

---EMBARGOED UNTIL 12:01 A.M. JANUARY 16, 2008---

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Historic Opportunity to Protect Great Redwood Forests of Humboldt

Alliance of Private Investors and Conservation Interests Would Protect Forests and Jobs

(January 16, 2008, Humboldt County, California) — Today an innovative alliance of private capital investors and conservation interests have joined forces to try to ensure that 197,000 acres of redwood forests be permanently kept in sustainable timber management, while 12,000 acres of old-growth and environmentally significant habitat are preserved.

The alliance brings a unique and powerful mix of conservation interests and private capital to its effort to resolve one of the nation's most notorious and hard-fought environmental conflicts. The Nature Conservancy, Save-the-Redwoods League and the Community Forestry Team — a coalition of Humboldt County-based forestry, conservation and environmental advocates — are working with investment and forestry partners Atlas Holdings, Bank of America, Conservation Forestry LLC and the Redwood Forest Foundation Inc.

“What we are proposing is good for the timberlands, good for the workers and good for the watersheds,” said David Simpson of the Community Forestry Team. “It preserves old-growth forests while protecting jobs and our community's economic base. Nearly 200,000 acres will be put under a permanent conservation easement that guarantees good, sustainable timber management in perpetuity and at the same time protects against development.”

The 209,000 acres of redwood and Douglas fir forest in Humboldt County, an operating sawmill and the town of Scotia are currently owned by Pacific Lumber Company and its affiliates. In January of last year, the company declared bankruptcy and efforts are under way in a bankruptcy court to determine the future of the Scotia community; the 327 square miles of iconic forest and the vital local industries of the sawmill and waste-burning power plant.

The coalition is working with a group of creditors to develop a proposal for the court, the goals of which are to:

- Place approximately 197,000 acres under a permanent conservation easement that ensures the forests are managed in an environmentally sustainable way while providing a continuous supply of timber to mills in Northern California
- Set aside nearly 12,000 acres of the most ecologically important habitat, including old-growth forests, in publicly protected wildlife areas
- Deploy the private capital and operating expertise of Atlas Holdings to maintain the operations of the Scotia sawmill
- Invest private capital from Bank of America, Conservation Forestry and Redwood Forest Foundation Inc. to create a sustainable timber operation
- Support the current local economy by keeping the forests in sustainable timber management in perpetuity regardless of future ownership
- Position Humboldt County to potentially take advantage of future economic opportunities, such as the emerging carbon market
- Offer the Humboldt community, through the Community Forestry Team, the opportunity for optimum participation and the option of a level of community ownership

“This is conservation on an epic scale,” said George Yandell, North Coast project director for the California chapter of The Nature Conservancy. “The only way to protect landscapes this big and this important is for conservation to work hand in hand with compatible economic activities. We don’t have to choose between lasting protection for our forests and the long-term success of the timber industry. We don’t have to choose between our natural communities and our human communities. The Nature Conservancy has proven in deals all across the country that not only is it entirely possible to have both, but that, in fact, it’s necessary to have both.”

The alliance combines several powerful elements. These include the scientific and conservation expertise of The Nature Conservancy and Save the Redwoods, the knowledge on the ground and in the community of the Community Forestry Team and the forest industry and investment experience of the financial partners. Atlas Holdings operates wood product mills and paper mills throughout the country. Bank of America, of course, is a global financial institution. Conservation Forestry is a successful private timber investment firm specializing in this type of partnership. Redwood Forest Foundation Inc. is a non-profit based in Northern California that acquires and manages forestlands for long-term public benefit.

Though unique, the make up of the coalition is modeled on previous partnerships of conservation interests and private timber investments that have successfully conserved huge tracts of forests, while developing sustainable timber harvesting practices that support local jobs and help ensure a healthy timber industry in the future. In the past two years, similar efforts involving members of this coalition have protected land across the country, including 50,000 acres of forest outside Fort Bragg, California, 161,000 acres of

in-holdings in Adirondack Park in New York and 280,000 acres of forests spread across 11 southern states.

“Time and time again we have proven that maintaining conservation values is not mutually exclusive with keeping forests in timber production,” said Paul Young, managing member of Conservation Forestry. “We have worked with The Nature Conservancy in many transactions across the United States where long term conservation is achieved while the working forest provides jobs for the community, preserves the way of life for the region and provides a compelling return for our investors.”

“The Great Redwood Forest,” which includes the long-disputed Headwaters Forest, represents fully 10 percent of the redwoods left on Earth and connects four existing protected areas, Humboldt Redwoods State Park, Grizzly Creek State Park, the Headwaters Reserve and King Range Conservation Area. These majestic stands of redwood and Douglas fir are also home to a number of threatened or endangered species including Coho and Chinook salmon, spotted owls, marbled murrelets and tailed frogs.

The 209,000 acres, which represent nearly half the watershed of Humboldt Bay, have been heavily logged in the past and are currently afforded only temporary protection. The alliance is suggesting a solution that would extend and enhance the existing level of protection and add acreage to Humboldt Redwoods State Park and the Headwaters Reserve, increasing public access for Californians and visitors from all over the world.

“This is an once-in-a-lifetime chance to permanently protect these magnificent redwoods,” said Ruskin Hartley, executive director of Save-the-Redwoods League. “After decades of divisiveness we have a chance for a solution that protects the long term health of these forests while maintaining the local economy. If we miss this opportunity, it will be a huge loss for the community, for conservation and for California.”

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Atlas Holdings LLC operates businesses in a number of industrial sectors, including the wood products, paper, packaging and steel industries. Atlas operates three wood products mills, five paper mills and several packaging plants throughout North America. Atlas partnered with The Nature Conservancy in 2007 to buy the assets of Finch, Pruyn and Company, which included 161,000 acres of Adirondacks timberland, a paper mill and a hydro-electric plant. These timberlands, which are now owned and managed by The Nature Conservancy, continue to supply a portion of the mill's fiber needs pursuant to a long-term supply agreement. Through its affiliate, Wood Resources LLC, Atlas operates one wood products mill in the Pacific Northwest and two wood products mills and a wood products distributor in the U.S. South East, which together supply a range of specialty and commodity products to diverse industrial customers. Founded in 1999 with the acquisition of a single paper mill, Atlas has since expanded its

operations to include more than 30 facilities across North America and Europe and now employs over 3,000 people. For additional information, please visit www.atlasholdingsllc.com.

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Conservation Forestry is an investment organization that aligns private equity with conservation capital for the purpose of acquiring and managing large forest landscapes. www.conservationforestry.net

The **Community Forestry Team** is a coalition of representatives of local forestry, restoration and conservation organizations as well as individuals working in conjunction with the Redwood Forest Foundation, Inc. Organizations represented include the Alliance for Sustainable Jobs and the Environment (www.asje.org), the Humboldt Watershed Council, the Institute for Sustainable Forestry (www.newforestry.org), and the Mattole Restoration Council (www.mattole.org).

The Nature Conservancy is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. To date, the Conservancy and its more than one million members have been responsible for the protection of more than 17 million acres in the United States and have helped preserve more than 102 million acres in Latin America, the Caribbean, Asia and the Pacific. In California, The Nature Conservancy has protected more than 1.2 million acres of land and 3.8 million acres of ocean. [Visit The Nature Conservancy on the Web at www.nature.org](http://www.nature.org).

The **Redwood Forest Foundation, Inc.** (RFFI) is a private non-profit, Section 501(c)3 organization. Its mission is to acquire, protect, restore and manage forestlands for the long-term public benefit of the region's citizens. RFFI's operating model, the "working community forests", is to employ largely private capital in the purchase of the once great redwood forests surrounding the communities of the redwood region in northwestern California and then to sustainably manage them in perpetuity. In 2007 RFFI completed the purchase of the 50,000 acre Usal Redwood Forest outside of Ft. Bragg, California.

Save-the-Redwoods League is dedicated to protecting ancient redwood forests so that all generations can experience the majesty of these towering giants. In 1850, there were nearly 2 million acres of ancient coast redwood forests in California. Today, less than 5 percent remain. Since its founding in 1918, the League has completed the purchase of more than 177,000 acres of land. For more information, visit www.savetheredwoods.org.