

NEW PROGRAMS

Introduction of Lanracorp Engaged Quality and Safety. Always. is our mission. And it is our mission for our families of Lanracorp as well.

Goals of this program:

- To assist and provide the tools necessary for employees to make healthy lifestyle choices
- Encourage Wellness – Looking at multiple aspects of life beyond just the work atmosphere
- We will be sending out monthly Lanracorp Engaged

Bulletins that we will look at:

- Faith – short scripture and lesson
- Family - We will be doing drawings for the crews to win tickets to a family function, they will then be given a day off to attend. Also, doing family functions/cookouts
- Charitable Giving - We will be giving some money each month to a charity of our choice.
- Health/Fitness - Incorporating exercise and nutrition counseling, biggest loser competition, and training equipment

Letter from the President

As we begin a new year one must look back at the past year in review, what were the positives and any lessons learned? I need not look very far for a positive, 2012 was a safe year!! Our crews had zero incidents in 2012 maintaining our zero incident record. What an accomplishment! I'm very proud of all of our folks, job well done!

As with any company there are plenty of lessons to be learned. Looking at ways to improve and be more competitive is what striving to be the best is all about. The status quo is not good enough; I want this company to stand out from the crowd, to be different. We've implemented many changes this winter as a result of our management team's review of 2012. We've outlined a few of these in this newsletter and you will see more to come.

I'm particularly excited about two of the topics on this newsletter, the introduction of Lanracorp Engaged and our scorecards for all employees.

Lanracorp Engaged is about being more than just an employer but being a family that seeks to build on all aspects of life; faith, family, charitable giving, and health/wellness. During our adult lives, we spend more hours at work than at home with family. Why not make this time more valuable? I strongly believe that when we build on these 4 aspects of life that we build on ALL aspects, improving the person all the way around.

The scorecard is a new behavior and performance based program that we have added this year. This allows us to evaluate employees on a monthly basis and give them a bonus based off of safety, productivity, efficiency, and quality of work. It's a real, tangible way to encourage performance and the employees will enjoy the extra perks too!

I look forward to 2013 and the challenges and excitement that it brings.

Have a safe year!

Brent Oberlink, President



FUTURE PATH FOR LANRACORP EMPLOYEES 2013

We had another incident free year in 2012! How do we continue on this path forward? We are exploring ways to continually improve our work productivity, safe working operations, and employee and customer morale. We have introduced many new things that we hope to accomplish and more. A few of these changes are:

SAFETY COMMITTEE

Our safety committee consists of managers, crew foreman, and labor who meet once a month to address safety topics, be involved with safety audits as well as our behavior based safety program.

ELECTRONIC DRIVER LOGS

To provide convenience to our drivers through the work day with a quick log in/out system to record Hours of Service. Provides:

- Tracking abilities
- DOT compliance
- Speeding Alerts
- Crew Location and on/off site times



THE SCORECARD

To evaluate safety, productivity, and efficiency goals set per individual every month. A point system is set up to reward positive behaviors with monthly bonuses and prizes for individuals exceeding goals and expectations.

EMPLOYEE WEB TRAINING



New online web training program with lessons and testing on safety topics and equipment practices.

FOR OUR CUSTOMERS: FUTURE PATH FOR YOU

Quarterly Newsletter We work for you! So we want to keep you up to date with everything that is happening at Lanracorp, inc. Whether it be new equipment, new procedures or new technology; we will share it with you. Some of these new improvements for you include:

Customer Webpage We have a new sign in on our Lanracorp, inc. homepage for our customers.

We will be uploading:

- Productivity reports – How's the progress on the job?
- Photos of jobs – Proof of work/quality
- Safety Audits- Is this crew working safely?
- Crew Documents – Who is on site and are they trained?

Fleet Tracking on all Equipment We have installed fleet tracking on all equipment so that we can:

- Know the location of all equipment at all times
- When was equipment started and shut down?
- What was accomplished today?

Line of Fire Lanracorp has introduced the tree shear to our crews. Using the tree sheer, attached to the skid steer, will allow us to mechanically cut down and move trees.

This will allow:

- Operator to be inside of cab instead of operating a chainsaw
- Cut tree into sections and use as a grapple to move logs
- Reduces back and line of fire injuries



Timberline HTC Tree Shear

EMPLOYEES OF THE QUARTER

Our two candidates this quarter are exactly what you look for in a leader and foreman. Someone that handle the paperwork side of the job, adapt to change, and at the same time lead a crew to be efficient and safe.



Lance Perkins has proved his self with his ability to motivate a crew with respect and creating an enjoyable work atmosphere while getting the job done safely. He is in constant communication with the management team to update on productivity throughout the day. Although, he is one of our younger crew foremen, he motivates by example. He is dedicated, enthusiastic, and has one of the strongest work ethics among our team.

Tony Anderson has a personality trait that is hard to find; great attention to detail. His crew is constantly in motion while out on the job; he is assigning jobs, making sure goals are met, and leading by example. If you ask any of his crew members he puts their safety first and thoroughly explains and guides the team through various jobs. He is a great communicator with the management team, keeping the general foreman up to date daily on productivity and he is also an active volunteer on our safety committee.



Both of these men are not only leaders to their crew but to the whole company, and because of their outstanding work ethic this is how Lanracorp keeps our competitive edge.



ELECTRONIC FORM SUBMITTAL/FOREMAN LOG IN (JSA, NEAR MISS)

We are currently developing an online tool for foreman to log in and complete their required forms along with providing immediate access to important information.

Advantages:

Real Time Access

Forms will include JSA, Near Miss, etc
Immediately saved online and able to be viewed by management
Any team member can view
Saves Paper and is saved for years
Allows crew foreman to view scheduling files, budgets/goals, and crew member certifications
Entire site will become mobile friendly/enhanced

New Roles for Crew Foreman

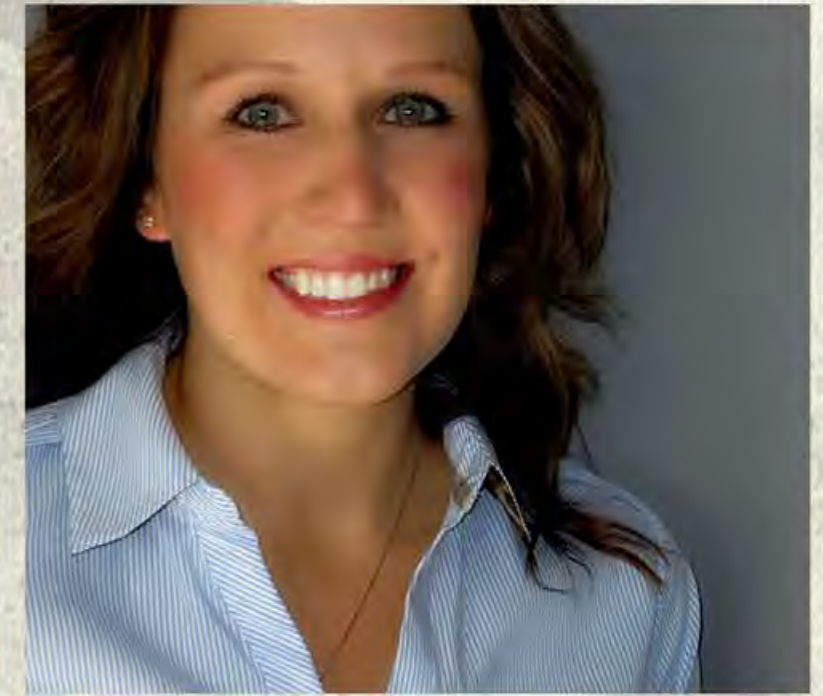
Our foremen have been actively involved with our path forward. All foremen are currently participating in leadership training lead by the



management team to improve and build communication and leadership skills. New items for this group include:

- Weekly productivity goals
- Budget Goals and Rewards
- Leadership Training – Becoming a Leader
- Tighter Scheduling - Placement

These goals are accounted for on a daily basis. This improved upon structure has allowed for the foreman to gain ownership of their projects.



New Safety Director:

Krystal West I was added to the team in November 2012 to help take the safety program to the next level. I got my feet wet in 2012 and 2013 I jumped right in. I have been actively involved with the management team in creating all the new processes to help our company stay on the competitive edge. Some of my goals include updating safety forms, procedures, and doubling the number of site safety audits that are performed. Also, preparing the safety bulletins and quarterly newsletters for you.

I am excited be partnering with the President Brent Oberlink to head up the health and fitness side of Lanracorp. Together, with the team, we have updated the company safety audit form to create interaction with the crew at the job site and not just a simple checklist, and all the changes that you are reading about today. I added the monthly safety drawing for team members that allows individuals to participate in our new practices and to increase communication among the team to earn prizes of Lanracorp gear, safety gear, gas cards, and much more.... So far participation for this has created excitement and exceeded my expectations. I'm looking forward to all the changes the company has to offer this year!