

TOPICS	MRC/MARATHON PLAN	INDENTURE TRUSTEE (Noteholders) PLAN	DEBTORS PLAN (Pacific Lumber, hereafter called Palco)	PALCO ALTERNATIVE PLAN	SCOPAC ALTERNATIVE PLAN
Which Debtors does the plan affect?	All Debtors.	Only Scopac	All Debtors	Only the Palco Debtors (Palco, Britt, Scotia Inn, Salmon Creek & Scotia Devel.	Only Scopac.
Does the plan contemplate any material changes in the Debtors' business operations?	Yes	Scopac will continue operations substantially in its current manner until its sale as a going concern on the plan's Effective Date.	No.	Yes.	Yes.
How will the plan be implemented (sale, reorganization, etc.)?	The Debtors will be reorganized into two entities as follows: *see below	The Plan Agent appointed under the plan will conduct, with the assistance of a Sales Agent, a commercially reasonable sale of Scopac as a going concern of Scopac's unsecured creditors.	Reorganization, with joint ownership among secured creditors and existing equity.	The Palco Business will be transferred to Marathon; Reorganized Palco will retain its Interests in Reorganized Scopac and all rights to the Headwaters Litigation.	The Commercial Timberlands will be transferred to the Noteholders; Reorganized Scopac will retain the MMCAs, the Redwood Preserve Development, and rights in the Headwaters Litigation
What happens to Maxxam's ownership interests in Palco?	Maxxam will not receive any distributions.	Not applicable.	Diluted to 36.6% ownership of Reorganized Palco.	Retained.	Not applicable.
What happens to Palco's ownership interests in Scopac?	Palco will not receive any distributions	In the event all Scopac creditors are paid in full, Palco will be paid in cash from the remaining proceeds of sale and distributions from the Liquidation Trust and Litigation Trust.	Diluted to 51% ownership of Reorganized Scopac	Retained	Retained.
Does the plan purport to alter any of the regulatory rights of the California State Agencies?	No.	No. The sale of Scopac as a going concern will be subject to existing regulatory rights and agreements.	No.	No	No.
Does the plan purport to alter any of the regulatory rights of the Federal Government?	No	No. The sale of Scopac as a going concern will be subject to existing regulatory rights and agreements.	No.	No.	No.
Does the plan provide for the assumption and continuation of the Debtors' defined benefit pension plan?	Yes.	Not applicable. Scopac does not have a defined benefit pension plan.	Yes.	Yes.	Not applicable. Scopac does not have a defined benefit pension plan.

*(implementation of MR/Marathon plan): Newco will consist of the Debtors' Scotia sawmill and commercial timberland assets. The sawmill and commercial timberland operations will be integrated and managed by MRC consistent with MRC's track record in Mendocino County. Townco will consist of the town of Scotia, including residences, the power plant and other assets not associated with the Scotia sawmill and commercial timberland assets. to day by a management team that is drawn from both MRC and MFP. The Towntown of Scotia will be managed by an affiliate of Marathon.