plywood to the Hawaiian Islands, Guam, and throughout the greater Pacific Rim.

All of our distribution centers have the capacity, equipment, and trained personnel to produce special orders to meet customer demand. End users of our products include architects, builders, contractors, designers, developers, and homeowners.

Products are loaded in our nine distribution centers for delivery to our customers. On average, we load over 20,000 trucks per year of forest products.



Map of our Distribution Centers.





Douglas-fir Products.

The standard in structural framing.



Lumber. Rough or S4S.

1" and 2" dimension to WWPA standards. Available up to 12" wide and 24 feet long.



Timbers. Rough or S4S.

Green Douglas-fir timbers from 4" x 6" to 12" x 24" up to 24 feet in length.



Uppers.

Appearance.

Green Douglas-fir uppers are available in rough and S4S in a range of dimensions, lengths, and grades.



Preservative Treated Products.

Ready for whatever nature brings your way.



Decking. Durable and affordable.

Preservative treated decking is available in Douglas-fir, Hem fir, and Southern Yellow Pine (SYP) species in 2" x 4", 2" x 6", 2" x 8", 2" x 10", and 2" x 12" dimension.

Product lines include:

- Allweather Wood Classic Douglas-fir Decking
- Allweather Wood Deck (Hem fir)
- Allweather Wood Superior KDAT Decking (SYP)



Fencing.

Graded for appearance.

Preservative treated fencing is graded for appearance and manufactured from Douglasfir, Hem Fir, Ponderosa, and Lodgepole Pine species.

Product lines include:

- Ranch fencing
- Round fencing
- Stained fencing



Lumber, Timbers, Plywood.

Stand up to the elements.

Preservative treated lumber, timbers, and plywood are available in a wide range of preservative treatment options, dimensions, and species.

Product lines include:

- Above ground
- Ground contact
- Fire retardant treated
- Landscape timbers
- Refusal
- Superior KDAT

Poles & Round Stock.

Heavy-duty applications.

Preservative treated poles and round stock are available for heavy-duty agricultural and industrial applications. Wood species treated include Douglas-fir, Hem fir, Lodgepole Pine, and Ponderosa Pine.

Product lines include:

- Peeler cores
- Posts
- Power poles
- Tree stakes



Redwood Products.

Naturally strong, naturally beautiful.



Decking.

The heart of outdoor living.

Redwood deck boards are available in nominal sizes of 2" x 4", 2" x 6", and 2" x 8". Additional dimensions also available. All decking products are available in lengths from 6 – 20 feet, surfaced four sides (S4S).

Grades available may include:

- Construction Heart
- Construction Common
- Clear
- B Grade
- Heart B
- Heart Clear



Fencing.

The backyard workhorse.

Redwood fence boards and panels are available in a number of dimensions and designs. Fence boards from (nominal) 1" x 4" through 1" x 12" in a range of lengths. Available fence board styles include Squaretop, Dog-ear, and Ridge & Valley. Available fence panel styles include Lattice-top and Dog-ear.

Grades available may include:

- Construction Heart
- Construction Common



Timbers.

Strong, versatile, beautiful.

Redwood timbers from 4" \times 6" to 12" \times 24" up to 24 feet in length.

Uppers.

High value, superior beauty.

Redwood uppers are available in 1" and 2" dimension in lengths from 6 – 20 feet.

Grades available may include:

- Heart B
- Heart Clear
- Clear
- B Grade

Redwood uppers are available rough, surfaced four sides (S4S), surfaced one side two edges (S1S2E), or run to pattern.



Redwood is the New Green.

Many scientists believe one of the primary causes of climate change is excess greenhouse gas emissions, which trap heat in the atmosphere. Reducing greenhouse gases has been identified as one of the best ways to combat climate change.

Using redwood is a great way to reduce greenhouse gases and lower carbon footprint.

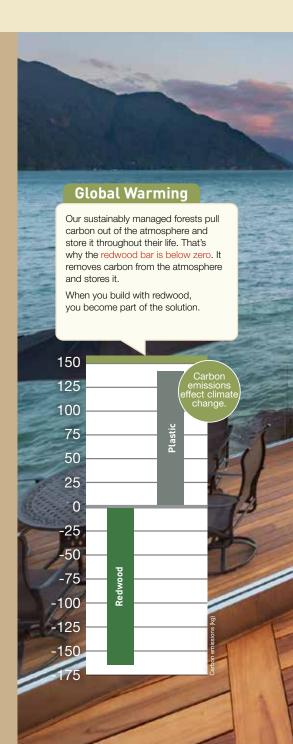
As trees grow, they absorb carbon dioxide from the atmosphere. Through photosynthesis, carbon gets stored in the wood fiber and oxygen is released back into the air. The faster a tree grows, the more photosynthesis occurs and the more carbon is removed from the atmosphere. Since redwood is a fast growing species, the trees excel at removing carbon from the air and greenhouse gases in the atmosphere.

This is referred to as carbon sequestration, the process of removing carbon from the atmosphere and depositing it in a "reservoir". In this case, the reservoir is a tree. As redwood trees are harvested and processed into lumber, much of the carbon removed from the air continues to be stored in redwood decks, fences and other structures. Redwood lumber is about half carbon by weight, lasts a long time, and keeps carbon out of the atmosphere for decades.

Each year our companies grow more trees than we harvest, which increases the net carbon sequestered. Our managed forests are continually replanted, so more carbon will be removed from the air by the next generation of planted trees, continuing a cycle of carbon removal and

storage.





Redwood vs. Plastic Composite.

While alternative materials, such as plastics and composite lumber, attempt to mimic the strength and durability of redwood, they often fall short. Some of the additives used in plastics and composites to achieve these characteristics can be toxic. A comparison of second growth redwood to composite lumber products reveal some of these serious environmental shortcomings.

Smog

Do you like breathing clean air? Is anybody really in favor of dirty air?

Redwood contributes three times less smog to the atmosphere than plastic.

Air Pollution

If you like your air without harmful particulates, redwood is the clear winner. Redwood lumber introduces 26-times less particulate matter into our air than plastic.

When you choose redwood, we can all breathe a little easier.

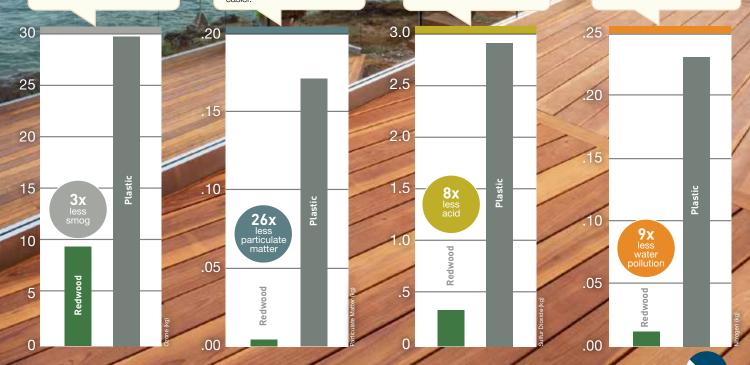
Acid Rain

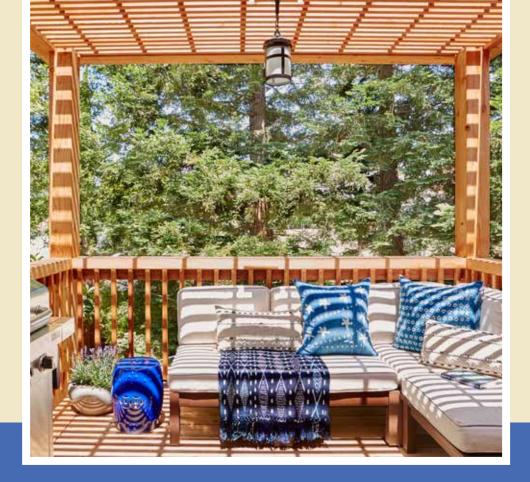
Water is a closed system, so it's important to keep harmful chemicals such as sulfur dioxide out. That's where acid rain comes from. Redwood contributes 8 times less acid to the water supply than plastic.

Water Pollution

Introducing too much nitrogen into a pond or stream can produce algae blooms which destroy the habitat for many species of fish, creating what are known as "dead zones." It's called eutrophication.

Redwood lumber is 9 times less damaging to marine habitats than plastic.





Case Study Casa Soria.

When Los Angeles-based interior designer, **Orlando Soria**, renovated his parents' home in Northern California, he identified two main concerns: the cramped and outdated kitchen, and the adjacent, unattractive outdoor space.

To remedy both concerns, Soria and the construction and architecture teams he worked with, decided to expand the kitchen to twice its size, while removing and replacing the existing outdoor space.

The family chose redwood to construct the new outdoor space, which includes a small deck, shade structure, stairs, and railings. Large 8" x 8"redwood timbers form the posts of the shade structure, which is higher than the previous structure, giving it a more spacious feel while allowing more light to filter into the newly renovated kitchen.



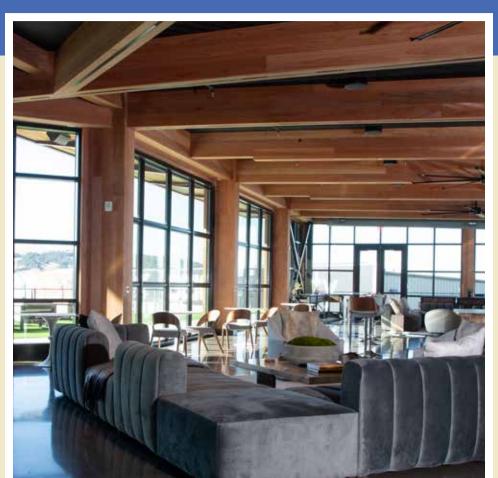


Nestled in the heart of California's world-famous wine country is **Sonoma** Raceway, a world-class motorsports facility spread across 1,600 acres. To better accommodate guests and corporate clients, Sonoma Raceway built the luxurious 19,000 square foot hospitality venue, **Turn 11**.

Designed by Perkins Eastman and built by Tilton Pacific Construction, the Turn 11 facility features extensive use of clear redwood pattern stock and S4S material on the exterior eaves and interior paneling. Redwood also wraps large steel beams spanning the interior ceilings. The front entrance barn-style doors and pergolas on the front lawn complete the use of redwood on the project.

Turn 11 is available as an exclusive venue rental for corporate outings, community events, tradeshows, meetings, weddings, and parties.

Case Study Sonoma Raceway.













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