



April 7, 2008

To All Employees:

Many of you have likely seen some of the recent news articles related to our efforts to reorganize The Pacific Lumber Company. As you may be aware, a court trial is starting in Texas tomorrow, Tuesday, April 8. We have made every attempt as a business to put forth a plan that we feel best addresses the claims of the various creditors and all of the stakeholders.

The main point of our communication is to share with you two statements of support that were filed with the court on Friday. The first is a letter from Congressman Mike Thompson and the second is from Governor Arnold Schwarzenegger; both are attached for your review, and also available on our website. Their statements strongly reflect on the hard work and results of each of you in the success of our business. Whatever the outcome of The Pacific Lumber Company bankruptcy case, we would like to thank each of you for giving us the foundation of a successful business model with an almost 10 year track record that can be recognized in the public fashion we have received here.

Sincerely,

Richard Higgenbottom
CEO
Mendocino Redwood Company, LLC

Sandy L. Dean
Chairman
Mendocino Redwood Company, LLC

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Attachment