An Important Message *for the* Creditors of Palco *and* Scotia Pacific *from the* Mendocino Redwood Company, LLC

In April, a bankruptcy judge will decide the future of Palco and its timberlands. Creditors should read in its entirety the bankruptcy court approved Disclosure Statement, which is availabe at www.mrc.com/palcoplans

As a creditor of Palco and Scotia Pacific, your vote matters.

We urge you to consider the advice of the Official Committee of Unsecured Creditors when deciding how to vote on each of the three competing bankruptcy plans.

THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS RECOMMENDS:

VOTE ***FOR***	VOTE ***AGAINST***
THE MENDOCINO REDWOOD COMPANY, LLC PLAN	THE INDENTURE TRUSTEE PLAN THE DEBTORS PLAN THE PALCO ALTERNATIVE PLAN AND THE SCOPAC ALTERNATIVE PLAN

The Official Committee of Unsecured Creditors is charged by law with the duty of representing the interests of ALL unsecured creditors and has studied the competing reorganization plans in detail. The Committee believes the plan offered by the Mendocino Redwood Company, LLC is the best choice for maximizing recoveries by unsecured creditors while preserving the sustainability of the Scotia mill and preserving jobs. For a copy of the full letter of the Committee, please visit www.mrc.com

To learn more about our company and practices, visit www.mrc.com

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