

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended December 31, 1995 Commission File Number
1-7107

LOUISIANA-PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State of Incorporation)

93-0609074
(I.R.S. Employer
Identification No.)

111 S.W. Fifth Avenue
Portland, Oregon 97204
(Address of principal
executive offices)

Registrant's telephone number
(including area code)
503-221-0800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$1 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to
this Form 10-K.

State the aggregate market value of the voting stock held by nonaffiliates of
the registrant: \$2,506,065,138 as of March 14, 1996.

Indicate the number of shares outstanding of each of the registrant's classes
of common stock: 108,584,031 shares of Common Stock, \$1 par value,
outstanding as of March 14, 1996.

Documents Incorporated by Reference

Definitive Proxy Statement for 1996 Annual Meeting: Part III

PART I

ITEM 1. Business

General

Louisiana-Pacific Corporation, a Delaware corporation, is a major forest products firm headquartered in Portland, Oregon. It manufactures lumber, pulp, structural and other panel products, hardwood veneers, windows and doors, and cellulose insulation. It operates 114 facilities throughout the United States, Mexico, Canada, and Ireland. It has approximately 13,000 employees. It distributes its products primarily through distributors and home centers, and to a minor extent through its own distribution centers.

The business of Louisiana-Pacific Corporation and its wholly owned subsidiaries (except when the context otherwise requires, hereinafter referred to collectively as "the registrant" or "L-P") is generally divided into two industry segments: building products and pulp. For 1995, building products accounted for approximately 88 percent of the registrant's gross sales revenues, compared to approximately 12 percent for pulp.

Building Products

Panel Products. The registrant manufactures plywood and a variety of reconstituted panel products, including oriented strand board ("OSB") and such other panel products as industrial particleboard, medium density fiberboard, and hardboard. In recent years, the registrant has emphasized development and expansion of its reconstituted panel product lines. While such products accounted for 15 percent of the registrant's sales in 1985, they comprised 34 percent of its sales in 1995.

The largest consumption of panel products is for structural uses in building and remodeling such as subfloors, walls, and roofs. The total structural panel market in the United States (plywood, OSB and other waferboards) is approximately 27 billion square feet annually, of which plywood currently constitutes about 18 billion square feet. In recent years, environmental pressure on timber harvesting, especially in the West, has resulted in reduced supplies and higher costs, causing many plywood mills to close permanently. The lost volume from those closed mills has been replaced by reconstituted structural panel products.

The registrant is the largest North American producer of OSB through 17 OSB plants with an aggregate annual capacity of approximately 3.7 billion square feet. The registrant plans to open three North American and one overseas OSB plants in 1996. Approximately 40 percent of the registrant's 1995 sales volume in this category came from higher margin specialty products such as tongue and groove subflooring, siding, and soffit. The registrant operates seven plywood plants in the South with a combined annual capacity of 1.5 billion square feet.

The registrant's other reconstituted panel products--industrial particleboard, medium density fiberboard, and hardboard--produced at a total of seven plants, are used primarily in the manufacture of furniture and cabinets.

Lumber. The registrant is among the largest producers of lumber in the United States. The registrant has 14 Western (whitewood and redwood) sawmills (plus one additional mill to open in 1996) with an annual production capacity of 1.1 billion board feet ("BBF"), while its 18 Southern sawmills have an annual production capacity of .6 BBF. Lumber represented 23 percent of the registrant's sales revenue in 1995, down from 42 percent in 1985. The registrant's sawmills produce a variety of standard U.S. dimension lumber as well as specialty grades and sizes, primarily for the North American home building market. A sawmill in Ketchikan, Alaska, produces lumber for export in the traditional sizes used in the Japanese building industry, but has the capability of switching to standard U.S. dimensions. The registrant also operates three fingerjoint plants which produce dimension lumber from low grade and short pieces of lumber.

Other Building Products. The registrant's fiber gypsum wallboard, known as FiberBond(TM), is made from gypsum and waste paper and has improved capabilities over standard gypsum wallboard. Other FiberBond(TM) products include fire retardant sheathing and underlayment. The registrant's fiber gypsum plant has a production capacity of 80 million square feet annually.

Seven plants in Ohio and one in California manufacture windows and doors.

The registrant produces various hardwood veneers at a plant in Wisconsin with both rotary and sliced manufacturing processes. These veneers are sold to customers who overlay the veneers on other materials for use in paneling, furniture and cabinets. The registrant also operates a softwood veneer plant in Canada pursuant to a joint venture agreement.

The registrant has three engineered I-joist plants located in California, Nevada, and North Carolina. OSB is cut into sections and used as the web for the I-joists.

The registrant also produces laminated veneer lumber ("LVL") in North Carolina and Nevada. LVL is a high-grade structural product used where extra strength is required. It is also used as the flange material in I-joists.

Two plants produce cellulose residential insulation from recycled newspaper under the name Nature Guard(TM). This insulation has a higher R-value than comparable thicknesses of conventional fiberglass insulation.

Pulp

The registrant has three pulp mills located in Ketchikan, Alaska, Samoa, California, and Chetwynd, British Columbia, Canada, with a total annual capacity of approximately 580 thousand short tons. The Chetwynd mill utilizes a state-of-the-art mechanical pulping process and a zero effluent discharge system to produce 100 percent aspen pulp. The Samoa mill produces bleached and unbleached kraft pulp by a chlorine-free process, thereby eliminating dioxins. The Ketchikan mill produces dissolving pulp used in a variety of manufacturing processes.

Competition

The registrant competes internationally with several thousand forest products firms, ranging from very large, fully integrated firms to smaller firms that may manufacture only one or a few items. The registrant estimates that approximately 25 forest products firms comprise its major competition. The registrant also competes less directly with firms that manufacture substitutes for wood building products. A majority of the products manufactured by the registrant, including lumber, structural panels, and pulp, are commodity products sold primarily on the basis of price in competition with numerous other forest products companies.

The registrant has introduced a number of new value-enhanced products to complement its traditional lumber and panel products, such as OSB panels, siding, soffit, and flooring. These innovative products are made from abundant smaller-diameter and affordably priced tree species, as well as treetops and mill shavings. Such trees have generally not been the target of environmentalist pressure, which has seriously restricted wood supplies for much of the industry, especially in the West. Similarly, the registrant's new fiber gypsum and cellulose insulation products utilize wood fiber from waste paper. The registrant believes development of these products gives it a competitive advantage through lower and more predictable supply costs, resulting in higher profit margins.

Environmental Compliance

The registrant is subject to federal, state and local pollution control laws and regulations in all areas in which it has operating facilities. The registrant maintains an accounting reserve for environmental loss contingencies. From time to time, the registrant undertakes construction projects for environmental control facilities or incurs other environmental costs that extend an asset's useful life, improve efficiency, or improve the marketability of certain properties.

The registrant's policy is to comply fully with all applicable environmental laws and regulations. In recent years, the registrant has devoted increasing financial and management resources to achieving this goal. As part of its efforts to ensure environmental compliance, the registrant conducts regular internal environmental assessments. From time to time, the registrant becomes aware of violations of applicable laws or regulations. In those instances, the registrant's policy is to bring its operations promptly into full compliance with applicable environmental laws and regulations. The registrant is not aware of any instances in which its current operations are not in compliance with applicable environmental laws and regulations that would be expected to have a material adverse effect on the registrant.

Additional information concerning environmental compliance is set forth under Item 3, Legal Proceedings and Item 8, Notes to Financial Statements.

Additional Statistical Information

Additional information regarding the business of the registrant, including segment information, production volumes, and industry product price trends, is presented in the following tables labeled "Sales and Operating Profit by Major Product Group," "Summary of Production Volumes," "Industry Product Price Trends," and "Logs by Source." Additional financial information about industry segments is presented in the table labeled "Industry Segment Information" located within Part II, Item 8, Notes to Financial Statements.

Reference is made to Item 2 for additional information as to sources and availability of raw materials and the locations of the registrant's manufacturing facilities.

Louisiana-Pacific Corporation and Subsidiaries

PRODUCT INFORMATION SUMMARY

SEE ADDITIONAL INFORMATION REGARDING INDUSTRY SEGMENTS IN NOTES TO FINANCIAL STATEMENTS.

YEAR ENDED DECEMBER 31 (DOLLAR AMOUNTS IN MILLIONS)

	1995		1994		1993		1992		1991	
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SALES AND PROFIT BY MAJOR PRODUCT GROUP										
Sales: Structural panel products	\$1,127	39%	\$1,208	40%	\$1,005	40%	\$ 888	41%	\$ 600	35%
Sales: Lumber	644	23	867	28	816	33	653	30	526	31
Industrial panel products	215	8	240	8	194	8	150	7	146	9
Other building products	523	18	505	17	411	16	309	14	260	15
Building products	2,509	88	2,820	93	2,426	97	2,000	92	1,532	90
Pulp	334	12	220	7	85	3	185	8	170	10
Total sales	\$2,843	100%	\$3,040	100%	\$2,511	100%	\$2,185	100%	\$1,702	100%
Export sales (included above)	\$ 457	16%	\$ 371	12%	\$ 252	10%	\$ 339	16%	\$ 315	19%
Profit: Building products	\$ 346		\$ 636		\$ 562		\$ 364		\$ 139	
Pulp	44		(5)		(59)		(20)		(3)	
Settlement charge and other unusual items, net(1)	(367)		---		---		---		---	
Unallocated expense, net	(121)		(72)		(70)		(47)		(30)	
Interest, net	3		1		(5)		(14)		(19)	
Income (loss) before taxes(2), minority interest and accounting changes	\$ (95)		\$ 560		\$ 428		\$ 283		\$ 87	
SUMMARY OF PRODUCTION VOLUMES(3)										
Inner-Seal/OSB, square feet 3/8" basis	3,445	94%	3,404	97%	3,100	100%	2,850	101%	2,481	81%
Softwood plywood, square feet 3/8"basis	1,466	90	1,604	106	1,507	105	1,405	80	1,318	75
Lumber	1,359	56	1,986	86	1,796	87	1,850	71	1,838	69
Particleboard, square feet 3/4" basis	339	94	371	106	359	106	335	93	324	91
Medium density fiberboard, square feet 3/4" basis	208	93	234	106	206	93	160	97	164	99
Hardboard, square feet 1/8" basis	212	97	216	103	191	91	201	93	201	100
Hardwood veneer, square feet surface measure	232	93	281	110	260	108	252	89	229	80
Pulp, short tons (thousands)	486	81	441	72	224	37	459	72	365	80

	1995	1994	1993	1992	1991
INDUSTRY PRODUCT PRICE TRENDS(4)					
OSB, MSF, 7/16" -- 24/16 span rating (North Central price)	\$245	\$265	\$236	\$217	\$148
Southern pine plywood, MSF, 1/2" CDX (3 ply)	303	302	282	248	191
Framing lumber, composite prices, MBF	337	405	394	287	236
Industrial particleboard, 3/4" basis, MSF	290	295	258	200	198
Bleached softwood sulfate pulp, short ton(5)	761	515	418	509	519
LOGS BY SOURCE(6)					
Fee owned lands	13%	11%	12%	14%	15%
Private cutting contracts	12	14	15	15	15
Government contracts	9	8	10	12	17
Purchased logs	66	67	63	59	53
Total log volume -- million board feet	2,818	3,138	2,940	2,856	2,641

(1) In the third quarter of 1995, L-P recorded a charge of \$366.6 million (\$221.8 million after taxes or \$2.07 per share) related to class action settlements concerning the company's siding product, severance charges and asset write-downs. This amount would be primarily allocated to building products.

(2) Does not include cumulative effects of accounting changes in 1993, extraordinary gains in 1988 and 1986 or discontinued operations in 1986 through 1988.

(3) Volume amounts stated in millions (except pulp) and as a percent of normal capacity.

(4) Prices represent yearly averages stated in dollars per thousand board feet (MBF), thousand square feet (MSF) or short ton.

(5) Discounting sometimes occurs from the published price.

(6) Stated as a percent of total log volume.

See additional information regarding industry segments in Notes to Financial Statements.

ITEM 2. Properties

The following tables list the principal facilities of the registrant and its subsidiaries. Information on production capacities reflects normal operating rates and normal production mixes under current market conditions, taking into account known constraints such as log supply. Unless otherwise noted, capacities are in millions of units.

PLANT CAPACITIES AT DECEMBER 31, 1995

SAWMILLS (Board feet, 2 shifts, 5 days; *1 shift, 5 days)	Metric 1) Capacities	Normal 2) Capacities
WESTERN LUMBER (15 plants)		
Annette, AK	112	70
Belgrade, MT	148	90
Big Lagoon, CA	33	20*
Chilco, ID	148	90
Deer Lodge, MT (3 shifts)	114	70
Fort Bragg, CA	114	70
Ketchikan, AK	98	60
Moyie Springs, ID	163	100
Pilot Rock, OR (3 shifts)	112	70
Samoa, CA	163	100
Sandpoint, ID (remanufacturing)	---	---
Saratoga, WY	148	90
Sundre, AB, Canada	106	65
Tacoma, WA	98	60
Ukiah, CA (1st Qtr. 96 start-up)	195	120
SOUTHERN LUMBER (18 plants)		
Bernice, LA	57	35*
Bon Wier, TX	33	20*
Carthage, TX	73	45*
Cleveland, TX	65	40*
Eatonton, GA	49	30*
Evergreen, AL	49	30*
Hattiesburg, MS	57	35*
Henderson, NC	65	40*
Jasper, TX	82	50*
Kountze, TX	24	15*
Lockhart, AL	33	20*
Marianna, FL	41	25*
New Waverly, TX	147	90*
Philadelphia, MS	49	30*
Pittsboro, NC	16	10*
Statesboro, GA	41	25*
Trinity, TX	8	5*
Westbay, FL	41	25*
Total Lumber Capacity (33 plants)	2,682	1,645
	=====	=====

PLANT CAPACITIES AT DECEMBER 31, 1995

PANEL PRODUCTS PLANTS SOFTWOOD PLYWOOD PLANTS (3/8-inch basis, square feet, 2 shifts, 5 days)	Metric 1) Capacities	Normal 2) Capacities
Bon Wier, TX	213	240
Cleveland, TX	231	260
Jasper, TX	133	150
Logansport, LA	195	220
Lufkin, TX	155	175
New Waverly, TX	222	250
Urania, LA	213	240
	-----	-----
Total Softwood Plywood Capacity (7 plants)	1,362	1,535
	=====	=====

ORIENTED STRAND BOARD PLANTS (3/8-inch basis, square feet, 3 shifts, 7 days;* 2 shifts, 7 days)	Metric 1) Capacities	Normal 2) Capacities
Chilco, ID	133	150
Corrigan, TX	133	150
Dawson Creek, B.C. Canada	333	375
Dungannon, VA	111	125
Hanceville, AL	311	350
Hayward, WI (2 plants)	444	500
Houlton, ME	231	260
Jackson County, GA	289	325
Jasper, TX (3rd Qtr. 96 start-up)	333	375
Montrose, CO	129	145
Newberry, MI	111	125
New Waverly, TX	44	50*
Roxboro, NC (1st Qtr. 96 start-up)	333	375
Sagola, MI	311	350
Silsbee, TX	302	340
Swan Valley, MB, Canada (1st Qtr. 96 start-up)	400	450
Tomahawk, WI	133	150
Two Harbors, MN	120	135
Urania, LA	120	135*
Waterford, Ireland (1st Qtr. 96 start-up)	355	400
	-----	-----
Total OSB Capacity (21 plants)	4,676	5,265
	=====	=====

MEDIUM DENSITY FIBERBOARD PLANTS (3/4-inch basis, square feet, 3 shifts, 7 days)	Metric 1) Capacities	Normal 2) Capacities
Eufaula, AL	229	130
Oroville, CA	88	50
Urania, LA	79	45
	-----	-----
Total Medium Density Fiberboard Capacity (3 plants)	396	225
	=====	=====

PARTICLEBOARD PLANTS (3/4-inch basis, square feet, 3 shifts, 7 days)	Metric 1) Capacities	Normal 2) Capacities
Arcata, CA	221	125
Missoula, MT	274	155
Silsbee, TX	142	80
	-----	-----
Total Particleboard capacity (3 plants)	637	360
	=====	=====

HARDBOARD PLANT (1/8-inch basis, square feet, 3 shifts, 7 days)	Metric 1) Capacities	Normal 2) Capacities
Oroville, CA	65	220
	=====	=====

PLANT CAPACITIES AT DECEMBER 31, 1995

OTHER BUILDING PRODUCTS

HARDWOOD VENEER PLANT
(Surface measure, square feet, 2 shifts, 5 days) Normal 2)
Capacities

Mellen, WI (2 plants) 250
=====

SOFTWOOD VENEER PLANT
(Surface measure, square feet, 2 shifts, 5 days)

Strachan, AB, Canada 90
=====

WINDOW AND DOOR PLANTS (8 plants)

Norton, OH (windows and doors) 100,000
Norton, OH (2 plants) (aluminum extrusions in lbs.) 7,200,000
Orrville, OH (windows) 125,000
Ottawa, OH (windows and doors) 250,000
Sacramento, CA (windows) 45,000
Winesburg, OH (windows and doors) 180,000
Youngstown, OH (aluminum extrusions in lbs.) 5,000,000

I-JOIST PLANTS
(Linear feet; 1 shift, 5 days)

Fernley, NV 20
Wilmington, NC 20
Red Bluff, CA 20

Total I-Joist Capacity (3 plants) 60
=====

LAMINATED VENEER LUMBER PLANTS
(Thousand cubic feet; 2 shifts, 7 days)

Fernley, NV 1,600
Wilmington, NC 2,300

Total LVL Capacity (2 plants) 3,900
=====

FIBER GYPSUM PLANT
(1/2 inch basis, million sq. feet; 1 shift, 5 days)

Point Tupper, NS, Canada 80
=====

ENGINEERED WOOD PRODUCTS -- FINGERJOINT
(Board feet; 2 shifts, 5 days; *1 shift, 5 days)

Deer Lodge, MT 50
El Sauzal, Mexico 25

Total Fingerjoint Capacity (2 plants) 75
=====

PULP MILLS Metric 1) Normal
2) Capacities
(Thousand Short Tons, 3 shifts, 7 days)

Ketchikan, AK 165 180
Samoa, CA 210 230
Chetwynd, B.C. Canada 155 170

Total Pulp Capacity (3 plants) 530 580
=====

OTHER MANUFACTURING FACILITIES (16 PLANTS)

Brick plant: El Sauzal, Mexico
Cellulose insulation plants: Bucyrus, Ohio
San Diego, California
Cement fiber shake: Red Bluff, CA
Chip mills: Cleveland and Moscow,
Texas
Insulated glass plant: Orrville, Ohio
Vinyl extrusion plant: Barberton, Ohio
Wood treating plants: Evergreen and Lockhart,
Alabama; Marianna,
Florida; Statesboro,
Georgia; New Waverly and
Silsbee, Texas; Ukiah,
California; Sundre, AB,
Canada

DISTRIBUTION CENTERS (8 LOCATIONS)

Calpella, California Dodge City, Kansas

Chino, California
Conroe, Texas
Dallas, Texas

Rocklin, California
Salina, Kansas
Tulsa, Oklahoma

Total Facilities: 114

Note: The capacities above are based on normal operating rates and normal production mixes. Market conditions, the availability of logs, and the nature of current orders can cause actual production rates to vary considerably from normal rates.

TIMBERLAND HOLDINGS

	Hectares	Acres
California: Whitewoods, Fir, Pine, Redwood	193,800	478,700
Idaho: Fir, Pine	16,600	41,000
Louisiana: Pine, Hardwoods	83,200	205,400
Minnesota: Hardwoods	12,200	30,100
North Carolina: Pine, Hardwoods	900	2,100
Oregon: Pine, Fir, Whitewoods	54,400	134,400
Texas: Pine, Hardwoods	282,700	698,200
Washington: Fir, Pine	200	400
Wisconsin: Hardwoods	900	2,100
Wyoming: Whitewoods	1,700	4,300
	-----	-----
Total Fee	646,600	1,596,700
	=====	=====

- 1) Metric capacities in thousand cubic meters
- 2) Normal capacities in millions of units unless otherwise noted.

In addition to its fee-owned timberlands, the registrant has timber cutting rights, under long-term contracts (five years and over) on approximately 119,700 acres and under contracts for shorter periods on approximately 239,200 acres, on government and privately owned timberlands in the vicinities of certain of its manufacturing facilities. Information regarding the sources of the registrant's log requirements is located under the table labeled "Logs by Source" in Item 1.

ITEM 3. Legal Proceedings

Environmental Proceedings

In March 1995, L-P's subsidiary Ketchikan Pulp Company (KPC) entered into agreements with the federal government to resolve the issues related to water and air compliance problems experienced at KPC's pulp mill during the late 1980s and early 1990s. Under the agreements, KPC entered into a civil consent decree and pled guilty to one felony and thirteen misdemeanor violations of the Clean Water Act. The settlement required KPC to pay civil and criminal penalties of \$6.0 million, of which \$1.75 million was suspended in consideration of KPC's expenditures and ongoing efforts to improve its operations. The penalties were substantially reserved for at December 31, 1994. KPC also agreed to undertake further expenditures, which are primarily capital in nature, including certain remedial and pollution control related measures, with an estimated cost of up to approximately \$20 million. KPC has also agreed to undertake a study of whether a clean-up of Ward Cove, the body of water adjacent to the pulp mill, is needed. If the study determines that such clean-up is needed, KPC may be required to spend up to \$6 million on the clean-up, including the cost of the study, as part of the overall \$20 million of expenditures. At this time, the company cannot estimate what portion, if any, of the clean-up expenditures will be required.

The United States Department of Justice has stated its intention to seek civil penalties from KPC based upon alleged violations of the Clean Air Act involving a waste wood incinerator at KPC's Annette Island, Alaska, cant mill.

In March 1996, an information was filed in the United States District Court for the Eastern District of Washington charging L-P with two misdemeanor counts related to alleged record-keeping violations in connection with the disposal by an independent contractor of transformers from a mill owned by L-P.

See Notes to Financial Statements in Item 8 regarding reserves for environmental loss contingencies.

Although L-P's policy is to comply with all applicable environmental laws and regulations, the company has in the past been required to pay fines for non-compliance and sometimes litigation has resulted from contested environmental actions. Also, L-P is involved in other environmental actions and proceedings which could result in fines or penalties. Management believes that any fines, penalties or other losses resulting from the matters discussed above in excess of the reserve for environmental loss contingencies will not have a material adverse effect on the business, financial position or results of operations of L-P. See "Colorado Criminal Proceedings" for further discussion of an environmental action against the company.

Colorado Criminal Proceedings

L-P began an internal investigation at L-P's Montrose (Olathe), Colorado, oriented strand board (OSB) plant of various matters, including certain environmental matters, in the summer of 1992 and reported its initial

finding of irregularities to governmental authorities in September 1992. Shortly thereafter, a federal grand jury commenced an investigation of L-P concerning alleged environmental violations at that plant. In 1995, additional subpoenas were issued requiring the production of evidence and testimony relating to alleged fraud in connection with the submission of unrepresentative OSB product samples to the APA-The Engineered Wood Association (APA), an industry product certification agency, by L-P's Montrose plant and certain of its other OSB plants. L-P then commenced an independent investigation, which was concluded in 1995, under the direction of former federal judge Charles B. Renfrew concerning irregularities in sampling and quality assurance in its OSB operations. In June 1995, the grand jury returned an indictment in the U.S. District Court in Denver, Colorado, against L-P, a former manager of the Montrose mill, and a former superintendent at the mill. L-P has been charged with 23 felony counts related to environmental matters at the Montrose mill, including alleged conspiracy, tampering with opacity monitoring equipment, and making false statements under the Clean Air Act. The indictment also charges L-P with 25 felony counts of fraud relating to alleged use of the APA trademark on OSB structural panel products produced by the Montrose mill as a result of L-P's allegedly improper sampling practices in connection with the APA quality assurance program.

In December 1995, L-P received a notice of suspension from the United States Environmental Protection Agency ("EPA") stating that, because of criminal proceedings pending against L-P in Colorado, agencies of the federal government would be prohibited from purchasing from L-P's Northern Division. Under recently revised regulations of the United States Department of Agriculture, such action may also have the effect of prohibiting L-P's Northern Division from purchasing timber from the United States Forest Service. L-P is negotiating to have the EPA suspension lifted or modified based on positive environmental programs actively underway. While negotiations are continuing, the EPA has approved a preliminary agreement limiting the prohibition to L-P's Montrose, Colorado, facility for a period of six months in recognition of L-P's environmental compliance efforts.

At the present time, L-P cannot predict whether or to what extent these circumstances will result in further civil litigation or investigation by government authorities, or the potential financial impact of any such current or future proceedings. However, the resolution of the above matters could have a materially adverse impact on L-P.

OSB Siding Matters

L-P has been named as a defendant in at least 11 purported class actions filed in various jurisdictions (most of which were filed in 1995), as well as numerous non-class action proceedings, brought on behalf of various persons or purported classes of persons (including nationwide classes) who own or have purchased or used OSB siding manufactured by L-P, because of alleged unfair business practices, breach of warranty, misrepresentation, conspiracy to defraud, and other theories related to alleged defects, deterioration, or failure of OSB siding products.

A settlement of one of the OSB siding class actions has been approved by the Circuit Court for Lake County, Florida. Under the settlement, L-P has established a claims procedure pursuant to which members of the settlement class may report problems with L-P's OSB siding and have their properties inspected by an independent adjuster, who will measure the amount of damage and also determine the extent to which improper design, construction, installation, finishing, painting, and maintenance may have contributed to any damage. The maximum payment for damaged siding will be \$3.40 per square foot for lap siding and \$2.82 per square foot for panel siding, subject to reduction of up to 75 percent for damage resulting from improper design, construction, installation, finishing, painting, or maintenance, and also subject to reduction for age of siding more than three years old. L-P has agreed with attorneys representing the class that if the national class settlement described below is approved by the court in that case, then the age deduction from the payment to a member of the Florida class will be not greater than the age deduction computed for a similar claimant under the national settlement agreement. Class members will be entitled to make claims for up to five years after October 4, 1995.

On October 18, 1995, the United States District Court for the District of Oregon gave preliminary approval to a settlement agreement between L-P and attorneys representing a nationwide class composed of all persons who own, who have owned, or who subsequently acquire property on which L-P's OSB siding is installed prior to January 1, 1996, excluding persons who timely opt out of the settlement and persons who are members of the settlement class in the Florida litigation. Under the settlement agreement, an eligible claimant whose claim is filed prior to January 1, 2003 (or earlier in certain cases), and is approved by an independent claims administrator will be entitled to receive from the settlement fund established under the agreement a payment equal to the replacement cost (to be determined by a third-party construction cost estimator) of damaged siding, reduced by a specific adjustment (of up to 65 percent) based on the age of the siding. Class members who have previously submitted or resolved claims under any other warranty or claims program of L-P may be entitled to receive the difference between the amount which would be payable under the settlement agreement and the amount previously paid. Independent adjusters will determine the extent of damage to OSB siding at each claimant's property. There will be no adjustment to settlement payments for improper maintenance or installation.

L-P will be required to pay \$275 million into the settlement fund in seven annual installments beginning in mid-1996: \$100 million, \$55 million, \$40 million, \$30 million, \$20 million, \$15 million, and \$15 million. If at any time after the fourth year of the settlement period the amount of approved claims (paid and pending) equals or exceeds \$275 million, then the settlement agreement will terminate as to all claims in excess of \$275 million unless L-P timely elects to provide additional funding within 12 months equal to the lesser of (i) the excess of unfunded claims over \$275 million or (ii)

\$50 million and, if necessary to satisfy unfunded claims, a second payment within 24 months equal to the lesser of (i) the remaining unfunded amount or (ii) \$50 million. If the total payments to the settlement fund are insufficient to satisfy in full all approved claims filed prior to January 1, 2003, then L-P may elect to satisfy the unfunded claims by making additional payments into the settlement fund at the end of each of the next two 12-month periods or until all claims are paid in full, with each additional payment being in an amount equal to the greater of (i) 50 percent of the aggregate sum of all remaining unfunded approved claims or (ii) 100 percent of the aggregate amount of unfunded approved claims, up to a maximum of \$50 million. If L-P fails to make any such additional payment, all class members whose claims remain unsatisfied from the settlement fund may pursue any available legal remedies against L-P without regard to the release of claims provided in the settlement agreement. If L-P makes all payments required under the settlement agreement, including all additional payments as specified above, class members will be deemed to have released L-P from all claims for damaged OSB siding, including without limitation, claims arising under their existing 25-year limited warranty. In the event all claims filed prior to January 1, 2003, that are approved have been paid without exhausting the settlement fund, any amounts remaining in the settlement fund revert to L-P.

The settlement agreement is subject to final approval by the court at a fairness hearing presently scheduled to be held in April 1996. Potential members of the settlement class may elect to opt out of the settlement class within specified times prior to the court's fairness hearing, subject to L-P's right to withdraw from the settlement if there are excessive elections to opt out.

During 1995, the Attorneys General of the states of Florida, Oregon, and Washington initiated separate proceedings concerning production, testing, marketing, and performance of L-P's OSB siding and other attorneys general have also made inquiries concerning the same topics. In January 1996, L-P entered into settlement agreements with the Attorneys General of the states of Oregon and Washington. Under the settlement agreements, L-P did not admit any wrongdoing, but agreed to pay \$1 million to the Wood Materials and Engineering Research Activities of Washington State University, \$.5 million to the Oregon Consumer Protection and Education Revolving Account, plus a civil penalty and costs of \$.4 million. The settlement agreements also obligate L-P to ensure that marketing claims may be appropriately substantiated. L-P is also engaged in settlement discussions with the Attorney General of the State of Florida.

L-P maintains reserves for these siding settlements. See Notes to Financial Statements.

Other OSB Matters

In July 1995, an action entitled MacDonald v. Louisiana-Pacific Corporation was filed in Superior Court for the State of California for the County of San Diego, purporting to be a consumer action brought on behalf of the general public in California. The action alleges that L-P violated the California Unfair Business Practices Act through allegedly fraudulent APA certification, quality sampling, advertising, and marketing of OSB products. The complaint seeks, among other relief, restitution to members of the public who purchased L-P's OSB products, return of moneys obtained by L-P from allegedly fraudulent sales, imposition of an asset freeze and constructive trust, and various forms of injunctive relief. A similar action, entitled Carney v. Louisiana-Pacific Corporation, was filed in October 1995 in the Superior Court of the State of California for the City and County of San Francisco seeking restitution and injunctive relief.

In September 1995, a complaint entitled Agius v. Louisiana-Pacific Corporation was filed in the United States District Court for the Northern District of California naming L-P as a defendant in a purported class action seeking damages and injunctive relief for violation of the Lanham Act, breach of warranty, and violation of California consumer protection statutes, based on alleged fraud and misrepresentation in connection with testing, APA certification, and marketing of OSB products.

In January 1996, an action entitled Stewart v. Louisiana-Pacific Corporation was instituted in the United States District Court for the District of Colorado. Plaintiff seeks to represent a purported class consisting generally of owners and purchasers of buildings in which L-P's OSB panels are used for flooring, sheathing, or underlayment. The complaint seeks damages in an unspecified amount and equitable relief by reason of alleged fraud, misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structure panels and alleged premature deterioration of OSB panels.

In February 1996, an action entitled Mellett v. Louisiana-Pacific Corporation was instituted in the United States District Court for the District for Oregon. Plaintiff seeks to represent a purported class consisting generally of purchasers and owners of structures in which L-P's OSB panels are used for sheathing. The complaint seeks damages in an unspecified amount, including punitive damages, by reason of alleged fraud, negligent misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structural panels.

At the present time, L-P cannot predict the potential financial impact of the above actions. However, the resolution of the above matters could have a materially adverse impact on L-P.

Stockholder Actions

L-P, certain of its executive officers and former executive officers, and certain other executives have been named as defendants in numerous actions

brought on behalf of various purported classes of purchasers of L-P's common stock. The actions, which have been consolidated in the United States District Court for the District of Oregon, seek to recover damages under the securities laws for alleged failures to disclose or improper disclosures generally relating to the various legal proceedings described above and the matters that are the subject of such proceedings. L-P is defending the actions vigorously, but is unable to make any estimate of the possible outcome of the securities class actions.

Five individual directors (Messrs. du Pont, Kayser, and Yeager, Ms. Hill and Mrs. Neff) and three former directors of the registrant have been named as defendants in ten stockholder derivative actions, which also name the registrant as a nominal defendant. Eight of these actions were brought in the Court of Chancery of the State of Delaware in and for New Castle County and have been consolidated under the caption In re Louisiana-Pacific Corporation Derivative Litigation, Civil Action No. 14322 (the "Delaware action"). One action, captioned Silverman, et al. v. Merlo, et al., No. 9505-03630, was brought in the Circuit Court of the State of Oregon for the County of Multnomah (the "Oregon action"). The remaining action, captioned Rand v. Merlo, et al., No. 95-Z-1511, was brought in the United States District Court for the District of Colorado (the "Colorado action"). The actions seek to recover damages from the directors on behalf of the corporation because of alleged mismanagement and breaches of fiduciary duty generally related to the various legal proceedings described above and the matters that are the subject of such legal proceedings. The individual directors, former directors, the registrant, and attorneys representing plaintiffs have entered into a memorandum of understanding concerning a proposed settlement of the derivative actions without payment by the directors or former directors or any admission of liability. The settlement recognizes the recent management changes effected by the registrant and certain other actions taken and to be taken by the registrant with respect to quality control. The proposed settlement is subject to confirmatory discovery by attorneys for plaintiffs and approval by the courts.

Executive Employment Matter

In January 1996, an action entitled International Paper Company v. Mark A. Suwyn and Louisiana-Pacific Corporation was instituted in the United States District Court for the Southern District of New York claiming that Mr. Suwyn's employment as chief executive officer of L-P violated the terms of a previous employment agreement with the plaintiff. The complaint seeks an injunction prohibiting Mr. Suwyn from continuing his employment with L-P for 18 months and other relief. L-P believes there are meritorious defenses related to this case and does not believe that there is any material liability related to this case.

Other

L-P and its subsidiaries are parties to other legal proceedings. Management believes that the outcome of such proceedings will not have a material adverse effect on the business, financial position or results of operations of L-P.

ITEM 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of the registrant's security holders during the fourth quarter of 1995.

Executive Officers of the Registrant

The following table sets forth the name of each executive officer of the registrant (including certain executives whose duties may cause them to be classified as executive officers under applicable SEC rules), the age of the officer, and all positions and offices held with the registrant as of March 20, 1996:

Name	Age	Positions and Offices Held With the Registrant
Mark A. Suwyn	53	Chairman and Chief Executive Officer
Stephen J. Grant	56	Senior Vice President - Compliance
William L. Hebert	45	Vice President, Treasurer and Controller and Chief Financial Officer
Anton C. Kirchhof	50	General Counsel and Corporate Secretary
Thomas E. Dick	46	General Manager - Weather-Seal Division
James F. Ellisor	47	General Manager - North West Division
Alan J. Lawrence	49	General Manager - North Central Division
Ralph D. Lewis	54	President and General Manager - Ketchikan Pulp Company
Keith Matheney	47	General Manager - Western Division
Gene Meyers	54	General Manager - Southern Division
Peter R. Wainer	50	General Manager - North East Division

Mr. Suwyn is also a director of the registrant.

All executive officers serve at the pleasure of the board of directors. The terms of office for which they are elected run until the next annual meeting of the board of directors, unless earlier removed.

Except as set forth below, all the executive officers have served in their present capacities or other senior management positions with the registrant and its subsidiaries for more than five years. Mark A. Suwyn became Chairman and Chief Executive Officer of L-P, and was elected to fill a vacancy on its Board of Directors effective January 2, 1996. Mr. Suwyn was Executive Vice President of International Paper Company from 1992 through 1995. Previously, he was Senior Vice President of E.I. du Pont de Nemours & Co. Mr. Grant became Senior Vice President-Compliance in August 1995. Prior to that time, he was Senior Vice President of Morrison-Knudsen Corporation for more than four years with responsibility for legal affairs and subsequently for certain international operations.

PART II

ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters

The common stock is listed on the New York Stock Exchange, the Dow-Jones newspaper quotations symbol is "LaPac," and the ticker symbol is "LPX." Information regarding market prices for the registrant's common stock is included in the following table labeled "High and Low Stock Prices." Holders of the registrant's common stock may automatically reinvest dividends toward purchase of additional shares of the company's common stock. At March 14, 1996, L-P had approximately 24,500 stockholders of record.

DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE	1995	1994	+/- %
ANNUAL DATA			
Net sales	\$2,843.2	\$3,039.5	-6.5%
Net income (loss)	(51.7)	346.9	n.m.
Net income (loss) per share	(.48)	3.15	
Net cash provided by operating activities	334.6	595.9	-43.8%
Capital expenditures -- plants, logging roads and timber	412.6	352.0	+17.2%
Working capital	170.0	377.1	
Ratio of current assets to current liabilities	1.38 to 1	2.09 to 1	
Total assets	2,805.4	2,743.7	
Long-term debt, excluding current portion	201.3	209.8	-4.1%
Long-term debt as a percent of total capitalization	10.8%	10.2%	
Stockholders' equity	1,656.0	1,849.4	-10.5%
Per ending share of common stock	15.28	16.51	
Number of employees	13,000	14,000	
Number of stockholders of record	24,900	25,600	

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	YEAR
1995 QUARTERLY DATA					
Net sales	\$686.8	\$709.3	\$776.8	\$670.3	\$2,843.2
Gross profit(1)	86.5	41.6	99.0	41.8	268.9
Income (loss) before taxes and minority interest	87.3	41.9	(267.3)(2)	43.3	(94.8)
Net income (loss)	54.3	26.3	(159.1)(2)	26.8	(51.7)
Net income (loss) per share	.50	.25	(1.48)	.25	(.48)
Cash dividends per share	.125	.14	.14	.14	.545

1994 QUARTERLY DATA					
Net sales	\$698.0	\$774.7	\$818.4	\$748.4	\$3,039.5
Gross profit(1)	140.5	132.8	155.1	130.2	558.6
Income before taxes and minority interest	139.8	132.2	155.4	132.2	559.6
Net income	85.2	81.9	95.1	84.7	346.9
Net income per share	.77	.75	.86	.77	3.15
Cash dividends per share	.11	.125	.125	.125	.485

HIGH AND LOW STOCK PRICES					
1995 High	\$30.50	\$29.00	\$29.00	\$27.13	\$30.50
Low	24.75	20.88	21.88	22.00	20.88
1994 High	48.00	36.13	35.88	33.63	48.00
Low	35.38	30.00	29.25	25.75	25.75

(1) Gross profit is income before settlement charge and other unusual items (in 1995), taxes, minority interest and interest.

(2) In the third quarter of 1995, L-P recorded a charge of \$366.6 million (\$221.8 million after income taxes, or \$2.07 per share) related to class action settlements concerning the company's siding product, severance charges and asset write-downs.

FORWARD LOOKING STATEMENTS

Statements under the headings "Management's Discussion and Analysis," and "Notes to Financial Statements," to the extent they are not based on historical events, constitute forward-looking statements. Forward-looking statements include, without limitation, statements regarding the outlook for future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or plans for product development. Investors are cautioned that forward-looking statements are subject to an inherent risk that actual results may vary materially from those described herein. Factors that may result in such variance, in addition to those set forth under the above captions, include changes in interest rates, commodity prices, and other economic conditions; actions by competitors; changing weather conditions and other natural phenomena; actions by government authorities; uncertainties associated with legal proceedings; technological developments; future decisions by management in response to changing conditions; and misjudgments in the course of preparing forward-looking statements.

ITEM 6. Selected Financial Data

YEAR ENDED DECEMBER 31 (DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE)

SUMMARY INCOME STATEMENT DATA	1995(4)	1994	1993	1992	1991
Net sales	\$ 2,843.2	\$3,039.5	\$2,511.3	\$2,184.7	\$1,702.1
Gross profit(1)	268.9	558.6	423.6	297.5	106.3
Interest, net	2.9	(1.0)	5.0	14.4	18.9
Provision (benefit) for income taxes	(45.8)	209.8	173.2	106.2	31.5
Income (loss)(3)	(51.7)	346.9	254.4	176.9	55.9
Income (loss) per share(3)	(.48)	3.15	2.32	1.63	.52
Cash dividends per share	.545	.485	.43	.39	.36
Average shares of common stock outstanding (thousands)	107,040	110,140	109,670	108,500	107,980
SUMMARY BALANCE SHEETS					

Current assets	\$618.5	\$721.9	\$614.1	\$539.1	\$461.4
Timber and timberlands, at cost					
less cost of timber harvested	689.6	693.5	673.5	531.2	532.7
Property, plant and equipment, net	1,452.3	1,273.2	1,145.9	1,070.3	1,066.1
Other assets	45.0	55.1	32.8	65.4	46.9
	-----	-----	-----	-----	-----
Total assets	\$2,805.4	\$2,743.7	\$2,466.3	\$2,206.0	\$2,107.1
	=====	=====	=====	=====	=====
Current liabilities	\$ 448.5	\$ 344.8	\$ 317.2	\$ 295.5	\$ 259.5
Long-term debt, excluding current portion	201.3	209.8	288.6	386.3	492.7
Deferred income taxes and other	499.6	339.7	289.1	163.2	151.3
Stockholders' equity	1,656.0	1,849.4	1,571.4	1,361.0	1,203.6
	-----	-----	-----	-----	-----
Total liabilities and stockholders' equity	\$2,805.4	\$2,743.7	\$2,466.3	\$2,206.0	\$2,107.1
	=====	=====	=====	=====	=====

KEY FINANCIAL TRENDS	1995(4)	1994	1993	1992	1991
Working capital	\$ 170.0 =====	\$ 377.1 =====	\$ 296.9 =====	\$ 243.6 =====	\$ 201.9 =====
Plant and logging road additions	\$ 362.9	\$ 286.0	\$ 208.4	\$ 161.4	\$ 152.3
Timber additions, net	49.7 -----	66.0 -----	81.5 -----	40.1 -----	49.6 -----
Total capital additions	\$ 412.6 =====	\$ 352.0 =====	\$ 289.9 =====	\$ 201.5 =====	\$ 201.9 =====
Long-term debt as a percent of total capitalization	11%	10%	16%	22%	29%
Income as a percent of average equity(3)	-3%	20%	17%	14%	5%

-
- (1) Gross profit is income before settlement charge and unusual items (in 1995), income taxes, minority interest, and interest.
- (2) All per share amounts and number of shares have been retroactively adjusted for a two-for-one stock split in 1993 and a three-for-two stock split in 1992.
- (3) Does not include cumulative effects of accounting changes in 1993.
- (4) In the third quarter of 1995, L-P recorded a charge of \$366.6 million (\$221.8 million after taxes or \$2.07 per share) related to class action settlements concerning the company's siding product, severance charges and asset write-downs.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

L-P's net loss in 1995 resulted from a third quarter pre-tax charge of \$366.6 million (\$221.8 million after tax, or \$2.07 per share) for settlements of class action proceedings related to L-P's siding product (the nationwide settlement remains subject to final court approval), severance charges and asset write-downs. The charge was tax effected because all components are deductible either currently or in future years. Continued oversupply of lumber and high raw material costs caused a sharp decline in the profitability of the building products segment in 1995 compared to the record results in 1994. Higher pulp segment earnings in 1995 partially offset the decline in building products earnings. The record results achieved in 1994 surpassed the previous record set in 1993. Both 1994 and 1993 benefited from low interest rates and a strong U.S. economy, offset to varying degrees by weak pulp markets.

Sales in 1995 were \$2.84 billion, a 7 percent decline from 1994 record sales of \$3.04 billion. Sales in 1994 increased 21 percent over 1993 sales of \$2.51 billion. L-P incurred a net loss in 1995 of \$51.7 million (\$.48 per share) compared to net income of \$346.9 million (\$3.15 per share) in 1994 and \$254.4 million (\$2.32 per share) in 1993 before accounting changes. Earnings in 1995 were \$170.1 million (\$1.59 per share) without the unusual charge discussed above.

L-P operates in two major business segments: building products and pulp. Building products is the most significant segment, accounting for more than 88 percent of net sales in each of the prior three years. The results of operations are discussed below for each of these segments separately. Additional information about the factors affecting L-P's segments is presented in the "Selected Financial Data" in Item 6 and the "Product Information Summary" in Item 1.

Building Products

	YEAR ENDED DEC. 31,			INCREASE (DECREASE)	
	1995	1994	1993	95-94	94-93
----- (DOLLAR AMOUNTS IN MILLIONS) -----					
Sales:					
Structural panel products	\$1,127	\$1,208	\$1,005	-7%	+20%
Lumber	644	867	816	-26%	+6%
Industrial panel products	215	240	194	-10%	+24%
Other building products	523	505	411	+4%	+23%
	-----	-----	-----		
Total building products	\$2,509	\$2,820	\$2,426	-11%	+16%
	=====	=====	=====		
Profit	\$ 346	\$ 636	\$ 562	-46%	+13%
	=====	=====	=====		

Structural panel sales suffered in 1995 from relatively high interest rates and poor weather in key areas of the country early in the year which contributed to weak markets, especially in oriented strand board (OSB). OSB pricing was also negatively impacted by new industry capacity. OSB siding sales suffered from adverse publicity during the year related to class action litigation (see "settlement charge and other unusual items, net" for further discussion). Average structural panel sales prices in 1995 were approximately 4 percent lower than in 1994 due to OSB market price declines which were offset by slightly higher plywood prices. Overall structural panel volume in 1995 declined by approximately 3 percent from 1994, due primarily to curtailed plywood production early in 1995 as the mills ran short of logs due to wet weather. Structural panel sales in 1994 were higher than 1993 due to increases of approximately 10 percent in volume and average selling prices. Price increases in 1994 resulted from strong demand and shrinking supplies as numerous plywood mills shut down in the Northwest region of the country due to log shortages and high costs. Volume increases in 1994 were due to strong demand and new L-P plants.

Lumber sales were also negatively impacted in 1995 by higher interest rates and poor weather. Lumber markets were also flooded with low priced Canadian lumber, which resulted in depressed price levels throughout 1995. These factors caused L-P sawmills to operate at lower capacity levels (56 percent of capacity in 1995 compared to 86 percent in 1994) due to closures, some of which were temporary, while others were permanent. Sales volumes were off nearly 20 percent in 1995 reflecting the lower demand and a significant increase in lumber exports from Canada to the U.S., which also eroded prices. Average sales prices declined approximately 8 percent with sharply higher redwood prices and lower whitewood prices. Lumber sales increased in 1994 over 1993 due to an increase of 2 percent in average selling prices and 4 percent in volume. Lumber prices in 1994 benefited from multiple industry mill closures in the Northwest while our volumes increased due to shifts added at certain mills and reduced downtime.

The decrease in industrial panel sales in 1995 compared to 1994 resulted from lower volumes of nearly 10 percent and a decline in average selling prices of approximately 4 percent. Demand for these products was lackluster in 1995 which caused L-P to temporarily shut down some plants. The increase in sales in 1994 over 1993 was primarily price related on moderately higher

volumes.

Other building products sales increased in 1995 primarily due to higher log sales from L-P's California fee lands. As L-P had curtailed sawmill production, the log volumes harvested were sold on the open market. Sales from facilities which operated for a full year in 1995 and only a partial year in 1994 also contributed to the increase. Offsetting the increases were decreases in sales of engineered products, windows and doors and wood chips.

Building products profit decreased in 1995 due to the lower prices discussed above combined with increased raw material costs and lower production volumes. Log prices were higher in most areas of the country as were wood chip prices (used in certain of L-P's panel products) because of increased demand from pulp and paper mills.

L-P's building products are primarily sold as commodities and therefore sales prices fluctuate based on market factors over which L-P has no control. L-P cannot predict whether the prices of its building products will remain at current levels, or will increase or decrease in the future because supply and demand are influenced by many factors, only one of which is the cost and availability of raw materials. L-P is not able to determine to what extent, if any, it will be able to pass any future increases in the price of raw materials on to customers through product price increases.

Pulp

	YEAR ENDED DEC. 31,			INCREASE (DECREASE)	
	1995	1994	1993	95-94	94-93
(DOLLAR AMOUNTS IN MILLIONS)					
Pulp sales	\$334	\$220	\$ 85	+52%	+159%
Profit	\$ 44	\$ (5)	\$(59)	n.m.	n.m.

Pulp sales increased in 1995 over 1994 and 1993 due to a 59 percent increase in average selling prices in 1995 and a 21 percent increase in 1994. World-wide pulp markets rebounded strongly during the second half of 1994 which continued through the first nine months of 1995. Sales volume decreased in 1995 by approximately 4 percent due to intermittent production problems at the pulp mills and sharply lower demand in the fourth quarter of the year. Sales volume increased in 1994 by 112 percent as increased demand allowed the Company to take less downtime.

The pulp segment returned to profitability due to the increase in sales in 1995 after incurring losses in 1994 and 1993. Raw material costs have increased as prices for chips, the fiber raw material for pulp, increased over 1994.

L-P's pulp products are primarily sold as commodities and therefore sales prices fluctuate based on market factors over which L-P has no control. L-P cannot predict whether the prices of its pulp products will remain at current levels, or will increase or decrease in the future because supply and demand are influenced by many factors, only one of which is the cost and availability of raw materials. Pulp markets showed signs of weakening further in early 1996 as world inventories grew sharply. L-P is not able to determine to what extent, if any, it will be able to pass any future increases in the price of raw materials on to customers through product price increases.

L-P pulp products are sold primarily to export customers and are a major factor in L-P's export sales. The increases in pulp sales discussed above are the primary reason for L-P's increased export sales in 1994 and 1995 both in amount and as a percent of total sales. Information regarding L-P's geographic segments and export sales are provided in the notes to financial statements under the caption "segment information."

Unallocated Expense, Net

Unallocated expense increased to \$121 million in 1995 compared to \$72 million in 1994 and \$70 million in 1993. The most significant factor in the increase is higher expenses associated with litigation against the company, including legal fees and increases in contingency reserves (it does not, however, include the amount recorded in the third quarter for the settlement of siding class action litigation discussed below). Refer to the footnotes to the financial statements under the heading "Contingencies" for a discussion of the settlements. Higher franchise taxes have also contributed to the increase. Partially offsetting these increases, were lower compensation expenses in 1995 because restricted stock plan awards, tied to the performance of the company, were not issued.

Settlement Charge and Other Unusual Items, Net

The charge of \$367 million, which was recorded in the third quarter of 1995, includes estimated settlement costs of class action proceedings regarding the company's siding product (the nationwide settlement remains subject to final court approval) and other legal matters of \$345 million before tax, including attorney's fees and other expenses associated with the settlements. Refer to the footnotes to the financial statements under the heading "Contingencies" for a detailed discussion of these settlements. The charge also included write-downs of certain properties to their net realizable value in accordance with the criteria specified in Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived

Assets and for Long-Lived Assets to Be Disposed Of." A gain on the sale of a non-productive asset was also included in this line item, as were severance costs for executives and other employees who retired in conjunction with the management changes during the year and the reorganization of certain corporate functions.

Interest, Net

L-P's debt level has continued to decrease, resulting in lower interest expense partially offset by higher interest rates on L-P's remaining variable rate debt. Interest rate increases favorably impacted L-P's interest income, but that increase was partially offset by lower cash and cash equivalents balances associated with large capital expenditures and treasury stock purchases. Interest expense capitalized, which also lowers interest expense, has increased with the large capital expenditures.

Legal and Environmental Matters

For a discussion of legal and environmental matters involving L-P and the potential effect on L-P, refer to the footnotes to the financial statements under the heading "Contingencies."

Financial Position and Liquidity

Cash provided by operations decreased to \$335 million in 1995 from \$596 million in 1994 and \$439 million in 1993. These fluctuations primarily correlate to the company's net income or loss after adjustments for non-cash charges and changes in various working capital components. The largest working capital change related to inventories. Log inventories increased \$80 million due to higher costs and higher volumes (1994 volumes were low due to primarily weather-related factors). Pulp inventories increased due to the weak markets discussed previously and other building products inventories increased primarily due to the addition of a new distribution center.

Cash used in investing activities increased to \$387 million in 1995 from \$350 million in 1994 and \$254 million in 1993. Total capital expenditures have increased in each of the last two years as L-P has invested heavily in new plants for added production capacity. L-P has also spent significant amounts on environmental projects (such as pollution control equipment), upgrades of existing production facilities, timber to supply its operations and logging roads.

Cash used for financing activities decreased to \$188 million in 1995 from \$191 million in 1994, which was an increase from the 1993 amount of \$151 million. Cash dividends are a major use of cash each year, as are debt repayments. L-P purchased \$120 million of treasury stock in 1995, compared to \$54 million in 1994 and \$14 million in 1993. The company increased short-term borrowings by a net \$48 million in 1995 and its joint venture in Ireland borrowed \$30 million on a long-term basis toward financing the construction of a new OSB plant. Borrowings were not significant in 1994 or 1993.

In February 1996, L-P signed a new revolving credit facility agreement with a group of banks, which increased the borrowing limit from the current \$100 million to \$300 million. At December 31, 1995, L-P had borrowed \$50 million against the existing \$100 million agreement. The new agreement significantly increases L-P's immediate borrowing capabilities to meet the cash needs discussed below. L-P's short-term credit ratings are A-1 with Standard & Poors and D-1 Plus with Duff & Phelps.

In 1995, L-P completed a program authorized by the board of directors to repurchase 5 million L-P common shares. Upon completion of this program, the board authorized the repurchase of an additional 10 million common shares at management's discretion. L-P did not purchase any shares under this new authorization. Future purchases under this new program will be prioritized, taking into consideration other uses of the company's cash.

L-P is budgeting capital expenditures, including timber and logging road additions, for 1996 of \$250 million to \$300 million. These expenditures are primarily to complete new plants currently under construction, continue environmental improvements to existing plants, upgrade production facilities and provide timber to operations.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (principally payments for siding litigation settlements), total \$401 million, of which \$150 million is estimated to be payable within one year. As with all accounting estimates, there is inherent uncertainty concerning the reliability and precision of such estimates. As described in the notes to the financial statements under the heading "Contingencies," L-P has been named as a defendant in other litigation for which reserves have not been established. L-P continues to be in a strong financial condition with \$75 million in cash and cash equivalents and a low ratio of long-term debt as a percent of total capitalization. Although cash and cash equivalents decreased \$241 million during 1995 due to the reasons discussed above, existing cash and cash equivalents combined with borrowings available under the \$300 million revolving credit facility and cash to be generated from operations are expected to be sufficient to meet projected cash needs including the payments related to the siding litigation settlement referred to above. The company also believes that because of its conservative financial structure and policies, it has substantial financial flexibility to generate additional funds should the need arise.

Business Uncertainties

The two major segments in which L-P operates, building products and market pulp, are subject to both seasonal factors as well as domestic and global economic cycles. Also, the availability and cost of raw materials, the availability and cost of competing products and additions or deletions of production capacity can have a significant effect on L-P's performance.

In 1995, approximately 40 percent of L-P's sales and a significant portion of building products operating profit were derived from structural panel products. Approximately 65 percent of L-P's structural panel sales resulted from sales of OSB products. L-P is the largest single producer of OSB, accounting for approximately 30 percent of total North American OSB production. L-P is also a major producer of plywood, which is interchangeable with OSB for many building applications. L-P and its competitors are scheduled to open numerous new OSB plants over the next two years, which will significantly increase industry capacity by an estimated 30 percent to 40 percent. However, with significant capacity expansion over the next two years, L-P believes that there will be an oversupply in the structural panel markets which could have a significant detrimental impact on the sales prices of all structural panels, including those sold by L-P. This will likely result in reduced sales and profits for L-P's structural panels in the future. The severity of the impact will be partially dependent upon future interest rate trends and housing start activity, which also impact L-P's other building product markets. L-P believes that the excess of supply will be at least partially remedied through the permanent closures by L-P and its competitors of numerous higher cost plywood plants as well as the development of new export markets and value-added specialty products for OSB, plywood and veneer.

ITEM 8. Financial Statements and Supplementary Data

The consolidated financial statements and accompanying notes to financial statements together with the report of independent public accountants are located on the following pages. Quarterly data for the registrant's latest two fiscal years is located in the table labeled "Quarterly Data" in Item 5.

CONSOLIDATED BALANCE SHEETS

DECEMBER 31 (DOLLAR AMOUNTS IN MILLIONS)	1995	1994
ASSETS		
Current Assets:		
Cash and cash equivalents	\$75.4	\$315.9
Accounts receivable, less reserves of \$1.5 and \$1.4	128.7	157.4
Inventories	317.7	213.8
Prepaid expenses	14.3	7.3
Deferred income taxes	82.4	27.5
	-----	-----
Total current assets	618.5	721.9
Timber and Timberlands, at cost less cost of timber harvested	689.6	693.5
Property, Plant and Equipment, at cost:		
Land, land improvements and logging roads, net of road amortization	164.5	162.9
Buildings	227.8	221.3
Machinery and equipment	1,872.9	1,777.3
Construction in progress	327.3	196.7
	-----	-----
Less reserves for depreciation (1,085.0)	2,592.5 (1,140.2)	2,358.2
	-----	-----
Net property, plant and equipment	1,452.3	1,273.2
Other Assets	45.0	55.1
	-----	-----
Total Assets	\$2,805.4 =====	\$2,743.7 =====

CONSOLIDATED BALANCE SHEETS

DECEMBER 31

(DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE)

1995

1994

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Current portion of long-term debt	\$ 38.6	\$ 81.9
Short-term notes payable	98.3	50.5
Accounts payable and accrued liabilities	161.6	166.8
Current portion of contingency reserves	150.0	26.7
Income taxes payable	---	18.9
	-----	-----
Total current liabilities	448.5	344.8
Long-term Debt, excluding current portion	201.3	209.8
Deferred Income Taxes	207.5	297.3
Contingency Reserves, excluding current portion	250.5	---
Other Long-term Liabilities and Minority Interest	41.6	42.4
Stockholders' Equity:		
Common stock, \$1 par value, 200,000,000 shares authorized, 116,937,022 shares issued	117.0	117.0
Preferred stock, \$1 par value, 15,000,000 shares authorized, no shares issued	---	---
Additional paid-in capital	472.4	478.4
Retained earnings	1,400.8	1,510.7
Treasury stock, 8,588,427 shares and 4,944,804 shares, at cost	(192.7)	(86.3)
Loans to Employee Stock Ownership Trusts	(85.5)	(114.0)
Other equity adjustments	(56.0)	(56.4)
	-----	-----
Total stockholders' equity	1,656.0	1,849.4
	-----	-----
Total Liabilities and Stockholders' Equity	\$2,805.4	\$2,743.7
	=====	=====

See notes to financial statements.

CONSOLIDATED STATEMENTS OF INCOME

YEAR ENDED DECEMBER 31 (DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE)

	1995	1994	1993
EARNINGS			

Net Sales	\$2,843.2	\$3,039.5	\$2,511.3

Costs and Expenses:			
Cost of sales	2,250.3	2,158.4	1,779.9
Depreciation and amortization	152.0	143.8	133.0
Cost of timber harvested	50.6	53.5	50.2
Selling and administrative	121.4	125.2	115.6
Settlement charge and other unusual items, net	366.6	---	---
Interest expense, net of capitalized interest of \$10.9, \$5.5 and \$3.5	5.3	9.0	12.8
Interest income	(8.2)	(10.0)	(7.8)

Total costs and expenses	2,938.0	2,479.9	2,083.7

Income (loss) before taxes, minority interest and cumulative effects of accounting changes	(94.8)	559.6	427.6
Provision (benefit) for income taxes	(45.8)	209.8	173.2
Minority interest in net income (loss) of consolidated subsidiaries	2.7	2.9	---

Income (loss) before cumulative effects of accounting changes	(51.7)	346.9	254.4
Cumulative effects of accounting changes, net of income taxes of \$1.9	---	---	(10.4)

Net Income (Loss)	\$(51.7)	\$346.9	\$244.0
=====			
EARNINGS PER SHARE			

Income (loss) before cumulative effects of accounting changes	\$(.48)	\$3.15	\$2.32
Cumulative effects of accounting changes	---	---	(.09)

Net Income (Loss)	\$(.48)	\$3.15	\$2.23
=====			
Cash Dividends Per Share of Common Stock	\$.545	\$.485	\$.43
=====			
Average Shares of Common Stock (thousands)	107,040	110,140	109,670
=====			

See notes to financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31 (DOLLAR AMOUNTS IN MILLIONS)

	1995	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$(51.7)	\$346.9	\$244.0
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Cumulative effects of accounting changes	---	---	10.4
Depreciation, amortization and cost of timber harvested	202.6	197.3	183.2
Accrued settlement charge, net of cash payments	331.4	---	---
Other adjustments	48.5	23.6	29.1
Decrease (increase) in receivables	28.7	(41.6)	3.6
Decrease (increase) in inventories	(103.9)	25.1	(39.7)
Decrease (increase) in prepaid expenses	(7.0)	(.2)	(1.1)
Increase (decrease) in accounts payable and accrued liabilities	38.2	39.4	1.5
Increase (decrease) in income taxes payable	(7.5)	.4	9.1
Increase (decrease) in deferred income taxes	(144.7)	5.0	(1.6)
	-----	-----	-----
Net cash provided by operating activities	334.6	595.9	438.5
CASH FLOWS FROM INVESTING ACTIVITIES			
Plant, equipment and logging road additions	(362.9)	(286.0)	(208.4)
Timber and timberland additions, net	(49.7)	(66.0)	(81.5)
Net book value of plant and equipment sold	23.5	4.2	4.1
Other investing activities, net	1.8	(2.5)	32.1
	-----	-----	-----
Net cash used in investing activities	(387.3)	(350.3)	(253.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in short-term notes payable	47.8	5.8	.6
Long-term borrowings	30.0	---	---
Repayment of long-term debt	(82.0)	(106.6)	(105.3)
Cash dividends	(58.2)	(53.4)	(47.3)
Purchase of treasury stock	(120.2)	(54.3)	(13.8)
Loans to ESOTs	---	(56.0)	---
Treasury stock sold to ESOTs	---	56.0	---
Cash received from minority investors	1.7	6.5	---
Other financing activities, net	(6.9)	10.7	14.5
	-----	-----	-----
Net cash used for financing activities	(187.8)	(191.3)	(151.3)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	(240.5)	54.3	33.5
Cash and cash equivalents at beginning of year	315.9	261.6	228.1
	-----	-----	-----
Cash and cash equivalents at end of year	\$ 75.4	\$315.9	\$261.6
	=====	=====	=====

See notes to financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

DOLLAR AMOUNTS IN MILLIONS EXCEPT PER SHARE	COMMON STOCK		TREASURY STOCK		ADD'L PAID-IN CAPITAL	RETAINED EARNINGS	LOANS TO ESOTs	OTHER EQUITY ADJUST- MENTS	TOTAL STOCK- HOLDERS' EQUITY
	SHARES	AMOUNT	SHARES	AMOUNT					
BALANCE									
As of December 31, 1992	58,457,749	\$58.53	422.5	\$1,079.3	\$(87.0)	\$(23.8)			
Net income				244.0					
Cash dividends, \$.43 per share				(47.3)					
Issuance of shares for employee stock plans and for other purposes	10,762	(916,937)	16.7	9.0					25.7
Purchase of treasury stock		200,000	(13.8)						(13.8)
Employee stock ownership trust contribution					14.5				14.5
Currency translation adjustment and marketable securities adjustment						(12.4)			(12.4)
Shares issued under 2-for-1 stock split	58,468,511	58.53	624,075		(58.8)				(0.3)
BALANCE									
As of December 31, 1993	116,937,022	\$117.06	431.5	1,217.2	(72.5)	(36.2)			1,571.4
Net income				346.9					346.9
Cash dividends, \$.485 per share				(53.4)					(53.4)
Issuance of shares for employee stock plans and for other purposes		(1,697,713)	26.5	18.0					44.5
Additional loans to ESOTs and sale of treasury stock to ESOTs		(1,843,621)	27.1	28.9	(56.0)				
Purchase of treasury stock		1,730,200	(54.3)						(54.3)
Employee stock ownership trust contribution					14.5				14.5
Currency translation adjustment						(20.2)			(20.2)
BALANCE									
As of December 31, 1994	116,937,022	\$117.04	478.4	1,510.7	\$(114.0)	\$(56.4)			1,849.4
Net income (loss)				(51.7)					(51.7)
Cash dividends, \$.545 per share				(58.2)					(58.2)
Issuance of shares for employee stock plans and for other purposes		(689,774)	13.8	(6.0)					7.8
Purchase of treasury stock		4,333,397	(120.2)						(120.2)
Employee stock ownership trust contribution					28.5				28.5
Currency translation adjustment and pension liability adjustment, net						.4			.4
BALANCE									
As of December 31, 1995	116,937,022	\$117.08	472.4	1,400.8	\$(85.5)	\$(56.0)			1,656.0

See notes to financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Louisiana-Pacific Corporation is a U.S. based company principally engaged in the manufacture of wood-based building products, and to a lesser extent, wood-based pulp. Through its foreign subsidiaries, the Company also maintains manufacturing facilities in Canada, Ireland and Mexico. The principal customers for its building products are distributors, wholesalers and retailers in North America with minor sales to Asia and Europe. The principal customers for its pulp products are brokers in Asia and Europe, with minor sales in North America. Refer to Management's Discussion and Analysis on page 19 under the heading "Business Uncertainties" for a discussion of risks related to L-P's concentration in the panel products market segment.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. See discussion of specific estimates in footnotes entitled "Income Tax Policies," "Retirement Plans" and "Contingencies."

Principles of Presentation

The consolidated financial statements include the accounts of Louisiana-Pacific Corporation and all of its subsidiaries (L-P), after elimination of intercompany balances and transactions.

Earnings Per Share

Earnings per share have been computed based on the weighted average number of shares of common stock outstanding during the periods. The effect of common stock equivalents is not material. American Institute of Certified Public Accountants Statement of Position No. 93-6, "Employers' Accounting for Employee Stock Ownership Plans" (SOP 93-6) requires that shares held by L-P's Employee Stock Ownership Trusts (ESOTs) which were acquired by the ESOTs on or after January 1, 1994 and are not allocated to participants' accounts, are not considered outstanding for purposes of computing earnings per share. Unallocated shares held by the ESOTs which were acquired by the ESOTs prior to January 1, 1994, and all allocated ESOT shares continue to be considered outstanding for purposes of computing earnings per share.

Cash and Cash Equivalents

L-P considers all highly liquid securities with a maturity of three months or less to be cash equivalents. Cash paid during 1995, 1994 and 1993 for interest (net of capitalized interest) was \$4.6 million, \$9.0 million and \$13.2 million. Cash paid during 1995, 1994 and 1993 for income taxes (net of refunds received) was \$109.0 million, \$204.4 million and \$161.1 million. At December 31, 1995, Louisiana-Pacific Canada Ltd., a wholly-owned subsidiary of L-P, had restricted cash balances of USD \$20.7 million related to loan agreements which require such balances based on changes in the Canadian dollar relative to the U.S. dollar. These balances are interest-bearing to Louisiana-Pacific Canada Ltd. at short-term interest rates. L-P invests its excess cash with high quality financial institutions and, by policy, limits the amount of credit exposure at any one financial institution. In addition, L-P holds its cash investments until maturity and is therefore not subject to significant market risk.

Inventory Valuation

Inventories are valued at the lower of cost or market. Inventory costs include material, labor and operating overhead. The LIFO method is used for most log and lumber inventories with remaining inventories valued at FIFO or average cost. Inventory quantities are determined on the basis of physical inventories, adjusted where necessary for intervening transactions from the date of the physical inventory to the end of the year. The major types of inventories are as follows:

DECEMBER 31 (IN MILLIONS)	1995	1994
Logs	\$176.9	\$96.9
Lumber	58.3	93.1
Panel products	30.7	24.7
Other building products	70.5	42.6
Pulp	35.7	15.8
Other raw materials	27.7	23.3
Supplies	22.0	21.2
LIFO reserve	(104.1)	(103.8)
	-----	-----
Total	\$317.7	\$213.8
	=====	=====

Timber

L-P follows an overall policy on fee timber that amortizes timber costs over the total fiber available during the estimated growth cycle. Timber carrying costs, such as reforestation and forest management, are expensed as incurred. Cost of timber harvested includes not only the cost of fee timber but also the amortization of the cost of long-term timber deeds.

Property, Plant, and Equipment

L-P uses the units of production method of depreciation for most machinery and equipment which amortizes the cost of equipment over the estimated units that will be produced during its useful life. Provisions for depreciation of buildings and the remaining machinery and equipment have been computed using straight-line rates based on the estimated service lives. The effective straight-line rates for the principal classes of property range from approximately 5 percent to 20 percent. Logging road construction costs are capitalized and included in land and land improvements. These costs are amortized as the timber volume adjacent to the road system is harvested. L-P capitalizes interest on borrowed funds during construction periods. Capitalized interest is charged to machinery and equipment accounts and amortized over the lives of the related assets. Interest capitalized during 1995, 1994 and 1993 was \$10.9 million, \$5.5 million and \$3.5 million. L-P defers start-up costs on major construction projects during the start-up phase and amortizes the deferral over seven years. Start-up costs deferred during 1995 and 1994 were \$3.1 million and \$.8 million. No start-up costs were deferred during 1993. The Financial Accounting Standards Board has issued SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which establishes criteria for measuring impairment losses of long-lived assets and determining when such losses should be recognized. L-P complied with the standards set forth in SFAS 121 and a charge was included in the line item "Settlement Charge and Other Unusual Items, Net" in the income statement related to write-downs on planned disposals by mid-1996 of certain facilities, principally sawmills. The historical results of these operations were not significant.

Income Tax Policies

During the first quarter of 1993, L-P adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS No. 109), which utilizes the liability method whereby deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets and liabilities using the tax rates applicable at the balance sheet date. Adoption of this standard resulted in a one-time, after tax charge of \$7.2 million or six cents per share. The effect of adopting this standard did not have a material impact on pretax income or income tax expense.

Income (loss) before taxes, minority interest and cumulative effects of accounting changes for the years ended December 31, was taxed under the following jurisdictions:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994	1993
Domestic	\$(123.0)	\$524.1	\$416.2
Foreign	28.2	35.5	11.4
	-----	-----	-----
	\$ (94.8)	\$559.6	\$427.6
	=====	=====	=====

Provision (benefit) for income taxes includes the following:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994	1993
Current tax provision:			
U.S. federal	\$74.4	\$171.8	\$149.5
State and local	14.7	24.9	22.6
Foreign	6.1	8.1	2.7
	-----	-----	-----
Total current tax provision	\$95.2	\$204.8	\$174.8
	=====	=====	=====
Deferred tax provision (benefit):			
U.S. federal	\$(129.2)	\$3.3	\$(.2)
State and local	(16.4)	.4	.1
Foreign	4.6	1.3	(1.5)
	-----	-----	-----
Total deferred tax provision (benefit)	\$(141.0)	\$5.0	\$(1.6)
	=====	=====	=====

L-P increased its U.S. deferred tax liability in 1993 as a result of legislation enacted during 1993 increasing the corporate tax rate from 34 percent to 35 percent effective January 1, 1993. Included in the deferred tax provision is the effect of the 1 percent increase and other tax law changes related to L-P's deferred income tax liability which resulted in a net charge of \$4.4 million, or \$.04 per share.

The tax effects of significant temporary differences creating deferred tax (assets) and liabilities at December 31, 1995 and 1994 were as follows:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994
Property, plant and equipment	\$174.9	\$155.8
Timber and timberlands	147.3	146.7
Inventories	(4.3)	(1.9)
Accrued liabilities	(2.3)	1.1

Contingency reserves	(155.0)	(10.3)
Benefit of foreign capital loss and NOL carryover	(9.3)	(8.4)
Benefit of foreign ITC carryover	(77.0)	(64.3)
Other	(4.4)	(1.5)
Valuation allowance	55.2	52.6
	-----	-----
Net deferred tax liability	125.1	269.8
Less net current deferred tax assets	(82.4)	(27.5)
	-----	-----
Net noncurrent deferred tax liabilities	\$207.5	\$297.3
	=====	=====

L-P's subsidiary, Louisiana-Pacific Canada Ltd. (LPC), has unrealized foreign investment tax credits (ITC) of approximately C\$105 million. These credits can be carried forward to offset future tax of LPC. However, these credits expire C\$10 million in 1996, C\$5 million in 1997, C\$20 million in 1999, C\$6 million in 2000, C\$46 million in 2001, C\$4 million in 2003, C\$13 million in 2004 and C\$1 million in 2005. LPC has a net operating loss carryover of C\$5 million which will expire in 1999. In addition, LPC has capital loss carryovers of C\$29 million available to offset capital gains in future years. These capital loss carryovers will not expire. The following table summarizes the differences between the statutory federal and effective tax rate:

YEAR ENDED DECEMBER 31	1995	1994	1993
Federal tax rate	(35)%	35%	35%
Tax-exempt investment income	(2)	--	(1)
State and local income taxes	(4)	4	4
Fines	--	--	1
Exempt foreign sales corporation income	(3)	--	--
Other, net	(4)	(1)	1
	-----	-----	-----
	(48)%	38%	40%
	=====	=====	=====

Derivative Financial Instruments

L-P has only limited involvement with derivative financial instruments, in the form of infrequent transactions in lumber futures, and at December 31, 1995 had no material derivative financial instruments outstanding.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars at the exchange rate on the balance sheet date. Revenues, costs, and expenses are translated at average rates of exchange prevailing during the year. Translation adjustments resulting from this process are shown in stockholders' equity.

Goodwill

At December 31, 1995 and 1994, L-P had approximately \$17.8 million and \$19.9 million of goodwill, net of accumulated amortization, recorded in the balance sheet under the caption "other assets." This goodwill resulted from the purchase of a subsidiary in 1994 (which L-P acquired in exchange for the issuance of treasury shares) and is being amortized on a straight-line basis over ten years. The amortization period and recoverability of this goodwill are periodically reviewed by the company.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Other Notes to Financial Statements

Accounts Payable and Accrued Liabilities

DECEMBER 31 (IN MILLIONS)	1995	1994
Accounts payable	\$98.6	\$105.5
Salaries and wages payable	19.8	20.4
Taxes other than income taxes	12.4	13.3
Workers' compensation	12.0	11.4
Other accrued liabilities	18.8	16.2
	-----	-----
	\$161.6	\$166.8
	=====	=====

Long-Term Debt

(IN MILLIONS)	INTEREST RATE AT 12/31/95	DECEMBER 31, 1995	1994
Project Bank Financings -- Chetwynd, B.C. pulpmill, balance due in 1996, expected to be refinanced, interest rate variable	6.3%	\$80.0	\$98.0
Nova Scotia fiber gypsum plant, payable in 1997 and 1998, interest rate variable	2.7	34.7	34.7
Sunpine Forest Products, payable through 2002, Sundre, Alberta, interest rate variable	6.7	5.9	6.6
Waterford, Ireland, OSB plant, payable 1996-2001, interest rate variable	6.8	30.0	--
Project Revenue Bond Financings -- Ketchikan, AK	--	--	10.7
Newberry, MI, payable in 2009, interest rate variable	5.7	7.6	7.6
Two Harbors, MN, payable in 2004, interest rate variable	5.7	8.0	8.0
Wilmington, NC, payable in 1999, interest rate variable	6.1	10.0	10.0
Hanceville, AL payable 1996-2000, interest rate fixed	7.2	.6	.7
Employee Stock Ownership Trust (ESOT) Loans -- Hourly ESOT, payable annually through 1999, interest rate fixed	8.3	34.0	42.5
Salaried ESOT, payable annually through 1999, interest rate variable	4.8	24.0	30.0
Santa Fe Industries, Inc.	--	--	36.2
Other installment notes and contracts, payable in varying amounts, through 2000, interest rates vary	0.0-9.0	5.1	6.7
		-----	-----
		239.9	291.7
Less current portion		(38.6)	(81.9)
		-----	-----
		\$201.3	\$209.8
		=====	=====

The carrying amounts of L-P's long-term debt approximates fair market value since the debt is primarily variable rate debt.

Debt is generally unsecured except for the Sunpine Forest Products debt which is secured by the assets of Sunpine and also guaranteed by L-P. The debt represents 100 percent of Sunpine's obligations, however, L-P Canada Ltd. is a 50 percent joint venture partner. Other installment notes and contracts were incurred primarily through acquisitions of plants and timber.

Many of L-P's loan agreements contain lender's standard covenants and restrictions. L-P was in compliance with all of the covenants and restrictions of these agreements during 1994 and 1993.

L-P has a \$100 million revolving credit facility with a group of banks which expires in 2000. Interest on borrowings under the credit line is computed on one of numerous variable interest rate formulas at L-P's option. L-P pays a commitment fee on the unused credit line. There were no borrowings in 1994 or 1993.

The weighted average interest rate for all debt at December 31, 1995 and 1994 was 5.9 percent and 5.7 percent. Required repayment of principal for long-term debt is as follows:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	
1996	\$ 38.6
1997	26.4
1998	51.8
1999	32.3
2000	69.5
2001 and after	21.3

	\$239.9
	=====

Retirement Plans

L-P maintains tax-qualified Employee Stock Ownership Trusts (ESOTs), for salaried and certain hourly employees under which 10 percent of the eligible employees' annual earnings are contributed to the plans. Prior to 1995, hourly employees received contributions of 5 percent, supplemented by participation in defined benefit pension plans. The defined benefit plans covering the majority of hourly employees were frozen at the end of 1994. Approximately 11,500 L-P employees participate in the ESOTs.

Compensation expense for ESOT shares allocated to employees each year is generally based on the ESOTs' cost of the shares. However, as required by SOP 93-6, compensation expense for the 1,843,621 shares sold to the ESOTs in 1994 (of which 460,905 shares per year are allocable to participants' accounts in 1995 through 1998) is based on the market value of the shares at the time of allocation. L-P's ESOTs held a total of 13,936,298 shares at December 31, 1995 of which 8,442,369 were allocated to participants' accounts.

ESOT contributions were as follows:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994	1993
Compensation expense	\$28.9	\$18.1	\$18.0
Interest incurred on ESOT debt	4.3	4.8	5.6
Dividends paid on unallocated ESOT shares	(2.8)	(3.1)	(3.5)
Market value adjustment	(2.3)	--	--
	-----	-----	-----
Total contribution	\$28.1	\$19.8	\$20.1
	=====	=====	=====

L-P also maintains other defined contribution pension plans covering various groups of hourly and salaried employees in the U.S. and other countries. Contributions to the plans are generally computed by one of three methods: 1) L-P contribution required based upon a defined formula with no employee contributions allowed; 2) L-P contribution required based upon a defined formula with elective employee contributions; and 3) elective employee contributions only with no L-P contribution allowed.

L-P also has a number of defined benefit pension plans covering its hourly employees, most of which were frozen in 1994 as discussed above. Contributions to these plans are based on actuarial calculations of amounts to cover current pension and amortization of prior service costs over periods ranging from 10 to 20 years. Contributions to multiemployer defined benefit plans are specified in applicable collective bargaining agreements.

The status of L-P administered defined benefit pension plans is as follows:

DECEMBER 31 (IN MILLIONS)	1995		1994
	Plans with Assets in Excess of Accumulated Benefits	Plans with Accumulated Benefits in Excess of Assets	
Accumulated benefit obligation			
Vested portion	\$19.1	\$88.9	\$ 91.7
Non-vested portion	.3	4.3	3.4
Total	19.4	93.2	95.1
Effect of future compensation	--	.1	--
Projected benefit obligation	19.4	93.3	95.1
Plan assets	33.6	88.8	114.3
Net funded status	14.2	(4.5)	19.2
Unrecognized asset at transition	(4.3)	(9.6)	(16.3)
Unrecognized prior service	--	--	--
Unrecognized net loss	1.8	19.3	10.1
Adjustment to recognize minimum liability	--	(9.6)	--
	-----	-----	-----
Net prepaid (accrued) pension expense	\$11.7	\$(4.4)	\$ 13.0
	=====	=====	=====

The actuarial assumptions used to determine pension expense and the funded status of the plans for 1995 and 1994 were: a discount rate on benefit obligations of 7.5 percent in 1995 and 8.5 percent in 1994, and an 8.75 percent expected long-term rate of return on plan assets in 1995 and 1994.

The assets of the plans at December 31, 1995 and 1994 consist mostly of government obligations, and minor amounts in equity securities and cash and cash equivalents.

Pension expense included the following components:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994	1993
Benefits earned by employees	\$.4	\$ 4.8	\$ 3.9
Interest cost on projected benefit obligation	7.9	8.2	7.4
Return on plan assets	(10.2)	(10.1)	(9.4)
Net amortization and deferral	(2.4)	(1.3)	(2.4)
	-----	-----	-----
Net periodic pension expense (income)	(4.3)	1.6	(.5)
Contributions to multiemployer and defined contribution pension plans	2.0	1.8	1.5
Gain from curtailment of pension plan	--	(5.2)	--
	-----	-----	-----
Net pension expense (income)	\$ (2.3)	\$ (1.8)	\$ 1.0
	=====	=====	=====

During the first quarter of 1993, the Company adopted the Financial Accounting Standards Board (FASB) Statement No. 106, "Employers' Accounting for Post-retirement Benefits Other Than Pensions." The standard requires employers to record the cost of non-pension retirement benefits during the working years of the employee. Adoption of this standard resulted in a

one-time charge of \$3.2 million or three cents per share, net of \$1.9 million in income taxes, to first quarter 1993 earnings. Net expense in 1995, 1994 and 1993 was \$.6 million, \$.8 million and \$.8 million. L-P does not generally provide post-employment benefits (as defined in FASB Statement No. 112), and therefore adoption of this statement did not have a material effect on the financial statements.

Stock Options and Plans

L-P grants options to key employees to purchase L-P common stock. Options are granted at 85 to 100 percent of market price. The options become exercisable 20 percent or 33 percent per year beginning one year after the grant date and expire 5 or 10 years after the date of grant. Compensation expense (income) recognized for stock options was \$1.0 million in 1995, \$.3 million in 1994 and \$3.0 million in 1993. Shares available for grant at December 31, 1995 were 766,200.

Changes in options outstanding and exercisable were as follows:

	NUMBER OF SHARES		
	1995	1994	1993
Options outstanding at January 1	2,611,123	2,800,662	1,345,671
Adjustment for stock splits	--	--	1,539,881
Options granted	114,000	193,350	254,200
Options exercised	(1,046,412)	(209,809)	(289,760)
Options canceled	(308,301)	(173,080)	(49,330)
Options outstanding at December 31	1,370,410	2,611,123	2,800,662
Options exercisable at December 31	668,900	1,137,453	727,082

	PRICE RANGE PER SHARE		
	1995	1994	1993
Options granted	\$22	\$28	\$30
Options exercised	\$7-\$20	\$7-\$30	\$9-\$19
Options outstanding	\$9-\$30	\$7-\$30	\$7-\$30

L-P also grants awards under the Louisiana-Pacific Corporation Key Employee Restricted Stock Plan. Shares are issued, at no cost to the employee, only after certain annual performance criteria are met. The shares may be issued either in the year concurrent with or subsequent to the performance criteria being met, depending on several factors. However, the expense is recorded in the year to which the performance criteria relates regardless of the year in which the shares are actually issued. L-P did not meet the performance criteria in 1995 and therefore recognized no compensation expense for restricted stock awards. L-P met the performance criteria in 1994 and 1993 and recognized compensation expense for restricted stock awards of \$10.6 million in 1994 and \$20.3 million in 1993. Shares available for grant at December 31, 1995 were 2,744,917.

Changes in the Restricted Stock Awards outstanding were as follows:

	NUMBER OF SHARES		
	1995	1994	1993
Restricted awards outstanding at January 1	664,500	960,000	724,500
Adjustments for stock splits	--	--	500,250
Restricted awards granted	145,000	256,000	360,000
Restricted awards exercised (564,750)	(42,875)	(412,500)	
Restricted awards canceled (60,000)	(515,417)	(139,000)	
Restricted awards outstanding at December 31	251,208	664,500	960,000

L-P offers employee stock purchase plans to all employees. Under each plan, employees may subscribe to purchase shares of L-P stock over 24 months at 85 percent of the market price. At December 31, 1995, 1,034,535 shares and 225,923 shares were subscribed at \$20.35 and \$30.02 per share under the 1995 and 1994 Employee Stock Purchase Plans. During 1995, L-P issued 99,819 shares to employees at an average price of \$25.59 under all Employee Stock Purchase Plans, including the completion of the purchase period for the 1992 Plan.

The Financial Accounting Standards Board has issued SFAS 123, "Accounting for Stock-Based Compensation" which establishes a fair value approach to measuring compensation expense related to employee stock plans. In 1996, L-P must either account for awards granted under employee stock plans after January 1, 1995 under the provisions of SFAS 123 or provide detailed disclosures in lieu of adoption. L-P plans to only adopt the disclosure provisions of SFAS 123.

CONTINGENCIES

Environmental Proceedings

In March 1995, L-P's Ketchikan Pulp Company (KPC) entered into agreements with the federal government to resolve the issues related to water and air compliance problems experienced at KPC's pulp mill during the late 1980s and early 1990s. Under the agreements, KPC entered into a civil consent decree and pled guilty to one felony and thirteen misdemeanor violations of the Clean Water Act. The settlement required KPC to pay civil and criminal penalties of \$6.0 million, of which \$1.75 million was suspended in consideration of KPC's expenditures and ongoing efforts to improve its operations. The penalties were substantially reserved for at December 31, 1994. KPC also agreed to undertake further expenditures, which are primarily capital in nature, including certain remedial and pollution control related measures, with an estimated cost of up to approximately \$20 million. KPC has also agreed to undertake a study of whether a clean-up of Ward Cove, the body of water adjacent to the pulp mill, is needed. If the study determines that such clean-up is needed, KPC may be required to spend up to \$6 million on the clean-up, including the cost of the study, as part of the overall \$20 million of expenditures. At this time, the company cannot estimate what portion, if any, of the clean-up expenditures will be required.

Certain of L-P's plant sites have or are suspected of having substances in the ground or in the groundwater that are considered pollutants. Appropriate corrective action or plans for corrective action are underway. Where the pollutants were caused by previous owners of the property, L-P is vigorously pursuing those parties through legal channels and is vigorously pursuing insurance coverage under all applicable policies.

L-P maintains a reserve for estimated environmental loss contingencies. The balance of the reserve was \$13.6 million and \$13.2 million at December 31, 1995 and 1994. As with all accounting estimates, significant uncertainty exists in the reliability and precision of the estimates because the facts and circumstances surrounding each contingency vary from case to case. L-P continually monitors its estimated exposure for environmental liabilities and adjusts its accrual accordingly. As additional information about the environmental contingencies becomes known, L-P's estimate of its liability for environmental loss contingencies may change significantly, although no estimate of the range of potential liability can be made at this time. L-P cannot estimate the time frame over which these accrued amounts are likely to be paid out. A portion of L-P's environmental reserve is related to liabilities for clean-up of properties which are currently owned or have been owned in the past by L-P. Certain of these sites are subject to cost sharing arrangements with other parties who were also involved with the site. L-P does not believe that any of these cost sharing arrangements will result in an additional material liability to L-P due to non-performance by the other party. L-P has not reduced its liability for any anticipated insurance recoveries.

Although L-P's policy is to comply with all applicable environmental laws and regulations, the company has in the past been required to pay fines for non-compliance and sometimes litigation has resulted from contested environmental actions. Also, L-P is involved in other environmental actions and proceedings which could result in fines or penalties. Management believes that any fines, penalties or other losses resulting from the matters discussed above in excess of the reserve for environmental loss contingencies will not have a material adverse effect on the business, financial position or results of operations of L-P. See "Colorado Criminal Proceeding" for further discussion of an environmental action against the company.

Colorado Criminal Proceeding

L-P began an internal investigation at L-P's Montrose (Olathe), Colorado, oriented strand board (OSB) plant of various matters, including certain environmental matters, in the summer of 1992 and reported its initial finding of irregularities to governmental authorities in September 1992. Shortly thereafter, a federal grand jury commenced an investigation of L-P concerning alleged environmental violations at that plant. In 1995, additional subpoenas were issued requiring the production of evidence and testimony relating to alleged fraud in connection with the submission of unrepresentative OSB product samples to the APA-The Engineered Wood Association (APA), an industry product certification agency, by L-P's Montrose plant and certain of its other OSB plants. L-P then commenced an independent investigation, which was concluded in 1995, under the direction of former federal judge Charles B. Renfrew concerning irregularities in sampling and quality assurance in its OSB operations. In June 1995, the grand jury returned an indictment in the U.S. District Court in Denver, Colorado, against L-P, a former manager of the Montrose mill, and a former superintendent at the mill.

L-P has been charged with 23 felony counts related to environmental matters at the Montrose mill, including alleged conspiracy, tampering with opacity monitoring equipment, and making false statements under the Clean Air Act. The indictment also charges L-P with 25 felony counts of fraud relating to alleged use of the APA trademark on OSB structural panel products produced by the Montrose mill as a result of L-P's allegedly improper sampling practices in connection with the APA quality assurance program.

In December 1995, L-P received a notice of suspension from the United States Environmental Protection Agency ("EPA") stating that, because of criminal proceedings pending against L-P in Colorado, agencies of the federal government would be prohibited from purchasing from L-P's Northern Division. Under recently revised regulations of the United States Department of Agriculture, such action may also have the effect of barring L-P's Northern Division from purchasing timber from the United States Forest Service. L-P is negotiating to have the EPA suspension lifted or modified based on positive environmental programs actively underway.

At the present time, L-P cannot predict whether or to what extent these circumstances will result in further civil litigation or investigation by

government authorities, or the potential financial impact of any such current or future proceedings. However, the resolution of the above matters could have a materially adverse impact on L-P.

OSB Siding Matters

Since 1985, L-P has sold approximately 2.8 billion square feet of oriented strand board (OSB) exterior siding products. L-P has paid approximately \$53 million since 1985 to settle claims relating to siding warranties and class action settlements described below, including approximately \$16 million in 1995, approximately \$10 million in 1994 and approximately \$5 million in 1993.

L-P has been named as a defendant in at least 11 purported class actions filed in various jurisdictions (most of which were filed in 1995), as well as numerous non-class action proceedings, brought on behalf of various persons or purported classes of persons (including nationwide classes) who own or have purchased or used OSB siding manufactured by L-P, because of alleged unfair business practices, breach of warranty, misrepresentation, conspiracy to defraud, and other theories related to alleged defects, deterioration, or failure of OSB siding products.

A settlement of one of the OSB siding class actions has been approved by the Circuit Court for Lake County, Florida. Under the settlement, L-P has established a claims procedure pursuant to which members of the settlement class may report problems with L-P's OSB siding and have their properties inspected by an independent adjuster, who will measure the amount of damage and also determine the extent to which improper design, construction, installation, finishing, painting, and maintenance may have contributed to any damage. The maximum payment for damaged siding will be \$3.40 per square foot for lap siding and \$2.82 per square foot for panel siding, subject to reduction of up to 75 percent for damage resulting from improper design, construction, installation, finishing, painting, or maintenance, and also subject to reduction for age of siding more than three years old. L-P has agreed with attorneys representing the class that if the national class settlement described below is approved by the court in that case, then the age deduction from the payment to a member of the Florida class will be not greater than the age deduction computed for a similar claimant under the national settlement agreement. Class members will be entitled to make claims for up to five years after October 4, 1995.

On October 18, 1995, a federal court gave preliminary approval to a settlement agreement between L-P and attorneys representing a nationwide class composed of all persons who own, who have owned, or who subsequently acquire property on which L-P's OSB siding is installed prior to January 1, 1996, excluding persons who timely opt out of the settlement and persons who are members of the settlement class in the Florida litigation. Under the settlement agreement, an eligible claimant whose claim is filed prior to January 1, 2003 (or earlier in certain cases), and is approved by an independent claims administrator will be entitled to receive from the settlement fund established under the agreement a payment equal to the replacement cost (to be determined by a third-party construction cost estimator) of damaged siding, reduced by a specific adjustment (of up to 65 percent) based on the age of the siding. Class members who have previously submitted or resolved claims under any other warranty or claims program of L-P may be entitled to receive the difference between the amount which would be payable under the settlement agreement and the amount previously paid. Independent adjusters will determine the extent of damage to OSB siding at each claimant's property. There will be no adjustment to settlement payments for improper maintenance or installation.

L-P will be required to pay \$275 million into the settlement fund in seven annual installments beginning in mid-1996: \$100 million, \$55 million, \$40 million, \$30 million, \$20 million, \$15 million, and \$15 million. If at any time after the fourth year of the settlement period the amount of approved claims (paid and pending) equals or exceeds \$275 million, then the settlement agreement will terminate as to all claims in excess of \$275 million unless L-P timely elects to provide additional funding within 12 months equal to the lesser of (i) the excess of unfunded claims over \$275 million or (ii) \$50 million and, if necessary to satisfy unfunded claims, a second payment within 24 months equal to the lesser of (i) the remaining unfunded amount or (ii) \$50 million. If the total payments to the settlement fund are insufficient to satisfy in full all approved claims filed prior to January 1, 2003, then L-P may elect to satisfy the unfunded claims by making additional payments into the settlement fund at the end of each of the next two 12-month periods or until all claims are paid in full, with each additional payment being in an amount equal to the greater of (i) 50 percent of the aggregate sum of all remaining unfunded approved claims or (ii) 100 percent of the aggregate amount of unfunded approved claims, up to a maximum of \$50 million. If L-P fails to make any such additional payment, all class members whose claims remain unsatisfied from the settlement fund may pursue any available legal remedies against L-P without regard to the release of claims provided in the settlement agreement. If L-P makes all payments required under the settlement agreement, including all additional payments as specified above, class members will be deemed to have released L-P from all claims for damaged OSB siding, including without limitation, claims arising under their existing 25-year limited warranty. In the event all claims filed prior to January 1, 2003, that are approved have been paid without exhausting the settlement fund, any amounts remaining in the settlement fund revert to L-P.

The settlement agreement is subject to final approval by the court at a fairness hearing presently scheduled to be held in April 1996. Potential members of the settlement class may elect to opt out of the settlement class within specified times prior to the court's fairness hearing, subject to L-P's right to withdraw from the settlement if there are excessive elections to opt out.

During 1995, the Attorneys General of the states of Florida, Oregon, and Washington initiated separate proceedings concerning production, testing, marketing, and performance of L-P's OSB siding and other attorneys general have also made inquiries concerning the same topics. In January 1996, L-P entered into settlement agreements with the Attorneys General of the states of Oregon and Washington. Under the settlement agreements, L-P did not admit any wrongdoing, but agreed to pay \$1 million to the Wood Materials and Engineering Research Activities of Washington State University, \$.5 million to the Oregon Consumer Protection and Education Revolving Account, plus a civil penalty and costs of \$.4 million. The settlement agreements also obligate L-P to ensure that marketing claims may be appropriately substantiated. L-P is also engaged in settlement discussions with the Attorney General of the State of Florida. L-P maintains reserves for these siding settlements. See "contingency reserves" below.

Other OSB Matters

In July 1995, an action entitled MacDonald v. Louisiana-Pacific Corporation was filed in Superior Court for the State of California for the County of San Diego, purporting to be a consumer action brought on behalf of the general public in California. The action alleges that L-P violated the California Unfair Business Practices Act through allegedly fraudulent APA certification, quality sampling, advertising, and marketing of OSB products. The complaint seeks, among other relief, restitution to members of the public who purchased L-P's OSB products, return of moneys obtained by L-P from allegedly fraudulent sales, imposition of an asset freeze and constructive trust, and various forms of injunctive relief. A similar action, entitled Carney v. Louisiana-Pacific Corporation, was filed in October 1995 in the Superior Court of the State of California for the City and County of San Francisco seeking restitution and injunctive relief.

In September 1995, a complaint entitled Agius v. Louisiana-Pacific Corporation was filed in the United States District Court for the Northern District of California naming L-P as a defendant in a purported class action seeking damages and injunctive relief for violation of the Lanham Act, breach of warranty, and violation of California consumer protection statutes, based on alleged fraud and misrepresentation in connection with testing, APA certification, and marketing of OSB products.

In January 1996, an action entitled Stewart v. Louisiana-Pacific Corporation was instituted in the United States District Court for the District of Colorado. Plaintiff seeks to represent a purported class consisting generally of owners and purchasers of buildings in which L-P's OSB panels are used for flooring, sheathing, or underlayment. The complaint seeks damages in an unspecified amount and equitable relief by reason of alleged fraud, misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structure panels and alleged premature deterioration of OSB panels.

In February 1996, an action entitled Mellett v. Louisiana-Pacific Corporation was instituted in the United States District Court of the District for Oregon. Plaintiff seeks to represent a purported class consisting generally of purchasers and owners of structures in which L-P's OSB panels are used for sheathing. The complaint seeks damages in an unspecified amount, including punitive damages, by reason of alleged fraud, negligent misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structural panels.

At the present time, L-P cannot predict the potential financial impact of the above actions. However, the resolution of the above matters could have a materially adverse impact on L-P.

Securities Actions

L-P, certain of its executive officers and former executive officers, and certain other executives have been named as defendants in numerous actions brought on behalf of various purported classes of purchasers of L-P's common stock. The actions, which have been consolidated in the United States District Court for the District of Oregon, seek to recover damages under the securities laws for alleged failures to disclose or improper disclosures generally relating to the various legal proceedings described above and the matters that are the subject of such proceedings. L-P is defending the actions vigorously, but is unable to make any estimate of the possible outcome of the securities class actions.

Executive Employment Matter

In January 1996, an action entitled International Paper Company v. Mark A. Suwyn and Louisiana-Pacific Corporation was instituted in the United States District Court for the Southern District of New York claiming that Mr. Suwyn's employment as chief executive officer of L-P violated the terms of a previous employment agreement with the plaintiff. The complaint seeks an injunction prohibiting Mr. Suwyn from continuing his employment with L-P for 18 months and other relief. L-P believes there are meritorious defenses related to this case and does not believe that there is any material liability related to this case.

Other

L-P and its subsidiaries are parties to other legal proceedings. Management believes that the outcome of such proceedings will not have a material adverse effect on the business, financial position or results of

operations of L-P.

Contingency Reserves

L-P recorded a charge of \$345 million in 1995 under the caption "Settlement charge and other unusual items, net" for estimated claims to be paid under the siding settlements and for other legal matters as well as attorneys' fees and other costs associated with the settlements. This charge was based on L-P's best estimates of the total amounts to be paid out under these agreements and for certain other legal matters. The balance in the reserves, exclusive of the environmental reserves discussed above, was \$387 million and \$14 million at December 31, 1995 and 1994. As L-P receives additional information regarding actual claim rates and average claim amounts, L-P will monitor its estimated exposure for these settlements and adjust its accrual accordingly. In addition to the inherent difficulty of estimating legal reserves because of uncertainties in the legal process, there is additional uncertainty because of L-P's lack of experience with claims costs under these settlements. The amounts ultimately paid under these settlements and for other legal matters could differ materially from the amount currently recorded, although no estimate of the timing or range of the potential liability can be made at this time.

COMMITMENTS

L-P is obligated to purchase timber under cutting contracts, primarily with the U.S. Forest Service, which extend to 2004. L-P's best estimate of its commitment at current contract rates under these contracts is approximately \$421.2 million for 2.1 billion board feet of timber, the majority of which expires in 2004.

Payments under all operating leases that were charged to rental expense during 1995, 1994, and 1993 were \$10.7 million, \$7.6 million and \$7.1 million. L-P's future minimum rental payments under non-cancelable operating leases total approximately \$11.5 million.

During 1996, L-P plans expenditures of \$250-\$300 million for plant additions and improvements, timber and logging roads.

SEGMENT INFORMATION

L-P operates in two major industry segments. The major products included in each segment are detailed further on page 24. Intersegment sales are chips transferred from company-owned building products plants to company-owned pulp mills. All transfers are made at prevailing market prices. Timber and related assets and capital expenditures for such assets have not been allocated to the industry segments as these are a prime source of raw materials for both segments. The cost of logs delivered to the plants and residual fibers are included in the operating results of the segments.

Export sales were primarily to customers in the Far East and Europe. Information about L-P's geographic segments is as follows:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994	1993

Total sales -- point of origin			
U.S.	\$2,703	\$2,937	\$2,482
Canada and other	191	158	83
Intersegment sales to U.S.	(51)	(55)	(54)
	-----	-----	-----
Total sales	\$2,843	\$3,040	\$2,511
	=====	=====	=====
Export sales (included above)	\$ 457	\$ 371	\$ 252
	=====	=====	=====
Profit (loss)			
U.S.	\$ 353	\$ 585	\$ 479
Canada and other	37	46	24
Settlement charge and other unusual items, net	(367)	--	--
Unallocated expense and interest, net	(118)	(71)	(75)
	-----	-----	-----
Income (loss) before taxes, minority interest and accounting changes	\$ (95)	\$ 560	\$ 428
	=====	=====	=====
Identifiable assets			
U.S.	\$2,305	\$2,325	\$2,116
Canada	434	363	341
All other	66	28	9
	-----	-----	-----
Total assets	\$2,805	\$2,716	\$2,466
	=====	=====	=====

Information about L-P's industry segments is as follows:

YEAR ENDED DECEMBER 31 (IN MILLIONS)	1995	1994	1993

Total sales			
Building products	\$2,535	\$2,831	\$2,434
Pulp	334	220	85
Intersegment sales to pulp	(26)	(11)	(8)
	-----	-----	-----
Total sales	\$2,843	\$3,040	\$2,511
	=====	=====	=====
Profit (loss)			
Building products	\$ 346	\$ 636	\$ 562
Pulp	44	(5)	(59)
Settlement charge and other unusual items, net(1)	(367)	--	--
Unallocated expense, net	(121)	(72)	(70)
Interest, net	3	1	(5)
	-----	-----	-----
Income (loss) before taxes, minority interest and accounting changes	\$ (95)	\$ 560	\$ 428
	=====	=====	=====
Identifiable assets			
Building products	\$1,389	\$1,146	\$1,040
Pulp	457	440	423
Timber, timberlands, logging equipment and roads	727	733	710
Unallocated assets	232	397	293
	-----	-----	-----
Total assets	\$2,805	\$2,716	\$2,466
	=====	=====	=====
Depreciation, amortization and cost of timber harvested			
Building products	\$158	\$162	\$157
Pulp	36	29	21
Capital expenditures			
Building products	286	228	144
Pulp	47	30	46
Timber, timberlands, logging equipment and roads	69	92	118

(1) In the third quarter of 1995, L-P recorded a charge of \$366.6 million (\$221.8 million after taxes or \$2.07 per share) related to class action settlements concerning the company's siding product, severance charges and asset write-downs. This amount would be primarily allocated to building products.

Report of Independent Public Accountants

To the Stockholders and Board of Directors of Louisiana-Pacific Corporation:

We have audited the accompanying consolidated balance sheets of Louisiana-Pacific Corporation (a Delaware corporation) and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana-Pacific Corporation and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Portland, Oregon
February 2, 1996

Report of Management

The management of Louisiana-Pacific Corporation has prepared the consolidated financial statements and related financial data contained in this Annual Financial Report. The financial statements were prepared in accordance with generally accepted accounting principles appropriate in the circumstances and by necessity include some amounts determined using management's best judgments and estimates with appropriate consideration to materiality. Management is responsible for the integrity and objectivity of the financial statements and other financial data included in the report. To meet this responsibility management maintains a system of internal accounting controls to provide reasonable assurance that assets are safeguarded and that accounting records are reliable. Management supports a program of internal audits and internal accounting control reviews to provide assurance that the system is operating effectively.

The Board of Directors pursues its responsibility for reported financial information through its Audit Committee, composed of five outside directors. The Audit Committee meets periodically with management, the internal auditors and the independent public accountants to review the activities of each.

MARK A. SUWYN
Chairman and Chief Executive Officer

WILLIAM L. HEBERT
Vice President - Treasurer and
Controller

February 2, 1996

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

Information regarding the directors of the registrant is incorporated herein by reference to the material included under the caption "Item 1-- Election of Directors" and "General" in the definitive proxy statement filed by the registrant for its 1996 annual meeting of stockholders (the "1996 Proxy Statement"). Information regarding the executive officers of the registrant is located in Part I of this report under the caption "Executive Officers of the Registrant."

ITEM 11. Executive Compensation

Information regarding executive compensation is incorporated herein by reference to the material under the captions "Compensation Committee--Interlocks and Insider Participation," "Summary Compensation Table," "Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year-End Options/SAR Values," and "Director's Compensation," in the 1996 Proxy Statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

Information regarding security ownership of certain beneficial owners and management is incorporated herein by reference to the material under the caption "Holders of Common Stock" in the 1996 Proxy Statement.

ITEM 13. Certain Relationships and Related Transactions

Information regarding management transactions is incorporated herein by reference to the material under the captions "Compensation Committee--Interlocks and Insider Participation" and "Management Transactions" in the 1996 Proxy Statement.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

A. Financial Statements and Financial Statement Schedules

The following financial statements are included in this report:

Consolidated Balance Sheets--December 31, 1995, and 1994.

Consolidated Statements of Income--years ended December 31, 1995, 1994, and 1993.

Consolidated Statements of Cash Flows--years ended December 31, 1995, 1994, and 1993.

Consolidated Statements of Stockholders' Equity--years ended December 31, 1995, 1994, and 1993.

Notes to Financial Statements.

Report of Independent Public Accountants.

No financial statement schedules are required to be filed.

B. Reports on Form 8-K

During the quarter ended December 31, 1995, the registrant filed a report on Form 8-K dated November 16, 1995, for the purpose of reporting an amendment to its Rights Agreement.

C. Exhibits

The exhibits filed as part of this report or incorporated by reference herein are listed in the accompanying exhibit index. Each management contract or compensatory plan or arrangement is identified in the index.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Louisiana-Pacific Corporation, a Delaware corporation (the "registrant"), has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 29, 1996

LOUISIANA-PACIFIC CORPORATION
(Registrant)

/s/ WILLIAM L. HEBERT
William L. Hebert
Vice President - Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date	Signature and Title
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March 29, 1996

/s/ MARK A. SUWYN Mark A. Suwyn Chairman, Chief Executive Officer and Director (Principal Executive Officer)
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March 29, 1996

/s/ WILLIAM L. HEBERT William L. Hebert Vice President - Treasurer (Principal Financial & Accounting Officer)
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Date	Signature and Title
March 29, 1996	/s/ PIERRE S. DU PONT IV Pierre S. du Pont IV Director
March 29, 1996	/s/ BONNIE GUITON HILL Bonnie Guiton Hill Director
March 29, 1996	/s/ DONALD R. KAYSER Donald R. Kayser Director
March 29, 1996	/s/ FRANCINE I. NEFF Francine I. Neff Director
March 29, 1996	/s/ LEE C. SIMPSON Lee C. Simpson Director
March 29, 1996	/s/ CHARLES E. YEAGER Charles E. Yeager Director

EXHIBIT INDEX

On written request, the registrant will furnish to any record holder or beneficial holder of the registrant's common stock any exhibit to this report upon the payment of a fee equal to the registrant's costs of copying such exhibit plus postage. Any such request should be sent to: Pamela A. Selis, Director of Corporate Communications, Louisiana-Pacific Corporation, 111 S.W. Fifth Avenue, Portland, Oregon 97204.

Items identified with an asterisk (*) are management contracts or compensatory plans or arrangements.

Exhibit	Description of Exhibit
3.A	Restated Certificate of Incorporation of the registrant as amended to date. Incorporated by reference to Exhibit 3(a) to the registrant's Form 10-Q report for the quarter ended June 30, 1993.
3.B	Bylaws of the registrant as amended to date.
4.A.1	Rights Agreement as Restated as of February 3, 1991, between the registrant and First Chicago Trust Company of New York as Rights Agent. Incorporated by reference to Exhibit 4 to the registrant's Form 8-K report dated as of March 18, 1991.
4.A.2	Amendment No. 1 dated as of July 28, 1995, to Rights Agreement, restated as of February 3, 1991, between the registrant and First Chicago Trust Company of New York. Incorporated by reference to Exhibit 3 to the registrant's Form 8-A/A (Amendment No. 2) dated August 3, 1995.
4.A.3	Amendment No. 2 dated as of October 30, 1995, to Rights Agreement, restated as of February 3, 1991, and amended as of July 28, 1995, between the registrant and First Chicago Trust Company of New York. Incorporated by reference to Exhibit 4 to the registrant's Form 8-K (Amendment No. 2) dated October 29, 1995. Pursuant to Item 601 (b)(4)(iii) of Regulation S-K, the registrant is not filing certain instruments with respect to its long-term debt because the amount authorized under any such instrument does not exceed 10 percent of the total consolidated assets of the registrant at December 31, 1995. The registrant agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.
4.A.4	Credit Agreement dated as of February 16, 1996, among registrant and Bank of America National Trust and Savings Association, as agent, and the other financial institutions party thereto.

- 10.A The registrant's 1984 Employee Stock Option Plan as amended to date. Incorporated by reference to Exhibit 10.B to the registrant's Form 10-K report for 1989.*
- 10.B The registrant's 1991 Employee Stock Option Plan. Incorporated by reference to Exhibit 10.B to the registrant's Form 10-K report for 1990.*
- 10.C 1992 Non-Employee Director Stock Option Plan and Related Form of Option Agreement. Incorporated by reference to Exhibit 10.C to the registrant's Form 10-K report for 1992.*
- 10.D Deferred cash bonus agreement dated May 5, 1986, between the registrant and Harry A. Merlo; and deferred cash bonus agreement dated February 2, 1987, between the registrant and Harry A. Merlo. Incorporated by reference to Exhibit 10.D to the registrant's Form 10-K report for 1986 (File No. 1-7107).*
- 10.E Louisiana-Pacific Corporation Directors' Deferred Compensation Plan. Incorporated by reference to Exhibit 10.F to the registrant's Form 10-K report for 1986 (File No. 1-7107).*
- 10.H(1) The registrant's Key Employee Restricted Stock Plan as amended. Incorporated by reference to Exhibit 10.H(1) to the registrant's Form 10-K report for 1990.*
- 10.H(2) Form of Restricted Stock Award Agreement under Exhibit 10.H(1). Incorporated by reference to Exhibit 10.H(2) to the registrant's Form 10-K report for 1992.*
- 10.I Lease and Option to Purchase between the registrant as Lessor and Harry A. Merlo as Lessee, as amended. Incorporated by reference to Exhibit 10.I to the registrant's Form 10-K report for 1988.
- 10.K The registrant's Supplemental Benefits Plan. Incorporated by reference to Exhibit 10.K to the registrant's Form 10-K report for 1989.*
- 10.L Employment Agreement between the registrant and Mark A. Suwyn dated January 2, 1996.*

10.M Restricted Stock Award Agreement between the registrant and Mark A. Suwyn dated January 31, 1996.*

10.N Employment Agreement between the registrant and Donald R. Kayser dated July 28, 1995.*

10.O Employment Agreement between the registrant and Lee C. Simpson dated July 28, 1995.*

10.P Employment Agreement between the registrant and Stephen Grant dated August 1, 1995.*

10.Q Consulting Agreement between the registrant and Donald R. Kayser dated January 29, 1996.*

10.R Consulting Agreement between the registrant and James Eisses dated August 11, 1995.*

10.S Letter agreement between the registrant and Harry A. Merlo dated August 4, 1995.*

10.T Letter agreement between the registrant and James Eisses dated August 11, 1995.*

10.U Letter agreement between the registrant and Ronald L. Paul dated August 17, 1995.

11 Louisiana-Pacific Corporation and Subsidiaries: Calculation of Net Income Per Share for the Year Ended December 31, 1995.

21 List of subsidiaries of the registrant.

23 Consent of Independent Public Accountants.

27 Financial data schedule.

EXHIBIT 3.B

BYLAWS OF
LOUISIANA-PACIFIC CORPORATION

ARTICLE I. STOCKHOLDERS' MEETINGS

Section 1. Annual Meeting. The annual meeting of the stockholders shall be held on the first Friday in the month of May in each year at 10:30 a.m. or at such other time or date in April or May of each year as shall be fixed by the Board of Directors, for the election of directors and the transaction of such other business as may properly come before the meeting. If the date fixed for the annual meeting shall be a legal holiday in the place of the meeting, the meeting shall be held on the next succeeding business day.

Section 2. Special Meetings. Special meetings of the stockholders for any proper purposes, unless otherwise provided by the law of Delaware, may be called by the Chairman or pursuant to resolution of the Board of Directors and shall be called by the Chairman at the request in writing of a majority of the directors. Business transacted at a special meeting of stockholders shall be confined to the purpose or purposes of the meeting as stated in the notice of the meeting.

Section 3. Place of Meetings. Meetings of the stockholders may be held at such places, within or without the State of Delaware, as the Board of Directors or the officer calling the same shall specify in the notice of such meeting.

Section 4. Notice of Meeting. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be given not less than ten nor more than sixty days before the date of the meeting, either personally or by mail, by or at the direction of the Chairman, the President, the Secretary, or other persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. When a meeting is adjourned to another time or place, notice of the adjourned meeting need not be given provided that the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, the adjournment is for no more than thirty days, and after the adjournment no new record date is fixed for the adjourned meeting. Notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting if all the conditions of the proviso in the preceding sentence are not met. At an adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting.

Section 5. Quorum. A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders except as otherwise provided by statute or in the Certificate of Incorporation. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 6. Organization. At each meeting of the stockholders the Chairman, or in his absence or inability to act, the President, or in the absence or inability to act of the Chairman and the President, a Vice-President, or in the absence of all the foregoing, any person chosen by a majority of those stockholders present shall act as chairman of the meeting. The Secretary, or, in his absence or inability to act, the Assistant Secretary or any person appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

Section 7. Conduct of Business. The Board of Directors shall have authority to determine from time to time the procedures governing, and the rules of conduct applicable to, annual and special meetings of the stockholders. Except as otherwise determined by the Board of Directors prior to the meeting, the chairman of any stockholders meeting shall determine the order of business and shall have authority in his discretion to adjourn such meeting and to determine the procedures governing such meeting and to regulate the conduct thereof, including, without limitation, imposing restrictions on the persons (other than stockholders of the corporation or their duly appointed proxies) who may attend any such stockholders meeting, determining whether any stockholder or any proxy may be excluded from any stockholders meeting based upon any determination by the chairman in his sole discretion that any such person has unduly disrupted or is likely to disrupt the proceedings thereof and specifying the circumstances in which any person may make a statement or ask questions at any stockholders meetings.

Section 8. Voting. Except as otherwise provided by statute, the Certificate of Incorporation, or any certificate duly filed pursuant to Section 151 of the Delaware General Corporation Law, each stockholder shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for each share of capital stock held of record by him on the date fixed by the Board of Directors as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or if such record date shall not have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given. Except as otherwise provided by statute, these Bylaws, or the

Certificate of Incorporation, any corporate action to be taken by vote of the stockholders shall be authorized by a majority of the total votes, or when stockholders are required to vote by class by a majority of the votes of the appropriate class, cast at a meeting of stockholders by the holders of shares present in person or represented by proxy and entitled to vote on such action. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by written ballot and may be by such other means as the chairman deems advisable under the circumstances. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted.

Section 9. Proxies. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for him by a proxy signed by such stockholder or his attorney-in-fact. No proxy shall be valid after the expiration of three years from the date thereof, unless otherwise provided in the proxy.

Section 10. List of Stockholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 11. Inspectors. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If the inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting may appoint inspectors. The inspectors shall determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes or ballots, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes or ballots, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as inspector of an election of directors. Inspectors need not be stockholders.

Section 12. Denial of Action by Consent of Stockholders. No action required to be taken or which may be taken at any annual or special meeting of the stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Section 13. Nominations for Director. Nominations for election to the Board of Directors may be made by the Board of Directors or by any stockholder of record entitled to vote for the election of directors. Any stockholder entitled to vote for the election of directors may nominate at a meeting persons for election as directors only if written notice of such stockholder's intent to make such nomination is given, either by personal delivery or by certified mail, postage prepaid, addressed to the Chairman at the Corporation's executive offices not later than (i) with respect to an election to be held at an annual meeting of stockholders, 60 days prior to the date of such meeting (provided that if such annual meeting of stockholders is held on a date other than the first Friday in May, such written notice must be given within 10 days after the first public disclosure of the date of the annual meeting, including, without limitation, disclosure of the meeting date set forth in any document or exhibit thereto filed by the Corporation with the Securities and Exchange Commission), and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address, as they appear on the Corporation's stock ledger, of the stockholder who intends to make the nomination and the name and address of each person to be nominated; (b) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to nominate the person or persons specified in the notice as directors; (c) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission were such nominee to be nominated by the Board of Directors; and (e) the consent of each proposed nominee to serve as a director of the Corporation if so elected. The chairman of any meeting of stockholders to elect directors may refuse to permit the nomination of any person to be made without compliance with the foregoing procedure.

Section 14. Notice of Stockholder Business. At any annual meeting of the stockholders held after May 6, 1988, only such business shall be conducted as shall have been brought before the meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of record of the Corporation who complies with the notice procedures set forth in this Section 14. For business to be properly brought before an annual meeting by any such stockholder, the stockholder must give written notice thereof to the Chairman,

either by personal delivery or by certified mail, postage prepaid, addressed to the Chairman at the Corporation's executive offices not less than 60 nor more than 90 days in advance of such meeting (provided that if such annual meeting of stockholders is held on a date other than the first Friday in May, such written notice must be given within 10 days after the first public disclosure of the date of the annual meeting, including, without limitation, disclosure of the meeting date set forth in any document or exhibit thereto filed by the Corporation with the Securities and Exchange Commission). Each such notice shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's stock ledger, of the stockholder proposing such business, (c) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to propose such business, and (d) any material interest of such stockholder in the proposed business. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that any such business was not properly brought before the meeting and in accordance with the provisions of this Section 14, and if he should so determine, he shall so declare to the meeting and such business not properly brought before the meeting shall not be transacted.

ARTICLE II. BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

Section 2. Number, Classification, Election and Qualification. The number of directors of the Corporation shall be eight, but, by vote of a majority of the entire Board of Directors or amendment of these Bylaws, the number thereof may be increased or decreased to such greater or lesser number (not less than three) as may be so provided. At the first election of directors by the stockholders, the directors shall be divided into three classes; the term of office of those of the first class to expire at the first annual meeting thereafter; of the second class at the second annual meeting thereafter; and of the third class at the third annual meeting thereafter. At each annual election held after such classification and election, directors shall be elected to succeed those whose terms expire, each such newly elected director to hold office for a term of three years and until his successor is elected or until his death, resignation, retirement or removal. Except as otherwise provided by statute or these Bylaws, directors shall be elected at the annual meeting of the stockholders, and the persons receiving a plurality of the votes cast at such election shall be elected, provided that a quorum is present at the meeting. Directors need not be stockholders.

Section 3. Place of Meetings. Meetings of the Board of Directors may be held at such place, within or without the State of Delaware, as the Board of Directors may from time to time determine or as shall be specified in the notice or waiver of notice of such meeting.

Section 4. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of stockholders for the purpose of electing officers and the transaction of other business. The Board of Directors may provide by resolution the time and place, either within or without the State of Delaware, for holding of additional regular meetings without other notice than such resolution.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman, President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 6. Notice. Notice of any special meeting shall be given personally or by telephone to each director at least twenty-four hours before the time at which the meeting is to be held or shall be mailed to each director, postage prepaid, at his residence or business address at least three days before the day on which the meeting is to be held; provided that, in the case of any special meeting to be held by conference telephone or similar communications equipment, notice of such meeting may be given personally or by telephone to each director not less than six hours before the time at which the meeting is to be held. Except as otherwise specifically provided in these Bylaws, neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice of the meeting.

Section 7. Quorum and Manner of Acting. A majority of the entire Board of Directors shall be present in person at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting, except that one-third of the entire Board of Directors present in person at a meeting shall constitute a quorum if the Chairman is present at the meeting. Except as otherwise specifically required by statute or the Certificate of Incorporation, the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present or, if no director be present, the Secretary, may adjourn such meeting to another time and place. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Except as provided in Article III of these Bylaws, the directors shall act only as a board of directors and the individual directors shall have no power as such.

Section 8. Organization. At each meeting of the Board of Directors, the Chairman (or, in his absence or inability to act, the President, or in his absence or inability to act, another director chosen by a majority of the

directors present) shall act as chairman of the meeting. The Secretary (or, in his absence or inability to act, any person appointed by the chairman) shall act as secretary of the meeting and keep the minutes thereof.

Section 9. Resignations. Any director of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors or Chairman or the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Vacancies and Newly Created Directorships. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of the class for which such director has been chosen and until his successor is elected and qualified, or until his earlier resignation or removal. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Section 11. Removal of Directors. All or any number of the directors may be removed at any time, but only for cause and only by the affirmative vote of the holders of at least 75 percent of the outstanding Common Stock of the Corporation at a meeting of the stockholders expressly called for that purpose. A vacancy in the Board of Directors caused by any such removal may be filled by such stockholders at such meeting, or if the stockholders shall fail to fill such vacancy, as in these Bylaws provided.

Section 12. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity, provided, no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. Board and Committee Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 14. Board and Committee Telephonic Meetings. A director or a member of a committee designated by the Board of Directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

ARTICLE III. EXECUTIVE AND OTHER COMMITTEES

Section 1. Executive and Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of two or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In addition, in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending, these Bylaws; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Each committee shall keep written minutes of its proceedings and shall report such minutes to the Board of Directors when required. All such proceedings shall be subject to revision or alteration by the Board of Directors, provided, however, that third parties shall not be prejudiced by such revision or alteration.

Section 2. General. A majority of any committee may determine its action and establish the time, place and procedure for its meetings, unless the Board of Directors shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Article II, Section 6 or as the Board of Directors may otherwise provide. The Board of Directors shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee. Nothing herein shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board of Directors.

ARTICLE IV. EXCEPTIONS TO NOTICE REQUIREMENTS

Section 1. Waiver of Notice. Whenever notice is required to be given under these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

Section 2. Unlawful Notice. Whenever notice is required to be given under these Bylaws to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice has been duly given.

ARTICLE V. OFFICERS

Section 1. Number, Election and Qualification. The elected officers of the Corporation shall be a Chairman, a President, one or more Vice-Presidents (one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, and a Treasurer. Such officers shall be elected from time to time by the Board of Directors, each to hold office until the meeting of the Board of Directors following the next annual meeting of the stockholders and until his successor is elected and qualified, or until his earlier resignation or removal. The Board of Directors may from time to time appoint such other officers (including a Chairman of the Executive Committee, a Controller and one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers), and such agents, as may be necessary or desirable for the business of the Corporation. Such other officers and agents shall have such duties as may be prescribed by the Board of Directors and shall hold office during the pleasure of the Board of Directors. Any two or more offices may be held by the same person. From and after the distribution by G-P of the stock it presently holds in the Corporation, no person who is serving as an officer or director of G-P shall concurrently serve as an officer of the Corporation.

Section 2. Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the Chairman, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3. Removal. Any officer or agent of the Corporation may be removed either with or without cause, at any time, by the Board of Directors, except that a vote of a majority of the entire Board of Directors shall be necessary for the removal of an elected officer. Such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office may be filled for the unexpired portion of the term of the office which shall be vacant, in the manner prescribed in these Bylaws for the regular election or appointment of such office.

Section 5. Chairman. The Chairman shall be the chief executive officer of the Corporation, and shall have general direction over the management of its business, properties and affairs. The Chairman shall preside, when present, at all meetings of the stockholders and of the Board of Directors and, in the absence of the Chairman of the Executive Committee, at all meetings of the Executive Committee. He shall have general power to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal; to sign stock certificates; and to remove or suspend such employees or agents as shall not have been elected or appointed by the Board of Directors. In the absence or disability of the Chairman, his duties shall be performed and his powers shall be exercised by the President.

Section 6. President. The President shall be the chief operating officer of the Corporation and, subject to the direction of the Board of Directors and the Chairman, he shall have general direction over the operations of the Corporation. He shall have general power to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal; and to sign stock certificates.

Section 7. Vice Presidents. The several Vice Presidents shall perform all such duties and services as shall be assigned to or required of them from time to time, by the Board of Directors or the President, respectively, and unless their authority be expressly limited shall act in the order of their election in the place of the President, exercising all his powers and performing his duties, during his absence or disability. The Board of Directors however, may from time to time designate the relative positions of the Vice Presidents of the Corporation and assign to any one or more of them such particular duties as the Board of Directors may think proper.

Section 8. Secretary. The Secretary shall attend to the giving of notice of all meetings of stockholders and of the Board of Directors and shall record all of the proceedings of such meetings in a book to be kept for that purpose. He shall have charge of the corporate seal and have authority to attest any and all instruments or writings to which the same may be affixed. He shall keep and account for all books, documents, papers and records of the Corporation, except those which are hereinafter directed to be in charge of

the Treasurer. He shall have authority to sign stock certificates and shall generally perform all the duties usually appertaining to the office of secretary of a corporation. In the absence of the Secretary, an Assistant Secretary or Secretary pro tempore shall perform his duties.

Section 9. Treasurer. The Treasurer shall have the care and custody of all moneys, funds and securities of the Corporation, and shall deposit or cause to be deposited all funds of the Corporation in and with such depositories as shall, from time to time, be designated by the Board of Directors or by such officers of the Corporation as may be authorized by the Board of Directors to make such designation. He shall have power to sign stock certificates; to indorse for deposit or collection, or otherwise, all checks, drafts, notes, bills of exchange or other commercial paper payable to the Corporation, and to give proper receipts or discharges therefor. He shall keep all books of account relating to the business of the Corporation, and shall render a statement of the Corporation's financial condition whenever required so to do by the Board of Directors, the Chairman or the President. In the absence of the Treasurer, the Board of Directors shall appoint an Assistant Treasurer to perform his duties.

Section 10. Additional Powers and Duties. In addition to the foregoing enumerated duties and powers, the several officers of the Corporation shall perform such other duties and exercise such further powers as may be provided by these Bylaws or as the Board of Directors may from time to time determine or as may be assigned to them by any competent superior officer.

Section 11. Compensation. The compensation of the officers of the Corporation for their services as such officers shall be fixed from time to time by the Board of Directors. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation, but any such officer who shall also be a director shall not have any vote in the determination of the amount of compensation paid to him.

ARTICLE VI. INDEMNIFICATION

Section 1. General. The Corporation shall, to the full extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto against all expenses (including, without limitation, attorney's fees), judgments, fines (including excise taxes) and amounts paid in settlement (collectively, "Losses") incurred in connection with any action, suit, or proceeding, whether threatened, pending, or completed (collectively, "Proceedings") to which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding initiated by such person only if such Proceeding was authorized by the Board of Directors of the Corporation.

Section 2. Employee Benefit or Welfare Plan Fiduciary Liability. In addition to any indemnification pursuant to Section 1 of this Article, but subject to the express exclusions set forth in Section 3 of this Article, the Corporation shall indemnify any natural person who is or was serving at the direction or request of the Corporation in a fiduciary capacity with respect to an employee benefit or welfare plan covering one or more employees of the Corporation or of an affiliate of the Corporation, or who is or was performing any service or duty on behalf of the Corporation with respect to such a plan, its participants or beneficiaries, against all Losses incurred by such person in connection with any Proceeding arising out of or in any way connected with such service or performance, to the extent such Losses are insurable under applicable law but are not covered by collectible insurance or indemnified pursuant to Section 1 of this Article. This Section is intended to provide a right to indemnification as permitted by Section 145(f) of the Delaware General Corporation Law.

Section 3. Persons Not to be Indemnified Under Section 2. No indemnification shall be made under Section 2 of this Article to any person (other than an employee of the Corporation or of an affiliate of the Corporation) who was or is acting as a lawyer, accountant, actuary, investment adviser or arbitrator with respect to an employee benefit or welfare plan against any expense, judgment, fine or amount paid in settlement incurred by such person in connection with any action, suit or proceeding arising out of or in any way connected with his actions in such capacity. No indemnification shall be made under Section 2 of this Article to any person determined (in the manner prescribed by Section 145(d) of the Delaware General Corporation Law) to have participated in, or to have had actual knowledge of and have failed to take appropriate action with respect to, any violation of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 or amendments thereto or by the common or statutory law of the United States of America or any state or jurisdiction therein, knowing such in either case to have been a violation of such responsibilities, obligations or duties.

Section 4. Advances of Expenses. Except as limited by the other provisions of this Section, the Corporation shall pay promptly (and in any event within 60 days of receipt of the written request of the person who may be entitled to such payment) all expenses (including but not limited to attorneys' fees) incurred in connection with any Proceeding by any person who may be entitled to indemnification under Sections 1 or 2 of this Article in advance of the final disposition of such Proceeding. Notwithstanding the foregoing, any advance payment of expenses on behalf of a director or officer of the Corporation shall be, and if the Board of Directors so elects, any advance payment of expenses on behalf of any other person who may be entitled to indemnification under Sections 1 or 2 of this Article may be, conditioned

upon the receipt by the Corporation of an undertaking by or on behalf of such director, officer, or other person to repay the amount advanced in the event that it is ultimately determined that such director, officer, or person is not entitled to indemnification; provided that such advance payment of expenses shall be made without regard to the ability to repay the amounts advanced. Notwithstanding the foregoing, no advance payment of expenses shall be made by the Corporation if a determination is reasonably and promptly made by a majority vote of directors who are not parties to such Proceeding, even though less than a quorum, or if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that, based upon the facts known to such directors or counsel at the time such determination is made following due inquiry, (a) in the case of a person who may be entitled to indemnification under Section 1, such person did not act in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, such person had reasonable cause to believe his conduct was unlawful, or (b) in the case of a person who may be entitled to indemnification under Section 2, such person is not entitled to indemnification under the standard set forth in the second sentence of Section 3. Nothing in this Article VI shall require any such determination to be made as a condition to making any advance payment of expenses, unless the Board of Directors so elects.

Section 5. Mandatory Indemnification in Certain Circumstances. To the extent that a director, officer, employee, or agent has been successful on the merits or otherwise in the defense of any Proceeding referred to Section 1 or Section 2 of this Article, or in the defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 6. Right to Indemnification upon Application; Procedure upon Application. Any indemnification under Sections 1 or 2 shall be made promptly, and in any event within 60 days of receipt of the written request of the person who may be entitled thereto following the conclusion of such person's participation in any Proceeding for which indemnity is sought, unless with respect to such written request, a determination is reasonably and promptly made by a majority vote of directors who are not parties to the Proceeding, even though less than a quorum, or if there are no such directors, or if such directors so direct, by independent legal counsel that, based upon the facts known to such directors or counsel at the time such determination is made following due inquiry, (a) in the case of a person who may be entitled to indemnification under Section 1, such person did not act in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, such person had reasonable cause to believe his conduct was unlawful, or (b) in the case of a person who may be entitled to indemnification under Section 2, such person is not entitled to indemnification under the standard set forth in the second sentence of Section 3.

Section 7. Enforcement of Rights. The right to indemnification or to an advance of expenses as granted by this Article shall be enforceable by any person entitled thereto in any court of competent jurisdiction, if the Board of Directors or independent legal counsel denies the claim, in whole or in part, or if no disposition of such claim is made within 100 days of receipt by the Board of Directors of such person's written request for indemnification or an advance of expenses. Such person's expenses (including but not limited to attorneys' fees) incurred in connection with successfully establishing his right to indemnification or an advance of expenses, in whole or in part, in any such proceedings shall also be indemnified by the Corporation.

Section 8. Bylaws as Contract; Non-Exclusivity. All rights to indemnification and advances of expenses under this Article shall be deemed to be provided by a contract between the Corporation and each person entitled thereto. Any repeal or modification of these bylaws shall not impair or diminish any rights or obligations existing at the time of such repeal or modification. The rights granted by this Article shall not be deemed exclusive of any other rights to which any person seeking indemnification or an advance of expenses may be entitled under any bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The rights granted by this Article VI shall extend to the estate, heirs or legal representatives of any person entitled to indemnification or an advance of expenses hereunder who is deceased or incompetent.

ARTICLE VII. STOCK AND TRANSFER OF STOCK

Section 1. Stock Certificates. Every holder of stock in this corporation shall be entitled to have a certificate, in such form as shall be approved by the Board of Directors, certifying the number of shares of stock of this corporation owned by him signed by or in the name of this corporation by the Chairman, or the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer. Any of or all the signatures on the certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may nevertheless be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 2. Transfers of Shares. Transfers of Shares of stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent, and on surrender of the certificate or certificates for such shares properly indorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including, without

limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation may hold any such stockholder of record liable for calls and assessments and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not it shall have express or other notice thereof. Whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact shall be stated in the entry of the transfer if, when the certificates are presented for transfer, both the transferor and transferee request the Corporation to do so.

Section 3. Regulations, Transfer Agents and Registrars. The Board of Directors may make such additional rules and regulations, not inconsistent with these Bylaws, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation. It may appoint and change from time to time one or more transfer agents and one or more registrars and may require all certificates for shares of stock to bear the signature or signatures of any of them.

Section 4. Replacement of Certificates. In the event of the loss, theft, mutilation or destruction of any certificate for shares of stock of the Corporation, a duplicate thereof may be issued and delivered to the owner thereof, provided he makes a sufficient affidavit setting forth the material facts surrounding the loss, theft, mutilation or destruction of the original certificates and gives a bond to the Corporation, in such sum limited or unlimited, and in such form and with such surety as the Board of Directors may authorize indemnifying the Corporation, its officers and, if applicable, its transfer agents and registrars, against any losses, costs and damages suffered or incurred by reason of such loss, theft, mutilation or destruction of the original certificate and replacement thereof.

Section 5. Fixing of Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE VIII. FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year.

ARTICLE IX. SEAL

The Board of Directors shall provide a corporate seal, which shall be in such form as the Board of Directors shall determine.

ARTICLE X. AMENDMENTS

These Bylaws may be amended or repealed, or new Bylaws may be adopted, at any annual or special meeting of the stockholders, by the affirmative vote of the holders of at least 75 percent of the outstanding Common Stock of the Corporation; provided, however, that the notice of such meeting shall have been given as provided in these Bylaws, which notice shall mention that amendment or repeal of these Bylaws, or the adoption of new Bylaws, is one of the purposes of such meeting. These Bylaws may also be amended or repealed or new Bylaws may be adopted, by the Board of Directors by the vote of two-thirds of the entire Board of Directors.

CREDIT AGREEMENT

This CREDIT AGREEMENT, dated as of February 16, 1996, among Louisiana-Pacific Corporation, a corporation organized under the laws of the State of Delaware (the "Company"), the several financial institutions from time to time party to this Agreement (collectively, the "Banks"; individually, a "Bank"), and Bank of America National Trust and Savings Association, as agent for the Banks and the Designated Bidders.

WITNESSETH THAT:

WHEREAS, the Banks have agreed to make available to the Company a revolving credit facility with a swingline subfacility upon the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.01 Certain Defined Terms. In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated for purposes of this Agreement:

"Absolute Rate" has the meaning specified in subsection 2.06(c)(ii)(D).

"Absolute Rate Auction" means a solicitation of Competitive Bids setting forth Absolute Rates pursuant to Section 2.06.

"Absolute Rate Bid Loan" means a Bid Loan that bears interest at a rate determined with reference to the Absolute Rate.

"Agent" means BofA in its capacity as agent for the Banks and the Designated Bidders hereunder, and any successor agent arising under Section 9.09.

"Agent-Related Persons" means BofA in its capacity as Agent and any successor agent arising under Section 9.09, together with their respective affiliates (including, in the case of BofA, the Arranger), and the officers, directors, employees, agents and attorneys-in-fact of such Persons and affiliates.

"Agent's Payment Office" means the address for payments set forth on Schedule 10.02 in relation to the Agent, or such other address as the Agent may from time to time specify.

"Agreement" means this Credit Agreement.

"Applicable Margin" means, in respect of all Committed Loans outstanding on any date (A) for the period from the Closing Date through March 31, 1996, 0.1700% for Offshore Rate Committed Loans and 0.0000% for Base Rate Committed Loans and Swingline Loans, and (B) from and after April 1, 1996, the percentage specified below opposite the Interest Coverage Ratio (which ratio shall be calculated for the relevant four fiscal quarter period) calculated for the periods described below.

Interest Coverage Ratio at End of Fiscal Quarter -----	Applicable Margin -----	
	Offshore Rate -----	Base Rate and Swingline -----
Greater than or equal to 5.00 to 1.00	0.1700%	0.0000%
Greater than 3.00 to 1.00 but less than 5.00 to 1.00	0.2500%	0.0000%
Less than 3.00 to 1.00	0.3250%	0.0000%

The Applicable Margin for each fiscal quarter commencing on and after April 1, 1996 shall be calculated in reliance on the financial reports delivered pursuant to subsections 6.07(a) and 6.07(b) and the certificate delivered with respect thereto pursuant to subsection 6.07(c) with respect to the fiscal quarter ending immediately before the fiscal quarter in question (e.g., March 31 financials determine the Applicable Margin for the fiscal quarter beginning April 1). As such financial reports and certificate are not required to be delivered hereunder until 45 days (or 90 days in the case of fiscal year-end financial reports) after the end of the applicable fiscal quarter, the Applicable Margin for each fiscal quarter shall be assumed for interim calculation and collection purposes, until delivery of such financial reports

and certificate, to be the same as for the immediately preceding fiscal quarter. The Applicable Margin shall be adjusted automatically in accordance with the provisions of Section 2.17 as to all Committed Loans then outstanding (without regard to the timing of Interest Periods) as of the effective date of any change in the Applicable Margin.

"Arranger" means BA Securities, Inc., a Delaware corporation.

"Bank" has the meaning specified in the introductory clause hereto. References to the "Banks" shall include BofA, including in its capacity as the Swingline Bank; for purposes of clarification only, to the extent that BofA may have any rights or obligations in addition to those of the Banks due to its status as the Swingline Bank, its status as such will be specifically referenced.

"Base Rate" means, for any day, the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the rate of interest in effect for such day as publicly announced from time to time by BofA in San Francisco, California, as its "reference rate." (The "reference rate" is a rate set by BofA based upon various factors including BofA's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate.)

Any change in the reference rate announced by BofA shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Committed Loan" means a Committed Loan that bears interest based on the Base Rate.

"Bid Borrowing" means a Borrowing hereunder consisting of one or more Bid Loans made to the Company on the same day by one or more Banks or Designated Bidders.

"Bid Loan" means a Loan by a Bank or a Designated Bidder to the Company under Section 2.05, which may be a LIBOR Bid Loan or an Absolute Rate Bid Loan.

"Bid Loan Lender" means, in respect of any Bid Loan, the Bank or Designated Bidder making such Bid Loan to the Company.

"BofA" means Bank of America National Trust and Savings Association, a national banking association.

"Borrowing" means a borrowing hereunder consisting of (i) Committed Loans of the same Type made to the Company on the same day by the Banks, (ii) Bid Loans made to the Company on the same day by the Banks or Designated Bidders, or (iii) a Swingline Loan or Loans made to the Company on the same day by the Swingline Bank, in each case pursuant to Article II, and, other than in the case of Base Rate Committed Loans and Swingline Loans, having the same Interest Period.

"Borrowing Date" means any date on which a Borrowing occurs under Section 2.03, Section 2.06, or Section 2.07, as applicable.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City or San Francisco are authorized or required by law to close and, if the applicable Business Day relates to any Offshore Rate Loan, means such a day on which dealings are carried on in the applicable offshore dollar interbank market.

"Closing Date" means the date on which all conditions precedent set forth in Section 4.01 are satisfied or waived by all Banks (or, in the case of subsection 4.01(e), waived by the Person entitled to receive such payment).

"Code" means the Internal Revenue Code of 1986, and regulations promulgated thereunder.

"Commitment", as to each Bank, has the meaning specified in subsection 2.01(a).

"Committed Borrowing" means a Borrowing hereunder consisting of Committed Loans made on the same day by the Banks ratably according to their respective Pro Rata Shares and, in the case of Offshore Rate Committed Loans, having the same Interest Periods.

"Committed Loan" means a Loan by a Bank to the Company under Section 2.01, and may be an Offshore Rate Committed Loan or a Base Rate Committed Loan (each, a "Type" of Committed Loan).

"Competitive Bid" means an offer by a Bank or a Designated Bidder to make a Bid Loan in accordance with subsection 2.06(b).

"Competitive Bid Request" has the meaning specified in subsection 2.06(a).

"Compliance Certificate" means a certificate substantially in the form of Exhibit C.

"Conversion/Continuation Date" means any date on which, under Section 2.04, the Company (a) converts Committed Loans of one Type to another Type, or (b) continues as Committed Loans of the same Type, but with a new Interest Period, Committed Loans having Interest Periods expiring on such date.

"Default" means any event or circumstance which, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"Designated Bidder" means an affiliate of a Bank that is an entity described in clause (i) or (ii) of the definition of "Eligible Assignee" and that has become a party hereto pursuant to Section 10.09.

"Designation Agreement" means a designation agreement entered into by a Bank and a Designated Bidder and accepted by the Agent, in substantially the form of Exhibit K.

"Dollars", "dollars", and "\$" means dollars of the United States of America.

"EBIT" means, for any period, for the Company and its Subsidiaries on a consolidated basis, determined in accordance with GAAP, the sum of (a) net income (or net loss) for such period plus (b) all amounts treated as expenses for interest to the extent included in the determination of such net income (or loss), plus (c) all accrued taxes on or measured by income to the extent included in the determination of such net income (or loss); provided, however, that net income (or loss) shall be computed for these purposes without giving effect to extraordinary losses or extraordinary gains or the cumulative effect of changes in accounting principles.

"Eligible Assignee" means (i) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least \$250,000,000; (ii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having a combined capital and surplus of at least \$250,000,000, provided that such bank is acting through a branch or agency located in the United States; and (iii) a Person that is primarily engaged in the business of commercial banking and that is (A) a Subsidiary of a Bank, (B) a Subsidiary of a Person of which a Bank is a Subsidiary, or (C) a Person of which a Bank is a Subsidiary.

"ERISA" means the Employee Retirement Income Security Act of 1974, and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate a Pension Plan or Multiemployer Plan, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate.

"Eurodollar Reserve Percentage" has the meaning specified in the definition of "Offshore Rate".

"Event of Default" means any event listed in Section 8.01.

"Existing Agreement" has the meaning specified in subsection 4.01(g).

"Facility Fee Percentage" means (A) for the period from the Closing Date through March 31, 1996, 0.0800%, and (B) from and after April 1, 1996, the percentage specified below opposite the Interest Coverage Ratio (which ratio shall be calculated for the relevant four fiscal quarter period) calculated for the periods described below.

Interest Coverage Ratio at End of Fiscal Quarter -----	Facility Fee Percentage -----
Greater than or equal to 5.00 to 1.00	0.0800%
Greater than 3.00 to 1.00 but less than 5.00 to 1.00	0.1250%
Less than 3.00 to 1.00	0.1750%

The Facility Fee Percentage for each fiscal quarter commencing on and after April 1, 1996 shall be calculated in reliance on the financial reports delivered pursuant to subsections 6.07(a) and 6.07(b) and the certificate delivered with respect thereto pursuant to subsection 6.07(c) with respect to the fiscal quarter ending immediately before the fiscal quarter in question (e.g., March 31 financials determine the Facility Fee Percentage for the fiscal quarter beginning April 1). As such financial reports and certificate are not required to be delivered hereunder until 45 days (or 90 days in the case of fiscal year-end financial reports) after the end of the applicable fiscal quarter, the Facility Fee Percentage for each fiscal quarter shall be assumed for interim calculation and collection purposes, until delivery of such financial reports and certificate, to be the same as for the immediately preceding fiscal quarter. The facility fee payable hereunder shall be adjusted automatically in accordance with the provisions of Section 2.17 as of the effective date of any change in the Facility Fee Percentage.

"FDIC" means the Federal Deposit Insurance Corporation, and any governmental authority succeeding to any of its principal functions.

"Federal Funds Rate" means, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Agent of the rates for the last transaction in overnight Federal funds arranged prior to 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Agent.

"Fee Letter" has the meaning specified in subsection 2.12(b).

"FRB" means the Board of Governors of the Federal Reserve System, and any governmental authority succeeding to any of its principal functions.

"Funded Debt" means indebtedness for borrowed money or liability under a lease which is the primary source of payment of industrial revenue or pollution control bonds. Funded Debt also includes Purchase Money Indebtedness, prepayment deposits in respect of sales contracts and unfunded reserves maintained with respect to pending or threatened disputes or settlement thereof.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Indemnified Liabilities" has the meaning specified in Section 10.05.

"Interest Coverage Ratio" means, as measured quarterly on the last day of each fiscal quarter for the four fiscal quarter period then ending, the ratio of (i) EBIT to (ii) an amount equal to the consolidated interest expense (including capitalized interest) of the Company and its Subsidiaries for the four fiscal quarter period then ending calculated in accordance with GAAP.

"Interest Payment Date" means, (a) as to any Offshore Rate Committed Loan or Bid Loan, the last day of each Interest Period applicable to such Loan, (b) as to any Base Rate Committed Loan, the last Business Day of each calendar quarter and each date such Base Rate Committed Loan is converted into another Type of Committed Loan, and (c) as to any Swingline Loan, the Business Day agreed upon by the Company and the Swingline Bank, which will not be later than the fourteenth Business Day following the Borrowing Date thereof or, if sooner, the date set forth in clause (a) of the definition of Revolving Termination Date; provided, however, that (i) if any Interest Period for an Offshore Rate Committed Loan exceeds

three months, the date that falls three months after the beginning of such Interest Period and after each Interest Payment Date thereafter is also an Interest Payment Date, and (ii) as to any Bid Loan, such intervening dates prior to the maturity thereof as may be specified by the Company and agreed to by the applicable Bid Loan Lender in the applicable Competitive Bid shall also be Interest Payment Dates.

"Interest Period" means, (a) as to any Offshore Rate Committed Loan, the period commencing on the Borrowing Date of such Loan or on the Conversion/Continuation Date on which the Loan is converted into or continued as an Offshore Rate Committed Loan, and ending on the date one, two, three or six months thereafter as selected by the Company in its Notice of Borrowing or Notice of Conversion/Continuation, as the case may be; (b) as to any LIBOR Bid Loan, a period of one to twelve months as selected by the Company in the applicable Competitive Bid Request; and (c) as to any Absolute Rate Bid Loan, a period of not less than 7 days and not more than 365 days as selected by the Company in the applicable Competitive Bid Request;

provided that:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless, in the case of an Offshore Rate Loan, the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(ii) any Interest Period pertaining to an Offshore Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period for any Loan shall extend beyond February 16, 2001.

"Invitation for Competitive Bids" means a solicitation for Competitive Bids, substantially in the form of Exhibit F.

"IRS" means the Internal Revenue Service, and any governmental authority succeeding to any of its principal functions under the Code.

"Lending Office" means, as to any Bank or Designated Bidder, the office or offices of such Bank or Designated Bidder specified as its "Lending Office" or "Domestic Lending Office" or "Offshore Lending Office", as the case may be, on Schedule 10.02, or such other office or offices as such Bank or Designated Bidder may from time to time notify the Company and the Agent.

"LIBOR Rate" means, for any Interest Period with respect to a LIBOR Bid Loan the rate of interest per annum determined by the Agent to be the arithmetic mean (rounded upward to the nearest 1/16th of 1%) of the rates of interest per annum notified to the Agent by each Reference Bank as the rate of interest at which dollar deposits in the approximate amount of the LIBOR Bid Loans to be borrowed in such Bid Loan Borrowing and having a maturity comparable to such Interest Period would be offered to major banks in the London interbank market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

"LIBOR Auction" means a solicitation of Competitive Bids setting forth a LIBOR Bid Margin pursuant to Section 2.06.

"LIBOR Bid Loan" means any Bid Loan that bears interest at a rate based upon the LIBOR Rate.

"LIBOR Bid Margin" has the meaning specified in subsection 2.06(c)(ii)(C).

"Loan" means an extension of credit by a Bank, the Swingline Bank or a Designated Bidder, as the case may be, to the Company under Article II, and may be a Committed Loan, a Swingline Loan, or a Bid Loan.

"Majority Banks" means (a) at any time prior to the Revolving Termination Date, or after the Revolving Termination Date if no Loans are then outstanding, Banks then holding at least 60% of the Commitments, and (b) otherwise, Banks then holding at least 60% of the then aggregate unpaid principal amount of the Loans. For purposes of this definition, each Bank shall be deemed to hold all outstanding Bid Loans of such Bank's Designated Bidders.

"Multiemployer Plan" means a "multiemployer plan", within the meaning of Section 4001(a)(3) of ERISA, to which the

Company or any ERISA Affiliate makes, is making, or is obligated to make contributions or, during the preceding three calendar years, has made, or been obligated to make, contributions.

"Net Worth" means the total, determined on a consolidated basis for the Company and its Subsidiaries, of (1) the capital accounts as determined by GAAP and (2) debt which is subordinated by the holders thereof to the Loans and other sums now or hereafter owed by the Company or Subsidiaries to the Agent, the Banks or the Designated Bidders with respect to the Loans or otherwise under this Agreement or the Notes, by arrangements or agreements in form and substance satisfactory to the Majority Banks.

"Notes" has the meaning specified in subsection 2.02(b).

"Notice of Borrowing" means a notice in substantially the form of Exhibit A.

"Notice of Conversion/Continuation" means a notice in substantially the form of Exhibit B.

"Offshore Rate" means, for any Interest Period, with respect to Offshore Rate Committed Loans comprising part of the same Borrowing, the rate of interest per annum (rounded upward to the next 1/16th of 1%) determined by the Agent as follows:

$$\text{Offshore Rate} = \frac{\text{LIBOR}}{1.00 - \text{Eurodollar Reserve Percentage}}$$

Where,

"Eurodollar Reserve Percentage" means for any day for any Interest Period the maximum reserve percentage (expressed as a decimal, rounded upward to the next 1/100th of 1%) in effect on such day (whether or not applicable to any Bank) under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as "Eurocurrency liabilities"); and

"LIBOR" means the rate of interest per annum determined by the Agent to be the arithmetic mean (rounded upward to the next 1/16th of 1%) of the rates of interest per annum notified to the Agent by each Reference Bank as the rate of interest at which dollar deposits in the approximate amount of the amount of the Loan to be made or continued as, or converted into, an Offshore Rate Committed Loan by such Reference Bank and having a maturity comparable to such Interest Period would be offered to major banks in the London interbank market at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

The Offshore Rate shall be adjusted automatically as to all Offshore Rate Loans then outstanding as of the effective date of any change in the Eurodollar Reserve Percentage.

"Offshore Rate Committed Loan" means any Committed Loan that bears interest based on the Offshore Rate.

"Offshore Rate Loan" means any LIBOR Bid Loan or any Offshore Rate Committed Loan.

"Other Taxes" means any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (but not including such taxes (including income taxes or franchise taxes) as are imposed on or measured by each Bank's or Designated Bidder's net income) which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other documents or instruments given in connection herewith.

"PBGC" means the Pension Benefit Guaranty Corporation, or any governmental authority succeeding to any of its principal functions under ERISA.

"Pension Plan" means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA which the Company sponsors or maintains, or to which it makes, is making, or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years.

"Permitted Swap Obligations" means all obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under Swap Contracts, provided that each of the following criteria is satisfied: (a) such obligations are (or were) entered into by such Person for the purpose of directly mitigating risks associated with liabilities, commitments or assets held or reasonably anticipated by such Person, or changes in the value of securities issued by such

Person in conjunction with a securities repurchase program not otherwise prohibited hereunder, and not for purposes of speculation or taking a "market view;" and (b) such Swap Contracts do not contain any provision ("walk-away" provision) exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party.

"Person" means any individual, association, joint venture, partnership, joint stock company, corporation, trust, business trust, government, governmental agency, governmental subdivision or other entity.

"Plan" means an employee benefit plan (as defined in Section 3(3) of ERISA) which the Company sponsors or maintains or to which the Company makes, is making, or is obligated to make contributions and includes any Pension Plan.

"Pro Rata Share" means, as to any Bank at any time, the percentage equivalent (expressed as a decimal, rounded to the ninth decimal place) at such time of such Bank's Commitment divided by the combined Commitments of all Banks.

"Purchase Money Indebtedness" means indebtedness incurred for the purchase of assets either by way of deferred payment of the purchase price thereof or by borrowing in order to finance such purchase.

"Reference Banks" means BofA and The Chase Manhattan Bank, N.A.

"Reportable Event" means any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

"Requirement of Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a governmental authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"Revolving Termination Date" means the earlier to occur of:

- (a) February 16, 2001; and
- (b) the date on which the Commitments terminate in accordance with the provisions of this Agreement.

"Subsidiary" of a Person means any corporation, association, partnership, joint venture or other business entity of which more than 50% of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled directly or indirectly by the Person, or one or more of the Subsidiaries of the Person, or a combination thereof. Unless the context otherwise clearly requires, references herein to a "Subsidiary" refer to a Subsidiary of the Company.

"Swap Contract" means any agreement, whether or not in writing, relating to any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option or any other, similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any master agreement relating to or governing any or all of the foregoing.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include any Bank).

"Swingline Bank" means BofA.

"Swingline Borrowing" means a Borrowing hereunder consisting of one or more Swingline Loans made to the Company on the same day by the Swingline Bank.

"Swingline Clean-Up Day" has the meaning specified in subsection 2.09(c).

"Swingline Commitment" has the meaning specified in subsection 2.01(b).

"Swingline Loan" has the meaning specified in subsection 2.01(b).

"Taxes" means any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Bank, each Designated Bidder and the Agent, such taxes (including income taxes or franchise taxes) as are imposed on or measured by such Person's net income by the jurisdiction (or any political subdivision thereof) under the laws of which such Person is organized or maintains a lending office.

"Type" has the meaning specified in the definition of "Committed Loan."

"Unfunded Pension Liability" means the excess of a Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Plan's assets, determined in accordance with the assumptions used for funding that Plan pursuant to Section 412 of the Code for the applicable plan year.

"United States" and "U.S." each means the United States of America.

1.02 Accounting Principles. All financial computations required under this Agreement shall be made, and all financial information required under this Agreement shall be prepared, in accordance with GAAP, consistently applied. References herein to "fiscal year" and "fiscal quarter" refer to such fiscal periods of the Company.

ARTICLE II THE CREDITS

2.01 Amounts and Terms of Commitments. (a) Each Bank severally agrees, on the terms and conditions set forth herein, to make loans to the Company from time to time on any Business Day during the period from the Closing Date to the Revolving Termination Date in an aggregate amount not to exceed at any time outstanding, together with such Bank's participation, if any, in Swingline Loans then outstanding, the amount set forth on Schedule 2.01 (such amount, as the same may be reduced under Section 2.08 or as a result of one or more assignments under Section 10.08, the Bank's "Commitment"); provided, however, that, after giving effect to any Committed Borrowing, the aggregate principal amount of all outstanding Loans shall not at any time exceed the combined Commitments. Within the limits of each Bank's Commitment, and subject to the other terms and conditions hereof, the Company may borrow under this subsection 2.01(a), prepay under Section 2.09 and reborrow under this subsection 2.01(a).

(b) The Swingline Bank agrees, on the terms and conditions set forth herein, to make a portion of the combined Commitments of all the Banks available to the Company by making swingline loans (each such loan a "Swingline Loan") to the Company from time to time on any Business Day during the period from the Closing Date to the Revolving Termination Date, in an aggregate principal amount not to exceed at any time outstanding \$25,000,000 (as such amount may be reduced under Section 2.08 or as a result of one or more assignments under Section 10.08, the Swingline Bank's "Swingline Commitment"), notwithstanding the fact that such Swingline Loans, when aggregated with the Swingline Bank's outstanding Committed Loans, may exceed the Swingline Bank's Commitment; provided, however, that, after giving effect to any Borrowing of a Swingline Loan, the aggregate principal amount of all outstanding Loans shall not at any time exceed the combined Commitments. Within the foregoing limits, and subject to the other terms and conditions hereof, the Company may borrow under this subsection 2.01(b), prepay under Section 2.09 and reborrow under this subsection 2.01(b).

2.02 Loan Accounts.

(a) The Loans made by each Bank or Designated Bidder shall be evidenced by one or more loan accounts or records maintained by such Bank or Designated Bidder in the ordinary course of business. The loan accounts or records maintained by the Agent and each Bank or Designated Bidder shall be rebuttable presumptive evidence of the amount of the Loans made by the Banks and Designated Bidders to the Company and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Company hereunder to pay any amount owing with respect to the Loans.

(b) Upon the request of any Bank or Designated Bidder made through the Agent, the Loans made by such Bank or Designated Bidder may be evidenced by one or more notes in the form of Exhibit I or Exhibit J hereto, as applicable (the "Notes"), instead of loan accounts. Each such Bank or Designated Bidder shall endorse on the schedules annexed to its Note(s) the date, amount and maturity of each Loan made by it and the amount of each payment of principal made by the Company with respect thereto. Each such Bank and Designated Bidder is irrevocably authorized by the Company to endorse its Note(s) and each Bank's or Designated Bidder's notations on its Note(s) or other loan accounts or records shall be rebuttable presumptive evidence of the amount of the Loans made by such Bank or Designated Bidder to the Company and the payments thereon; provided, however, that the failure of a Bank or Designated Bidder to make, or an error in making, a notation on its Note(s) or other loan accounts or records with respect to any Loan shall not limit or otherwise affect the obligations of the Company hereunder or under any such Note to such Bank or Designated Bidder.

2.03 Procedure for Committed Borrowing.

(a) Each Committed Borrowing shall be made upon the Company's

irrevocable written notice delivered to the Agent in the form of a Notice of Borrowing (which notice must be received by the Agent prior to 9:00 a.m. (San Francisco time)) (i) three Business Days prior to the requested Borrowing Date, in the case of Offshore Rate Committed Loans, and (ii) one Business Day prior to the requested Borrowing Date, in the case of Base Rate Committed Loans, specifying:

(A) the amount of the Committed Borrowing, which shall be in an aggregate minimum amount of \$5,000,000 or any multiple of \$1,000,000 in excess thereof;

(B) the requested Borrowing Date, which shall be a Business Day;

(C) the Type of Loans comprising the Committed Borrowing; and

(D) the duration of the Interest Period applicable to any Offshore Rate Committed Loans included in such notice. If the Notice of Borrowing fails to specify the duration of the Interest Period for any Committed Borrowing comprised of Offshore Rate Loans, such Interest Period shall be three months.

(b) The Agent will promptly notify each Bank of its receipt of any Notice of Borrowing and of the amount of such Bank's Pro Rata Share of that Committed Borrowing.

(c) Each Bank will make the amount of its Pro Rata Share of each Committed Borrowing available to the Agent for the account of the Company at the Agent's Payment Office by 11:00 a.m. (San Francisco time) on the Borrowing Date requested by the Company in funds immediately available to the Agent. The proceeds of all such Committed Loans received in immediately available funds by the Agent by 11:00 a.m. (San Francisco time) on such Borrowing Date will then be made available to the Company by the Agent in immediately available funds at such office by crediting by 1:00 p.m. (San Francisco time) on such date the account of the Company on the books of BoFA with the aggregate of the amounts made available in immediately available funds to the Agent by the Banks; provided, that, if on such Borrowing Date all or any portion of the proceeds thereof shall then be required to be applied to the repayment of any outstanding Swingline Loans pursuant to Section 2.07, such proceeds or portion thereof shall be applied to the repayment of such Swingline Loans. Subject to the proviso in the immediately preceding sentence, any proceeds of such Committed Loans received in immediately available funds by the Agent by 11:00 a.m. (San Francisco time) on such Borrowing Date and not credited to the Company by 1:00 p.m. (San Francisco time) on such date shall be deemed to have been disbursed on the following Business Day and interest shall begin to accrue thereon on such following Business Day.

(d) After giving effect to any Committed Borrowing, there may not be more than seven different Interest Periods in effect in respect of all Committed Loans and Bid Loans together then outstanding.

2.04 Conversion and Continuation Elections for Committed Borrowings.

(a) The Company may, upon irrevocable written notice to the Agent in accordance with subsection 2.04(b):

(i) elect, as of any Business Day, in the case of Base Rate Committed Loans, or as of the last day of the applicable Interest Period, in the case of any other Type of Committed Loans, to convert any such Committed Loans (or any part thereof in an amount not less than \$5,000,000, or that is in an integral multiple of \$1,000,000 in excess thereof) into Committed Loans of any other Type; or

(ii) elect, as of the last day of the applicable Interest Period, to continue any Committed Loans having Interest Periods expiring on such day (or any part thereof in an amount not less than \$5,000,000, or that is in an integral multiple of \$1,000,000 in excess thereof);

provided, that if at any time the aggregate amount of Offshore Rate Committed Loans in respect of any Committed Borrowing is reduced, by payment, prepayment, or conversion of part thereof to be less than \$5,000,000, such Offshore Rate Committed Loans shall automatically convert into Base Rate Committed Loans, and on and after such date the right of the Company to continue such Committed Loans as, and convert such Committed Loans into, Offshore Rate Committed Loans shall terminate.

(b) The Company shall deliver a Notice of Conversion/Continuation to be received by the Agent not later than 9:00 a.m. (San Francisco time) at least (i) three Business Days in advance of the Conversion/Continuation Date, if the Committed Loans are to be converted into or continued as Offshore Rate Committed Loans and (ii) one Business Day in advance of the Conversion/Continuation Date, if the Committed Loans are to be converted into Base Rate Committed Loans, specifying:

(A) the proposed Conversion/Continuation Date;

(B) the aggregate amount of Committed Loans to be converted or renewed;

(C) the Type of Committed Loans resulting from the proposed conversion or continuation; and

(D) other than in the case of conversions into Base

Rate Committed Loans, the duration of the requested Interest Period.

(c) If upon the expiration of any Interest Period applicable to Offshore Rate Committed Loans, the Company has failed to select timely a new Interest Period to be applicable to such Offshore Rate Committed Loans, or if any Default or Event of Default then exists, the Company shall be deemed to have elected to convert such Offshore Rate Committed Loans into Base Rate Committed Loans effective as of the expiration date of such Interest Period.

(d) The Agent will promptly notify each Bank of its receipt of a Notice of Conversion/Continuation, or, if no timely notice is provided by the Company, the Agent will promptly notify each Bank of the details of any automatic conversion. All conversions and continuations shall be made ratably according to the respective outstanding principal amounts of the Committed Loans with respect to which the notice was given held by each Bank.

(e) Unless the Majority Banks otherwise agree, during the existence of a Default or Event of Default, the Company may not elect to have a Committed Loan converted into or continued as an Offshore Rate Committed Loan.

(f) After giving effect to any conversion or continuation of Committed Loans, there may not be more than seven different Interest Periods in effect in respect of all Committed Loans and Bid Loans together then outstanding.

2.05 Bid Borrowings. In addition to Committed Borrowings pursuant to Section 2.03, each Bank severally agrees that the Company may, as set forth in Section 2.06, from time to time request the Banks and Designated Bidders prior to the Revolving Termination Date to submit offers to make Bid Loans to the Company; provided, however, that the Banks and Designated Bidders may, but shall have no obligation to, submit such offers and the Company may, but shall have no obligation to, accept any such offers, and any Bank may designate a Designated Bidder to make such offers from time to time and, if such offers are accepted by the Company, to make such Bid Loans; and provided, further, that at no time shall (a) the outstanding aggregate principal amount of all Bid Loans made by all Banks and Designated Bidders plus the outstanding aggregate principal amount of all Committed Loans made by all Banks plus the aggregate principal amount of all Swingline Loans then outstanding exceed the combined commitments or (b) the number of Interest Periods for Bid Loans then outstanding plus the number of Interest Periods for Committed Loans then outstanding exceed seven.

2.06 Procedure for Bid Borrowings.

(a) When the Company wishes to request the Banks and Designated Bidders to submit offers to make Bid Loans hereunder, it shall transmit to the Agent by telephone call followed promptly by facsimile transmission a notice in substantially the form of Exhibit G (a "Competitive Bid Request") so as to be received no later than 9:00 a.m. (San Francisco time) (x) four Business Days prior to the date of a proposed Bid Borrowing in the case of a LIBOR Auction, or (y) two Business Days prior to the date of a proposed Bid Borrowing in the case of an Absolute Rate Auction, specifying:

(i) the date of such Bid Borrowing, which shall be a Business Day;

(ii) the aggregate amount of such Bid Borrowing, which shall be a minimum amount of \$10,000,000 or in multiples of \$1,000,000 in excess thereof;

(iii) whether the Competitive Bids requested are to be for LIBOR Bid Loans or Absolute Rate Bid Loans or both; and

(iv) the duration of the Interest Period applicable thereto, subject to the provisions of the definition of "Interest Period" herein.

Subject to subsection 2.06(c), the Company may not request Competitive Bids for more than three Interest Periods in a single Competitive Bid Request and may not request Competitive Bids more than once in any period of five Business Days.

(b) Upon receipt of a Competitive Bid Request, the Agent will promptly send to the Banks and Designated Bidders by facsimile transmission an Invitation for Competitive Bids, which shall constitute an invitation by the Company to each Bank and Designated Bidder to submit Competitive Bids offering to make the Bid Loans to which such Competitive Bid Request relates in accordance with this Section 2.06.

(c) (i) Each Bank and Designated Bidder may at its discretion submit a Competitive Bid containing an offer or offers to make Bid Loans in response to any Invitation for Competitive Bids. Each Competitive Bid must comply with the requirements of this subsection 2.06(c) and must be submitted to the Agent by facsimile transmission at the Agent's office for notices set forth on Schedule 10.02 (and immediately confirmed by a telephone call) not later than (1) 6:30 a.m. (San Francisco time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (2) 6:30 a.m. (San Francisco time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction; provided that Competitive Bids submitted by the Agent (or any affiliate of the Agent) in the capacity of a Bank or Designated Bidder may be submitted, and may only be submitted, if the Agent or such affiliate notifies the Company of the terms of the offer or offers contained therein not later

than (A) 6:15 a.m. (San Francisco time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction or (B) 6:15 a.m. (San Francisco time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction.

(ii) Each Competitive Bid shall be in substantially the form of Exhibit H, specifying therein:

(A) the proposed date of Borrowing;

(B) the principal amount of each Bid Loan for which such Competitive Bid is being made, which principal amount (x) may be equal to, greater than or less than the Commitment of the quoting Bank, (y) must be \$10,000,000 or in multiples of \$1,000,000 in excess thereof, and (z) may not exceed the principal amount of Bid Loans for which Competitive Bids were requested;

(C) in case the Company elects a LIBOR Auction, the margin above or below LIBOR (the "LIBOR Bid Margin") offered for each such Bid Loan, expressed in multiples of 1/100th of one basis point to be added to or subtracted from the applicable LIBOR and the Interest Period applicable thereto;

(D) in case the Company elects an Absolute Rate Auction, the rate of interest per annum expressed in multiples of 1/100th of one basis point (the "Absolute Rate") offered for each such Bid Loan; and

(E) the identity of the quoting Bank or Designated Bidder.

A Competitive Bid may contain up to three separate offers by the quoting Bank or Designated Bidder with respect to each Interest Period specified in the related Invitation for Competitive Bids.

(iii) Any Competitive Bid shall be disregarded if it:

(A) is not substantially in conformity with Exhibit H or does not specify all of the information required by subsection (c)(ii) of this Section;

(B) contains qualifying, conditional or similar language;

(C) proposes terms other than or in addition to those set forth in the applicable Invitation for Competitive Bids; or

(D) arrives after the time set forth in subsection (c)(i) of this Section.

(d) Promptly on receipt and not later than 7:00 a.m. (San Francisco time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction, or 7:00 a.m. (San Francisco time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction, the Agent will notify the Company of the terms (i) of any Competitive Bid submitted by a Bank or Designated Bidder that is in accordance with subsection 2.06(c), and (ii) of any Competitive Bid that amends, modifies or is otherwise inconsistent with a previous Competitive Bid submitted by such Bank or Designated Bidder with respect to the same Competitive Bid Request. Any such subsequent Competitive Bid shall be disregarded by the Agent unless such subsequent Competitive Bid is submitted solely to correct a manifest error in such former Competitive Bid and only if received within the times set forth in subsection 2.06(c). The Agent's notice to the Company shall specify (1) the aggregate principal amount of Bid Loans for which offers have been received for each Interest Period specified in the related Competitive Bid Request; and (2) the respective principal amounts and LIBOR Bid Margins or Absolute Rates, as the case may be, so offered. Subject only to the provisions of Sections 3.02, 3.05 and 4.02 hereof and the provisions of this subsection (d), any Competitive Bid shall be irrevocable except with the written consent of the Agent given on the written instructions of the Company.

(e) Not later than 7:30 a.m. (San Francisco time) three Business Days prior to the proposed date of Borrowing, in the case of a LIBOR Auction, or 7:30 a.m. (San Francisco time) on the proposed date of Borrowing, in the case of an Absolute Rate Auction, the Company shall notify the Agent of its acceptance or non-acceptance of the offers so notified to it pursuant to subsection 2.06(d). The Company shall be under no obligation to accept any offer and may choose to reject all offers. In the case of acceptance, such notice shall specify the aggregate principal amount of offers for each Interest Period that is accepted. The Company may accept any Competitive Bid in whole or in part; provided that:

(i) the aggregate principal amount of each Bid Borrowing may not exceed the applicable amount set forth in the related Competitive Bid Request;

(ii) the principal amount of each Bid Borrowing must be \$10,000,000 or in any multiple of \$1,000,000 in excess thereof;

(iii) acceptance of offers may only be made on the basis of ascending LIBOR Bid Margins or Absolute Rates within each Interest Period, as the case may be; and

(iv) the Company may not accept any offer that is

described in subsection 2.06(c)(iii) or that otherwise fails to comply with the requirements of this Agreement.

(f) If offers are made by two or more Banks or Designated Bidders with the same LIBOR Bid Margins or Absolute Rates, as the case may be, for a greater aggregate principal amount than the amount in respect of which such offers are accepted for the related Interest Period, the principal amount of Bid Loans in respect of which such offers are accepted shall be allocated by the Agent among such Banks or Designated Bidders as nearly as possible (in such multiples, not less than \$1,000,000, as the Agent may deem appropriate) in proportion to the aggregate principal amounts of such offers. Determination by the Agent of the amounts of Bid Loans shall be conclusive in the absence of manifest error.

(g) (i) The Agent will promptly notify each Bank or Designated Bidder having submitted a Competitive Bid if its offer has been accepted and, if its offer has been accepted, of the amount of the Bid Loan or Bid Loans to be made by it on the date of the Bid Borrowing.

(ii) Each Bank or Designated Bidder, which has received notice pursuant to subsection 2.06(g)(i) that its Competitive Bid has been accepted, shall make the amounts of such Bid Loans available to the Agent for the account of the Company at the Agent's Payment Office, by 11:00 a.m. (San Francisco time) on such date of Bid Borrowing, in funds immediately available to the Agent for the account of the Company at the Agent's Payment Office. The proceeds of all such Bid Loans received in immediately available funds by the Agent by 11:00 a.m. (San Francisco time) on such date of Bid Borrowing will then be made available to the Company by the Agent in immediately available funds at such office by crediting by 1:00 p.m. (San Francisco time) on such date the account of the Company on the books of BofA with the aggregate of the amounts made available in immediately available funds to the Agent by the Banks. Any proceeds of such Bid Loans received in immediately available funds by the Agent by 11:00 a.m. (San Francisco time) on such date of Bid Borrowing and not credited to the Company by 1:00 p.m. (San Francisco time) on such date shall be deemed to have been disbursed on the following Business Day and interest shall begin to accrue thereon on such following Business Day.

(iii) Promptly following each Bid Borrowing, the Agent shall notify each Bank and Designated Bidder of the ranges of bids submitted and the highest and lowest bids accepted for each Interest Period requested by the Company and the aggregate amount borrowed pursuant to such Bid Borrowing and the Interest Period applicable thereto.

(iv) From time to time, the Company and the Banks and Designated Bidders shall furnish such information to the Agent as the Agent may request relating to the making of Bid Loans, including the amounts, interest rates, dates of borrowings and maturities thereof, for purposes of the allocation of amounts received from the Company for payment of all amounts owing hereunder.

(h) If, on or prior to the proposed date of Borrowing, the Commitments have not been terminated and if, on such proposed date of Borrowing all applicable conditions to funding referenced in Sections 3.02, 3.05 and 4.02 hereof are satisfied, the Banks and Designated Bidders whose offers the Company has accepted will fund each Bid Loan so accepted. Nothing in this Section 2.06 shall be construed as a right of first offer in favor of the Banks or Designated Bidders or to otherwise limit the ability of the Company to request and accept credit facilities from any Person (including any of the Banks or Designated Bidders), provided that no Default or Event of Default would otherwise arise or exist as a result of the Company executing, delivering or performing under such credit facilities.

2.07 Procedure for Swingline Loans. (a) Each Borrowing of a Swingline Loan shall be made upon the Company's irrevocable written notice delivered to the Agent (with a copy to the Swingline Bank) in the form of a Notice of Borrowing (which notice must be received by the Agent and the Swingline Bank prior to 11:00 a.m. (San Francisco time) on the requested Borrowing Date, specifying: (i) the amount of such Swingline Loan; and (ii) the requested Borrowing Date, which shall be a Business Day. Upon receipt of the Notice of Borrowing, the Swingline Bank will immediately confirm with the Agent (by telephone or in writing) that the Agent has received a copy of the Notice of Borrowing from the Company and, if not, the Swingline Bank will provide the Agent with a copy thereof.

(b) Unless the Swingline Bank has received notice prior to 2:00 p.m. (San Francisco time) on the relevant Swingline Borrowing Date from the Agent (including at the request of any Bank) (i) directing the Swingline Bank not to make the requested Swingline Loan as a result of the limitation set forth in the proviso set forth in Section 2.01(b), or (ii) that one or more conditions specified in Article IV are not then satisfied; then, subject to the terms and conditions hereof, the Swingline Bank will, not later than 3:00 p.m. (San Francisco time) on the Borrowing Date specified in such Notice of Borrowing, make the amount of the requested Swingline Loan available to the Agent for the account of the Company at the Agent's Payment Office in immediately available funds. The proceeds of such Swingline Loan received in immediately available funds by the Agent by 3:00 p.m. (San Francisco time) on such Borrowing Date will then be made available to the Company by the Agent in immediately available funds by crediting the account of the Company on the books of BofA with the amount made available in immediately available funds to the Agent by the Swingline Bank. Each Swingline Borrowing pursuant to this Section shall be in an aggregate principal amount equal to \$1,000,000 or an integral multiple of \$100,000 in excess thereof, unless otherwise agreed by the Swingline Bank.

(c) After giving effect to any Borrowing of a Swingline Loan, there may not be more than three different Swingline Loans outstanding at any one time.

(d) The Agent will notify the Banks of any Borrowing of a Swingline

Loan or repayment thereof promptly after any such Borrowing or repayment.

(e) If (i) any Swingline Loan shall remain outstanding at 9:00 a.m. (San Francisco time) on the Business Day immediately prior to a Swingline Clean-Up Day and by such time on such Business Day the Agent shall have received neither (A) a Notice of Borrowing delivered pursuant to Section 2.03 requesting that Committed Loans be made pursuant to Section 2.01(a) on the Swingline Clean-Up Day in an amount at least equal to the principal amount of such Swingline Loan, nor (B) any other notice indicating the Company's intent to repay such Swingline Loan with funds obtained from other sources, or (ii) any Swingline Loans shall remain outstanding during the existence of a Default or Event of Default and the Swingline Bank shall in its sole discretion notify the Agent that the Swingline Bank desires that such Swingline Loans be converted into Committed Loans; then, the Agent shall be deemed to have received a Notice of Borrowing from the Company pursuant to Section 2.03 requesting that Base Rate Committed Loans be made pursuant to Section 2.01(a) on such Swingline Clean-Up Day (in the case of the circumstances described in clause (i) above) or on the first Business Day subsequent to the date of such notice from the Swingline Bank (in the case of the circumstances described in clause (ii) above) in an amount equal to the aggregate amount of such Swingline Loans, and the procedures set forth in Sections 2.03(b) and 2.03(c) shall be followed in making such Base Rate Committed Loans; provided, that such Base Rate Committed Loans shall be made notwithstanding the Company's failure to comply with the conditions specified in Section 4.02 and notwithstanding that the aggregate amount of such Swingline Loans is less than the minimum amount for borrowing set forth in Section 2.03(a); and provided, further, that if a Borrowing of Committed Loans becomes legally impracticable and if so required by the Swingline Bank at the time such Committed Loans are required to be made by the Banks in accordance with this subsection 2.07(e), each Bank agrees that in lieu of making Committed Loans as described above, such Bank shall purchase a participation from the Swingline Bank in the applicable Swingline Loans in an amount equal to such Bank's Pro Rata Share of the aggregate principal amount of such Swingline Loans, and the procedures set forth in Sections 2.03(b) and 2.03(c) shall be followed in connection with the purchases of such participations. The proceeds of such Base Rate Committed Loans or purchases of participations, as the case may be, shall be applied to repay such Swingline Loans. A copy of each notice given by the Agent to the Banks pursuant to this subsection 2.07(e) with respect to the making of Committed Loans or the purchases of participations, as the case may be, shall be promptly delivered by the Agent to the Company. Each Bank's obligation in accordance with this Agreement to make the Committed Loans or purchase the participations, as contemplated by this subsection 2.07(e), shall be absolute and unconditional and shall not be affected by any circumstance (except the Swingline Bank's funding of a Swingline Loan when it has received a notice under subsection 2.07(b)(i) or (ii)), including (1) any set-off, counterclaim, recoupment, defense or other right which such Bank may have against the Swingline Bank, the Company or any other Person for any reason whatsoever; (2) the occurrence or continuance of a Default or an Event of Default; or (3) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing; provided, that, nothing in this Section 2.07 shall require any Bank to fund a Committed Loan or purchase a participation to the extent that such Committed Loan or participation interest, when aggregated with such Bank's then-outstanding Committed Loans and participation interests, would exceed such Bank's Commitment.

2.08 Voluntary Termination or Reduction of Commitments. The Company may, upon not less than three Business Days' prior notice to the Agent, terminate the Commitments, or permanently reduce the Commitments by an aggregate minimum amount of \$10,000,000 or any multiple of \$1,000,000 in excess thereof; unless, after giving effect thereto and to any prepayments of Committed Loans or Swingline Loans made on the effective date thereof, (i) the then-outstanding principal amount of the Loans would exceed the amount of the combined Commitments then in effect, or (ii) the then-outstanding principal amount of all Swingline Loans would exceed the amount of the Swingline Commitment then in effect, as adjusted pursuant to the last sentence of this Section 2.08. Once reduced in accordance with this Section, the Commitments may not be increased. Any reduction of the Commitments shall be applied to each Bank's Commitment according to its Pro Rata Share. All accrued facility fees to, but not including the effective date of any reduction or termination of Commitments, shall be paid on the effective date of such reduction or termination. At no time shall the Swingline Commitment exceed the combined Commitments or the Commitment of the Swingline Bank and any reduction of the Commitments or the Commitment of the Swingline Bank which reduces the combined Commitments or the Swingline Bank's Commitment, respectively, below the then-current amount of the Swingline Commitment shall result in an automatic corresponding reduction of the Swingline Commitment to the amount of the combined Commitments or the Swingline Bank's Commitment, respectively, as so reduced, without any action on the part of the Swingline Bank.

2.09 Prepayments. (a) Subject to Section 3.04, the Company may, at any time or from time to time, upon not less than three Business Days' irrevocable notice to the Agent, in the case of a prepayment of Offshore Rate Committed Loans, one Business Day's irrevocable notice to the Agent, in the case of a prepayment of Base Rate Committed Loans, or irrevocable notice to the Agent on the Business Day of the proposed prepayment, in the case of a prepayment of Swingline Loans, ratably prepay Committed Loans or Swingline Loans in whole or in part, and, in the case of Committed Loans, in minimum amounts of \$5,000,000 or any multiple of \$1,000,000 in excess thereof. Such notice of prepayment shall specify the date and amount of such prepayment, whether such prepayment is of Committed Loans or Swingline Loans, or a combination thereof, and, if applicable, the Type(s) of Committed Loans to be prepaid. The Agent will promptly notify each Bank of its receipt of any such notice, and, if applicable, of such Bank's Pro Rata Share of such prepayment. If such notice is given by the Company, the Company shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid and any amounts required pursuant to Section 3.04.

(b) Bid Loans may not be voluntarily prepaid other than with the consent of the applicable Bid Loan Lender, to be given or withheld in its sole discretion.

(c) (i) If following any reduction of the Swingline Commitment pursuant to Section 2.08 the aggregate outstanding principal amount of Swingline Loans would exceed the Swingline Commitment as reduced, the Company shall prepay without notice or demand on the reduction date of the Swingline Commitment the outstanding principal amount of the Swingline Loans in an amount equal to the excess of the Swingline Loans over the Swingline Commitment as so reduced, and (ii) so that for one Business Day during each successive two calendar week period the aggregate principal amount of Swingline Loans shall be \$0 (a "Swingline Clean-Up Day"), the Company shall prepay without notice or demand on the Swingline Clean-Up Day the outstanding principal amount of the Swingline Loans (which Swingline Loans may not be reborrowed until such Swingline Clean-Up Day has ended).

2.10 Repayment.

(a) The Revolving Credit. The Company shall repay to the Banks on the Revolving Termination Date the aggregate principal amount of Committed Loans outstanding on such date.

(b) Bid Loans. The Company shall repay each Bid Loan on the last day of the relevant Interest Period.

(c) Swingline. The Company shall repay to the Swingline Bank in full on the Revolving Termination Date the aggregate principal amount of the Swingline Loans outstanding on such date.

2.11 Interest.

(a) (i) Each Committed Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Offshore Rate or the Base Rate, as the case may be (and subject to the Company's right to convert to other Types of Committed Loans under Section 2.04), plus the Applicable Margin, (ii) each Swingline Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the Base Rate plus the Applicable Margin or at such other rate not in excess of the Base Rate plus the Applicable Margin agreed to by the Swingline Bank in its sole discretion at the time of the applicable Swingline Borrowing, and (iii) each Bid Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing Date at a rate per annum equal to the LIBOR Rate plus (or minus) the LIBOR Bid Margin or at the Absolute Rate, as the case may be.

(b) Interest on each Loan shall be paid in arrears on each Interest Payment Date. Interest shall also be paid on the date of any prepayment of Committed Loans or Swingline Loans under Section 2.09 for the portion of the Loans so prepaid and upon payment (including prepayment) in full thereof and, during the existence of any Event of Default, interest shall be paid on demand of the Agent at the request or with the consent of the Majority Banks.

(c) Notwithstanding subsection (a) of this Section, if any amount of principal of or interest on any Loan or any other amount payable hereunder or under any other document or instrument given in connection herewith is not paid in full when due (whether at stated maturity, by acceleration, demand or otherwise), the Company agrees to pay interest on such unpaid principal or other amount, from the date such amount becomes due until the date such amount is paid in full, and after as well as before any entry of judgment thereon to the extent permitted by law, payable on demand, at a fluctuating rate per annum equal to the Base Rate plus 1%.

(d) Anything herein to the contrary notwithstanding, the obligations of the Company to any Bank or Designated Bidder hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder, to the extent (but only to the extent) that contracting for or receiving such payment by such Bank or Designated Bidder would be contrary to the provisions of any law applicable to such Bank or Designated Bidder limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Bank or Designated Bidder, and in such event the Company shall pay such Bank or Designated Bidder interest at the highest rate permitted by applicable law.

2.12 Fees.

(a) Facility Fees. The Company shall pay to the Agent for the account of each Bank a facility fee on the full amount of such Bank's Commitment (regardless of usage), computed on a quarterly basis in arrears on the last Business Day of each calendar quarter, at a rate per annum equal to the Facility Fee Percentage. Such facility fee shall accrue from the Closing Date to the Revolving Termination Date and shall be due and payable quarterly in arrears on the last Business Day of each calendar quarter commencing on March 31, 1996 through the Revolving Termination Date, with the final payment to be made on the Revolving Termination Date; provided that, in connection with any reduction or termination of Commitments under Section 2.08, the accrued facility fee calculated for the period ending on such date shall also be paid on the date of such reduction or termination, with the following quarterly payment being calculated on the basis of the period from such reduction or termination date to such quarterly payment date. The facility fees provided in this subsection shall accrue at all times after the above-mentioned commencement date, including at any time during which one or more conditions in Article IV are not met.

(b) Arrangement, Agency, Bid Loan Fees. The Company shall pay an arrangement fee to the Arranger for the Arranger's own account, and shall pay an agency fee and Bid Loan fees to the Agent for the Agent's own account, as required by the letter agreement ("Fee Letter") between the Company and the

2.13 Computation of Fees and Interest.

(a) All computations of interest for Base Rate Committed Loans and Swingline Loans bearing interest based on the Base Rate when the Base Rate is determined by BofA's "reference rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year). Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof. The Agent will provide to the Company a statement of the amount of interest due on each Interest Payment Date and such other dates that interest is due hereunder and a statement of the amount of fees due on each date that fees are due hereunder; provided that the failure of the Agent to provide any such statement shall not limit or otherwise affect the Company's obligations hereunder or under any Note.

(b) Each determination of an interest rate by the Agent shall be conclusive and binding on the Company, the Banks and Designated Bidders in the absence of manifest error.

(c) If any Reference Bank's Commitment terminates (other than on termination of all the Commitments), or for any reason whatsoever any Reference Bank ceases to be a Bank hereunder, that Reference Bank shall thereupon cease to be a Reference Bank. The Agent shall promptly appoint another Bank (which Bank shall be approved by the Company) as a replacement Reference Bank for the terminated Reference Bank. Until the appointment of such replacement Reference Bank, the Offshore Rate and LIBOR Rate shall be determined on the basis of the rates as notified by the remaining Reference Bank.

(d) Each Reference Bank shall use its best efforts to furnish quotations of rates to the Agent as contemplated hereby. If any of the Reference Banks fails to supply such rates to the Agent upon its request, the rate of interest shall be determined on the basis of the quotations of the remaining Reference Bank.

2.14 Payments by the Company.

(a) All payments to be made by the Company shall be made without set-off, recoupment or counterclaim. Except as otherwise expressly provided herein, all payments by the Company shall be made to the Agent for the account of the Banks and Designated Bidders at the Agent's Payment Office, and shall be made in dollars and in immediately available funds, no later than 11:00 a.m. (San Francisco time) on the date specified herein. The Agent will promptly distribute to each Bank (or Designated Bidder) its Pro Rata Share (or other applicable share as expressly provided herein) of such payment in like funds as received. Any payment received by the Agent later than 11:00 a.m. (San Francisco time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless the Agent receives notice from the Company prior to the date on which any payment is due to the Banks or Designated Bidders that the Company will not make such payment in full as and when required, the Agent may assume that the Company has made such payment in full to the Agent on such date in immediately available funds and the Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Bank or Designated Bidder on such due date an amount equal to the amount then due such Bank or Designated Bidder. If and to the extent the Company has not made such payment in full to the Agent, each Bank or Designated Bidder shall repay to the Agent on demand such amount distributed to such Bank or Designated Bidder, together with interest thereon at the Federal Funds Rate for each day from the date such amount is distributed to such Bank or Designated Bidder until the date repaid.

2.15 Payments by the Banks to the Agent.

(a) Unless the Agent receives notice from a Bank on or prior to the Closing Date or, with respect to any Borrowing after the Closing Date, at least one Business Day prior to the date of such Borrowing, that such Bank will not make available as and when required hereunder to the Agent for the account of the Company the amount of that Bank's Pro Rata Share of the Committed Borrowing, in the case of a Committed Borrowing, or the Swingline Loan, in the case of a Swingline Borrowing, the Agent may assume that each Bank, in the case of a Committed Borrowing, or the Swingline Bank, in the case of a Swingline Borrowing, has made such amount available to the Agent in immediately available funds on the Borrowing Date and the Agent may (but shall not be so required), in reliance upon such assumption, make available to the Company on such date a corresponding amount. If and to the extent any Bank shall not have made its full amount available to the Agent in immediately available funds and the Agent in such circumstances has made available to the Company such amount, that Bank shall on the Business Day following such Borrowing Date make such amount available to the Agent, together with interest at the Federal Funds Rate for each day during the period from the Borrowing Date to the date that Bank makes such amount available to the Agent. A notice of the Agent submitted to any Bank with respect to amounts owing under this subsection (a) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Agent shall constitute such Bank's Loan as of the date of Borrowing for all purposes of this Agreement. If such amount is not made available to the Agent on the Business Day following the

Borrowing Date, the Agent will notify the Company of such failure to fund and, upon demand by the Agent, the Company shall pay such amount to the Agent for the Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing.

(b) The failure of any Bank to make any Committed Loan on any Borrowing Date shall not relieve any other Bank of any obligation hereunder to make a Committed Loan on such Borrowing Date, but no Bank shall be responsible for the failure of any other Bank to make the Committed Loan to be made by such other Bank on any Borrowing Date.

2.16 Sharing of Payments, Etc. If, other than as expressly provided elsewhere herein, any Bank shall obtain on account of the Committed Loans made by it any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its Pro Rata Share, such Bank shall immediately (a) notify the Agent of such fact, and (b) purchase from the other Banks such participations in the Committed Loans made by them as shall be necessary to cause such purchasing Bank to share the excess payment pro rata with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from the purchasing Bank, such purchase shall to that extent be rescinded and each other Bank shall repay to the purchasing Bank the purchase price paid therefor, together with an amount equal to such paying Bank's ratable share (according to the proportion of (i) the amount of such paying Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Company agrees that any Bank so purchasing a participation from another Bank may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off, but subject to Section 10.11) with respect to such participation as fully as if such Bank were the direct creditor of the Company in the amount of such participation. The Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section and will in each case notify the Banks following any such purchases or repayments. Any Bank having outstanding both Committed Loans, Swingline Loans, and Bid Loans at any time a right of set-off is exercised by such Bank and applying such setoff to the Loans shall apply the proceeds of such set-off first to such Bank's Committed Loans, until its Committed Loans are reduced to zero, thereafter to its Swingline Loans, until reduced to zero, and thereafter to its Bid Loans.

2.17 Quarterly Adjustments.

(a) If the financial reports delivered pursuant to subsections 6.07(a) and 6.07(b) and the certificate delivered pursuant to subsection 6.07(c) when delivered with respect to any fiscal quarter indicate that the Applicable Margin or Facility Fee Percentage for any period should have been higher than the Applicable Margin or Facility Fee Percentage assumed for such period pursuant to the definitions of such terms, and the interest or fee that would have been collected hereunder based upon the actual Applicable Margin or Facility Fee Percentage exceeds the interest or fee actually collected hereunder, then the Company shall pay an amount equal to such excess to the Agent for the account of the Banks. The Agent will provide a statement to the Company of such amounts due within five Business Days of the Agent's receipt of such financial reports and certificate, and the Company shall pay such amounts within three Business Days of its receipt of such statement; provided that the failure of the Agent to provide any such statement shall not limit or otherwise affect the Company's obligations hereunder or under any Note.

(b) If (i) the financial reports delivered pursuant to subsections 6.07(a) and 6.07(b) and the certificate delivered pursuant to subsection 6.07(c) when delivered with respect to any fiscal quarter indicate that the Applicable Margin or Facility Fee Percentage for any period should have been lower than the Applicable Margin or Facility Fee Percentage assumed for such period pursuant to the definitions of such terms, and (ii) the interest or fee actually collected hereunder exceeds the interest or fee that would have been collected hereunder based upon the actual Applicable Margin or Facility Fee Percentage, then the Agent shall credit such excess to interest and fees owing hereunder (including any interest owing under subsection 2.11(c)) during the calendar quarter when such financial reports and certificate were received and, if all such excess is not credited by the end of such calendar quarter, upon request of the Company, each Bank, severally, if no Default or Event of Default exists, shall refund to the Agent for distribution to the Company the amount of such excess actually received and retained by such Bank.

ARTICLE III TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes. (a) Any and all payments by the Company to each Bank or Designated Bidder or the Agent under this Agreement and any other document or instrument given in connection herewith shall be made free and clear of, and without deduction or withholding for any Taxes. In addition, the Company shall pay all Other Taxes.

(b) The Company agrees to indemnify and hold harmless each Bank and Designated Bidder and the Agent for the full amount of Taxes or Other Taxes imposed on any payments under this Agreement (including any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section) paid by such Bank or Designated Bidder or the Agent and any liability (including penalties, interest, additions to tax and expenses, unless arising from the gross negligence or willful misconduct of such Bank or Designated Bidder or the Agent) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. Payment under this indemnification shall be made within 30 days after the date such Bank or Designated Bidder or the Agent makes written demand therefor.

(c) If the Company shall be required by law to deduct or withhold any Taxes or Other Taxes from or in respect of any sum payable hereunder to any

Bank or Designated Bidder or the Agent, then:

(i) the sum payable shall be increased as necessary so that after making all required deductions and withholdings (including deductions and withholdings applicable to additional sums payable under this Section) such Bank or Designated Bidder or the Agent, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made;

(ii) the Company shall make such deductions and withholdings;

(iii) the Company shall pay the full amount deducted or withheld to the relevant taxing authority or other authority in accordance with applicable law; and

(iv) the Company shall also pay to each Bank or Designated Bidder or to the Agent for the account of such Bank or Designated Bidder, at the time interest is paid, all additional amounts which the respective Bank or Designated Bidder specifies as necessary to preserve the after-tax yield such Bank or Designated Bidder would have received if such Taxes or Other Taxes had not been imposed.

(d) Within 30 days after the date of any payment by the Company of Taxes or Other Taxes, the Company shall furnish the Agent the original or a certified copy of a receipt evidencing payment thereof, or other evidence of payment satisfactory to the Agent.

(e) If the Company is required to pay additional amounts to any Bank or Designated Bidder or the Agent for such Person's account pursuant to subsection (c) of this Section, then such Bank or Designated Bidder shall use reasonable efforts (consistent with legal and regulatory restrictions) to change the jurisdiction of its Lending Office so as to eliminate any such additional payment by the Company which may thereafter accrue, if such change in the judgment of such Bank or Designated Bidder is not otherwise disadvantageous to such Bank or Designated Bidder, as the case may be.

3.02 Illegality.

(a) If any Bank reasonably determines that the introduction of any Requirement of Law, or any change in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, has made it unlawful, or that any central bank or other governmental authority has asserted that it is unlawful, for any Bank or its applicable Lending Office, or such Bank's Designated Bidders in the case of LIBOR Bid Loans, to make Offshore Rate Loans, then, on notice thereof by the Bank to the Company through the Agent, any obligation of that Bank or Designated Bidder to make Offshore Rate Loans (including in respect of any LIBOR Bid Loan as to which the Company has accepted such Bank's or Designated Bidder's Competitive Bid, but as to which the Borrowing Date has not arrived) shall be suspended until such Bank notifies the Agent and the Company that the circumstances giving rise to such determination no longer exist.

(b) If a Bank reasonably determines that it is unlawful for such Bank or such Bank's Designated Bidder to maintain any Offshore Rate Loan, the Company shall, upon its receipt of notice of such fact and demand from such Bank (with a copy to the Agent), prepay in full such Offshore Rate Loans of that Bank or its Designated Bidder then outstanding, together with interest accrued thereon and amounts required under Section 3.04, either on the last day of the Interest Period thereof, if such Bank or its Designated Bidder may lawfully continue to maintain such Offshore Rate Loans to such day, or immediately, if such Bank or its Designated Bidder may not lawfully continue to maintain such Offshore Rate Loans. If the Company is required to so prepay any Offshore Rate Committed Loan, then concurrently with such prepayment, the Company shall borrow from the affected Bank, in the amount of such repayment, a Base Rate Committed Loan.

(c) If the obligation of any Bank to make or maintain Offshore Rate Committed Loans has been so terminated or suspended, the Company may elect, by giving notice to such Bank through the Agent that all Loans which would otherwise be made by such Bank as Offshore Rate Committed Loans shall be instead Base Rate Committed Loans.

3.03 Increased Costs and Reduction of Return.

(a) If any Bank determines that, due to either (i) the introduction of or any change (other than any change by way of imposition of or increase in reserve requirements included in the calculation of the Offshore Rate) in or in the interpretation of any law or regulation or (ii) the compliance by that Bank with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to such Bank of agreeing to make or making, funding or maintaining any Offshore Rate Committed Loans, then the Company shall be liable for, and shall from time to time, upon demand (with a copy of such demand to be sent to the Agent), pay to the Agent for the account of such Bank, additional amounts as are sufficient to compensate such Bank for such increased costs.

(b) If any Bank or, in the case of Bid Loans, such Bank's Designated Bidder, shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other governmental authority charged with the interpretation or administration thereof, or (iv) compliance by such Bank or Designated Bidder (or the Lending Office of either) or any corporation controlling such Bank or Designated Bidder with any Capital Adequacy

Regulation, affects or would affect the amount of capital required or expected to be maintained by such Bank or Designated Bidder or any corporation controlling such Bank or Designated Bidder and (taking into consideration such Bank's or such Designated Bidder's or such corporation's policies with respect to capital adequacy and such Bank's or such Designated Bidder's or such corporation's desired return on capital) determines that the amount of such capital is increased as a consequence of its Commitment, Swingline Commitment (in the case of the Swingline Bank), loans, credits or obligations under this Agreement, then, upon demand of such Bank or such Designated Bidder to the Company through the Agent, the Company shall pay to such Bank or Designated Bidder, as applicable, from time to time as specified by such Bank or such Designated Bidder, additional amounts sufficient to compensate such Bank or Designated Bidder for such increase. For purposes of this subsection, "Capital Adequacy Regulation" means any guideline, request or directive of any central bank or other governmental authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy of any bank or of any corporation controlling a bank.

3.04 Funding Losses. The Company shall reimburse each Bank and, in the case of Bid Loans, each Bank's Designated Bidder, and hold each Bank and, in the case of Bid Loans, each Bank's Designated Bidder, harmless from any loss or expense which such Bank or Designated Bidder may sustain or incur as a consequence of:

- (a) the failure of the Company to make on a timely basis any payment of principal of any Offshore Rate Loan;
- (b) the failure of the Company to borrow, continue or convert a Committed Loan after the Company has given (or is deemed to have given) a Notice of Borrowing or a Notice of Conversion/Continuation;
- (c) the failure of the Company to make any prepayment of any Committed Loan in accordance with any notice delivered under Section 2.09;
- (d) the prepayment (including pursuant to Section 2.09) or other payment (including after acceleration thereof) of any Offshore Rate Loan or Absolute Rate Bid Loan on a day that is not the last day of the relevant Interest Period; or
- (e) the automatic conversion under Section 2.04 of any Offshore Rate Committed Loan to a Base Rate Committed Loan on a day that is not the last day of the relevant Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its Offshore Rate Loans or from fees payable to terminate the deposits from which such funds were obtained.

3.05 Inability to Determine Rates. If the Agent determines that for any reason adequate and reasonable means do not exist for determining the Offshore Rate or the LIBOR Rate for any requested Interest Period with respect to a proposed Offshore Rate Loan, or that the Offshore Rate or the LIBOR Rate applicable pursuant to subsection 2.11(a) for any requested Interest Period with respect to a proposed Offshore Rate Loan does not adequately and fairly reflect the cost to the Banks of funding such Loan, the Agent will promptly so notify the Company and each Bank. Thereafter, the obligation of the Banks to make or maintain Offshore Rate Loans, as the case may be, hereunder shall be suspended until the Agent revokes such notice in writing. Upon receipt of such notice, the Company may revoke any Notice of Borrowing or Notice of Conversion/Continuation then submitted by it. If the Company does not revoke such Notice of Borrowing, the Banks shall make, convert or continue the Committed Loans, as proposed by the Company, in the amount specified in the applicable notice submitted by the Company, but such Committed Loans shall be made, converted or continued as Base Rate Committed Loans instead of Offshore Rate Committed Loans.

3.06 Survival. The agreements and obligations of the Company in this Article III shall survive the payment of all other obligations hereunder.

ARTICLE IV CONDITIONS PRECEDENT

4.01 Conditions of Initial Loans. The effectiveness of this Agreement, the obligation of each Bank to make its initial Committed Loan hereunder and to receive through the Agent the initial Competitive Bid Request, and the obligation of the Swingline Bank to make its initial Swingline Loan hereunder, is subject to the condition that the Agent have received on or before the Closing Date all of the following, in form and substance satisfactory to the Agent and each Bank, and in sufficient copies for each Bank:

- (a) Credit Agreement and Notes. This Agreement and, if requested by any Bank, the Note(s), executed by each party thereto;
- (b) Legal Opinions. (i) An opinion, dated the Closing Date, of Miller, Nash, Wiener, Hager & Carlsen, counsel for the Company, substantially in the form of Exhibit D-1 hereto, and (ii) an opinion, dated the Closing Date, of Morrison & Foerster, special California counsel to the Agent, substantially in the form of Exhibit D-2 hereto;
- (c) Resolutions. A copy of a resolution or resolutions passed by the Board of Directors of the Company, certified by the Secretary or an Assistant Secretary of the Company as being in full force and effect on the Closing Date, authorizing the Borrowings provided for herein and the execution, delivery and

performance of this Agreement and any instrument or agreement required hereunder;

(d) Incumbency. A certificate, signed by the Secretary or an Assistant Secretary of the Company and dated the Closing Date, as to the incumbency, and containing the specimen signature or signatures, of the person or persons authorized to execute and deliver this Agreement and any instrument or agreement required hereunder on behalf of the Company;

(e) Payment of Fees. Evidence of payment by the Company of all accrued and unpaid fees, costs and expenses to the extent then due and payable on the Closing Date, together with attorney costs of BofA to the extent invoiced prior to or on the Closing Date, plus such additional amounts of attorney costs as shall constitute BofA's reasonable estimate of attorney costs incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude final settling of accounts between the Company and BofA with respect to such costs); including any such costs, fees and expenses arising under or referenced in Sections 2.12(b) and 10.04;

(f) Certificate. A certificate signed by a duly authorized officer of the Company, dated as of the Closing Date, stating that:

(i) the representations and warranties contained in Article V are true and correct on and as of such date, as though made on and as of such date; and

(ii) no Default or Event of Default exists or would result from the initial Borrowing;

(g) Termination of Existing Agreement . Evidence (i) that all commitments to extend credit under the Credit Agreement (the "Existing Agreement") dated as of January 31, 1995 between the Company, the financial institutions party thereto, and BofA, as agent for such financial institutions, have been terminated, and (ii) of payment or repayment by the Company of (A) all facility fees accrued to the Closing Date under subsection 2.11(a) of the Existing Agreement and (B) all principal, accrued interest and any amounts payable under Section 3.04 of the Existing Agreement; it being agreed by each of the Banks which is party to the Existing Agreement (x) that, upon satisfaction or waiver of all other conditions set forth in this Section 4.01, its commitment to extend credit under the Existing Agreement shall be deemed to be terminated, notwithstanding the notice provisions of Section 2.07 of the Existing Agreement, which each such Bank hereby waives, and the condition set forth in clause (i) of this subsection 4.01(g) shall be deemed to be satisfied, and (y) promptly after the Closing Date, such Bank will return to the Agent for return to the Company any promissory note given to it by the Company under the Existing Agreement; and

(h) Other Documents. Certified copies of all approvals, consents, exemptions and other actions by, and notices to and filings with, any governmental authority and any trustee or holder of any indebtedness or obligation of the Company which, in any Bank's opinion, are required in connection with any transaction contemplated hereby.

4.02 Conditions to All Borrowings. The obligation of each Bank to make any Committed Loan to be made by it, the obligation of any Bank or Designated Bidder to make any Bid Loan as to which the Company has accepted the relevant Competitive Bid, and the obligation of the Swingline Bank to make any Swingline Loan hereunder (including, in each case, its initial Loan), is subject to the satisfaction of the following conditions precedent on the relevant Borrowing Date:

(a) Notice of Borrowing. As to any Committed Loan, the Agent shall have received (with, in the case of the initial Loan only, a copy for each Bank) a Notice of Borrowing;

(b) Continuation of Representations and Warranties. The representations and warranties in Article V (exclusive of Section 5.13) shall be true and correct on and as of such Borrowing Date with the same effect as if made on and as of such Borrowing Date;

(c) Financial Statements. The financial statements then most recently supplied to the Banks under both subsections 6.07(a) and 6.07(b) shall have been prepared in accordance with the provisions of such subsections as of the dates and periods therein specified, and since such dates and periods there shall have been no change in the Company's consolidated financial condition or results of operations sufficient to impair the Company's ability to repay the Loans in accordance with the terms hereof, and neither the Company nor any Subsidiary shall have any contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate to the Company, except as shall have been disclosed in such financial statements, or as shall have been otherwise previously disclosed to the Banks in writing; and

(d) No Existing Default. No Default or Event of

Default shall exist or shall result from such Borrowing.

Each Notice of Borrowing and Competitive Bid Request submitted by the Company hereunder shall constitute a representation and warranty by the Company hereunder, as of the date of each such notice or request and as of each Borrowing Date, that the conditions in this Section 4.02 are satisfied.

ARTICLE V REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to the Agent and each Bank that:

5.01 Corporate Existence. The Company is a corporation duly organized and existing under the laws of Delaware, and is properly qualified as a foreign corporation and in good standing in every jurisdiction in which the Company is doing business of a nature that requires such qualification;

5.02 Subsidiaries. Each Subsidiary is duly organized and existing under the laws of the jurisdiction of its formation, and is properly qualified as a foreign corporation and in good standing in every jurisdiction in which it is doing business of a nature that requires such qualification;

5.03 Corporate Authorization. The execution, delivery and performance of this Agreement and any instrument or agreement required hereunder are within the Company's powers, have been duly authorized, and are not in conflict with the terms of any charter, bylaw or other organization papers of the Company, or any instrument or agreement to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound or affected;

5.04 Governmental Authorization. No approval, consent, exemption or other action by, or notice to or filing with, any governmental authority is necessary in connection with the execution, delivery or performance by the Company of this Agreement or any instrument or agreement required hereunder, except as may have been obtained and certified copies of which have been delivered to the Agent and each Bank;

5.05 No Contravention. There is no law, rule or regulation applicable to the Company or any Subsidiary, nor is there any judgment, decree or order of any court or governmental authority binding on the Company or any Subsidiary, which would be contravened by the execution, delivery, performance or enforcement of this Agreement or any instrument or agreement required hereunder;

5.06 Binding Effect. This Agreement is a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable;

5.07 Encumbrances. The properties and assets of the Company and Subsidiaries are free and clear of all security interests, liens, encumbrances or rights of others, except for security interests, liens and encumbrances permitted under Section 7.04;

5.08 Compliance with Laws. The Company and each Subsidiary are in compliance with all applicable federal, state and local laws, ordinances and regulations relating to hazardous materials or wastes or hazardous or toxic substances, except where failure to so comply would not have a material adverse effect on the Company's consolidated financial condition or operations or materially impair the Company's ability to perform its obligations hereunder or under any instrument or agreement required hereunder;

5.09 Litigation. Except as disclosed in reports filed by the Company with the Securities and Exchange Commission, copies of which have been delivered to the Banks, or in Exhibit A to the legal opinion delivered under subsection 4.01(b)(i), there are no suits, proceedings, claims or disputes pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or their respective properties, the adverse determination of which might reasonably be expected to materially affect the Company's consolidated financial condition or operations or materially impair the Company's ability to perform its obligations hereunder or under any instrument or agreement required hereunder;

5.10 No Default. No Default or Event of Default has occurred and is continuing or would result from the incurring of obligations by the Company under this Agreement;

5.11 Use of Proceeds; Margin Regulations. The proceeds of the Loans are to be used solely for the purposes set forth in and permitted by Section 6.01 and Section 7.05. Neither the Company nor any Subsidiary is generally engaged in the business of purchasing or selling "margin stock" as such term is defined in Regulation G, T, U or X of the FRB or extending credit for the purpose of purchasing or carrying such margin stock;

5.12 Regulated Entities. None of the Company, any Person controlling the Company, or any Subsidiary is an "Investment Company" within the meaning of the Investment Company Act of 1940. The Company is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other Federal or state statute or regulation limiting its ability to incur indebtedness;

5.13 Financial Statements. All consolidated financial statements for the year ended December 31, 1994, and subsequent periods, furnished by the Company to the Agent and the Banks present fairly, in all material respects, the consolidated financial position of the Company (unless otherwise therein noted and any changes in accounting principles and practices are concurred with by the accountants referred to in subsection 6.07(b)) and, together with

all other information and data furnished by the Company to the Agent and the Banks, are complete and correct as of the dates and periods therein specified. Since such dates there has been no change in the Company's consolidated financial condition or results of operations sufficient to impair the Company's ability to repay the Loans in accordance with the terms hereof. Neither the Company nor any Subsidiary has any contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate, except as disclosed in such statements, information and data;

5.14 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law. Each Plan which is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS and, to the best knowledge of the Company, nothing has occurred which would cause the loss of such qualification. The Company and each ERISA Affiliate have made all required contributions to any Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan;

(b) There are no pending or, to the best knowledge of the Company, threatened claims, actions or lawsuits, or action by any governmental authority, with respect to any Plan which have resulted or could reasonably be expected to result in a material adverse change in the Company's consolidated financial condition or results of operations. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in a material adverse change in the Company's consolidated financial condition or results of operations; and

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) except as disclosed in Schedule 5.14(c), no Plan has any Unfunded Pension Liability; (iii) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; and

5.15 Swap Obligations. Neither the Company nor any of its Subsidiaries has incurred any outstanding obligations under any Swap Contracts, other than Permitted Swap Obligations.

ARTICLE VI AFFIRMATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, the Swingline Bank shall have any Swingline Commitment hereunder, or any Loan or other obligation hereunder shall remain unpaid or unsatisfied, the Company will and, with respect to Sections 6.02, 6.03, 6.04, 6.05, 6.06 and 6.08, will cause each Subsidiary to, unless the Majority Banks waive compliance in writing:

6.01 Use of Proceeds. Use the proceeds of the Loans for general corporate purposes not in contravention of any Requirement of Law;

6.02 Preservation of Corporate Existence, Etc. Preserve all rights, privileges and franchises useful or necessary for ordinary business operations and keep all properties useful or necessary for ordinary business operations in good working order and condition, and from time to time make all needful repairs, renewals and replacements thereto and thereof so that the efficiency of such property shall be fully maintained and preserved;

6.03 Notices. Promptly give notice in writing to the Agent and each Bank of:

(a) all litigation when the aggregate amount of claims pending is \$50,000,000 or more and the litigation involves \$15,000,000 or more and the Company, or a Subsidiary, is a defendant;

(b) any dispute which may exist between the Company or any Subsidiary and any governmental regulatory body or any threatened action by any governmental agency to acquire or condemn any of the properties of the Company or any Subsidiary where the amount involved is \$30,000,000 or more;

(c) any strike involving 1,000 or more employees of the Company or any Subsidiary which has continued for thirty (30) days;

(d) any proceeding or order before any court or administrative body requiring the Company or any Subsidiary to comply with any statute or regulation regarding protection of the environment if such compliance would require (i) expenditures in the amount of \$50,000,000 or more or (ii) if such violation involves the possibility of the imposition of a fine of \$10,000,000 or more;

(e) the occurrence of any of the following events affecting the Company or any ERISA Affiliate (but in no event more than 10 days after such event), and deliver to the Agent and each Bank a copy of any notice with respect to such event

that is filed with a governmental authority and any notice delivered by a governmental authority to the Company or any ERISA Affiliate with respect to such event:

- (i) an ERISA Event;
- (ii) a material increase in the Unfunded Pension Liability of any Plan;
- (iii) the adoption of, or the commencement of contributions to, any Plan subject to Section 412 of the Code by the Company or any ERISA Affiliate; or
- (iv) the adoption of any amendment to a Plan subject to Section 412 of the Code, if such amendment results in a material increase in contributions or Unfunded Pension Liability; and
- (f) any Default or Event of Default known to the Company.

Each notice under this Section shall be accompanied by a written statement by the chief financial officer of the Company setting forth details of the occurrence referred to therein and stating what action the Company or any affected Subsidiary proposes to take with respect thereto and at what time. Each notice under subsection 6.03(f) shall describe with particularity any and all clauses or provisions of this Agreement that have been breached or violated;

6.04 Payment of Obligations. Promptly pay and discharge all obligations, including tax claims, at maturity, except such as may be contested in good faith or as to which a bona fide dispute may exist;

6.05 Insurance. Maintain such insurance as is usually maintained by others in the business of the same nature as the business of the Company and each Subsidiary, as the case may be, or maintain a program of self insurance, with reserves, in accordance with sound business practices;

6.06 Inspection of Property and Books and Records. Maintain adequate books, accounts and records in accordance with good accounting standards and permit representatives of the Majority Banks or the Agent to inspect such books and records and to visit the properties of the Company and Subsidiaries;

6.07 Financial Statements. From time to time as hereinafter set forth promptly prepare, or cause to be prepared, and deliver to the Agent, with sufficient copies for each Bank, in form and detail satisfactory to the Majority Banks:

(a) On a consolidated basis summary balance sheets and statements of income, shareholders' equity and cash flows for the Company and Subsidiaries as of the end of each of the first three quarterly accounting periods in each fiscal year of the Company; such statements shall be delivered within 45 days from the end of the period covered and shall be furnished with a Compliance Certificate signed by a responsible officer of the Company;

(b) On a consolidated basis summary balance sheets and statements of income, shareholders' equity and cash flows for the Company and Subsidiaries as of the end of each fiscal year of the Company, certified by an independent certified public accountant or accountants selected by the Company and acceptable to Majority Banks; such independent certified public accountant or accountants shall also certify to the effect that in the course of making their audit they obtained no knowledge of any existing unremedied Default or Event of Default by the Company under this Agreement, or a statement disclosing any such defaults if any are found; such statements shall be delivered within 90 days from the end of the period covered and shall be furnished with a Compliance Certificate signed by a responsible officer of the Company;

(c) Within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Company and within 90 days after the end of each fiscal year of the Company, a Compliance Certificate, with schedules containing the information and calculations necessary to substantiate compliance with Section 7.01 and the calculation of the Interest Coverage Ratio, certified by a responsible officer of the Company and, in the case of financial statements as of the end of each fiscal year, reviewed by the Company's independent certified public accountant or accountants as being true and correct;

(d) Within 90 days after the end of each fiscal year of the Company, a list of Subsidiaries;

(e) Within 15 days after filing with the Securities and Exchange Commission, a copy of all public documents (with the exception of Forms S-8) filed by the Company with the Securities and Exchange Commission; and

(f) Such other financial statements, lists of property and accounts, forecasts, legal opinions or reports as to the Company or any Subsidiary, as any Bank may reasonably request from time to time; and

6.08 ERISA Compliance. (a) Maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law; (b) cause each Plan which is qualified under Section 401(a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412 of the Code, and cause each of its ERISA Affiliates to do each of the foregoing.

ARTICLE VII NEGATIVE COVENANTS

So long as any Bank shall have any Commitment hereunder, the Swingline Bank shall have any Swingline Commitment hereunder, or any Loan or other obligation hereunder shall remain unpaid or unsatisfied, the Company will not and will not permit any Subsidiary to, unless the Majority Banks waive compliance in writing:

7.01 Funded Debt to Net Worth. On a consolidated basis, permit the Funded Debt to Net Worth ratio, measured as of the end of each fiscal quarter, to be in excess of 1.00 to 1.00;

7.02 Disposition of Property. Sell, lease, sell and lease back, exchange, transfer or otherwise dispose of:

(a) in a transaction, or a series of transactions, all or substantially all of the property and assets of the Company and its Subsidiaries on a consolidated basis;

(b) during any calendar year, any of its fixed or capital assets with a fair market value exceeding on a cumulative basis for such year for the Company and Subsidiaries ten percent (10%) of the total consolidated assets of the Company (determined as of the immediately preceding December 31); or

(c) any of its material assets, to the extent not otherwise prohibited by this Section, except for full, fair and reasonable consideration;

7.03 Mergers. Merge or consolidate with any other Person or liquidate or dissolve; provided, however, that:

(a) the Company may merge or consolidate with any other Person if the Company (or the resulting corporation in a consolidation) will be the surviving corporation and the Company (or such resulting corporation) will not be in default under any of the terms of this Agreement immediately after the merger or consolidation; and

(b) any Subsidiary may be merged with or dissolved into the Company or with or into any other Subsidiary;

7.04 Encumbrances. Subject any property to any mortgage, deed of trust, encumbrance, or voluntary lien; provided, however, that this Section 7.04 shall not be deemed to prohibit the assumption of, or purchase subject to, mortgages already existing upon property being acquired, or the execution of purchase money mortgages, or the coming into being of other encumbrances, including in support of industrial revenue or pollution control bonds which are capitalized and treated as indebtedness by the Company (provided that the maximum aggregate outstanding balance of indebtedness secured by such mortgages, purchase money mortgages, or other encumbrances, including such bonds, shall never be in excess of \$100,000,000), liens for taxes, or loggers' liens, or mechanics' liens, or other liens arising by law out of the nature of the operations involved;

7.05 Use of Proceeds. (a) Use any portion of the Loan proceeds, directly or indirectly, (i) to purchase or carry "margin stock" as such term is defined in Regulation G, T, U or X of the FRB, (ii) to repay or otherwise refinance indebtedness of the Company or others incurred to purchase or carry such margin stock, (iii) to extend credit for the purpose of purchasing or carrying any such margin stock, or (iv) to acquire any security in any transaction that is subject to Section 13 or 14 of the Securities and Exchange Act of 1934, and regulations promulgated thereunder; or

(b) directly or indirectly, use any portion of the Loan proceeds (i) knowingly to purchase Ineligible Securities from the Arranger during any period in which the Arranger makes a market in such Ineligible Securities, (ii) knowingly to purchase during the underwriting or placement period Ineligible Securities being underwritten or privately placed by the Arranger, or (iii) to make payments of principal or interest on Ineligible Securities underwritten or privately placed by the Arranger and issued by or for the benefit of the Company or any Affiliate of the Company. The Arranger is a registered broker-dealer and permitted to underwrite and deal in certain Ineligible Securities; and "Ineligible Securities" means securities which may not be underwritten or dealt in by member banks of the Federal Reserve System under Section 16 of the Banking Act of 1933 (12 U.S.C. Section 24, Seventh), as amended; or

7.06 ERISA. (a) engage in one or more prohibited transactions or violations of the fiduciary responsibility rules with respect to any Plan which has resulted or could reasonably be expected to result in liability of the Company in an aggregate amount in excess of \$50,000,000; or (b) engage in a transaction that could be subject to Section 4069 or 4212(c) of ERISA, and the Company shall not suffer or permit any of its ERISA Affiliates to do any of the foregoing.

ARTICLE VIII EVENTS OF DEFAULT

8.01 Events of Default. Any of the following shall constitute an "Event of Default":

(a) The Company shall fail to pay, within five (5) Business Days after the date when due, any installment of interest or principal or any other sum due under this Agreement in accordance with the terms hereof;

(b) Any representation or warranty herein or in any agreement, instrument or certificate executed pursuant hereto or in connection with any transaction contemplated hereby shall prove to have been false or misleading in any material respect when made or when deemed to have been made;

(c) A writ, execution or attachment, or any similar process, shall be levied against all or any substantial portion of the property of the Company or any Subsidiary or any judgment shall be entered against the Company or any Subsidiary in an amount in excess of \$15,000,000 and such writ, execution, attachment, process or judgment is not released, bonded, satisfied, vacated or appealed from within 60 days after its levy or entry, or the total of all judgments against the Company and Subsidiaries outstanding at any time which have not been released, bonded, satisfied, vacated or appealed from within 60 days from the respective dates of entry thereof shall exceed \$45,000,000 in the aggregate;

(d) The Company or any Subsidiary shall fail to pay its debts generally as they come due, or shall file any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

(e) An involuntary petition shall be filed under any bankruptcy statute against the Company or any Subsidiary, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) shall be appointed to take possession, custody, or control of the properties of the Company or any Subsidiary, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within 45 days from the date of said filing or appointment;

(f) (i) Any default shall occur under any other agreement involving the borrowing of money or the extension of credit under which the Company or any Subsidiary may be obligated as borrower having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$25,000,000, if such default consists of the failure to pay any such indebtedness when due or if such default causes (or upon a lapse of time or notice or both would cause) the acceleration of any such indebtedness or the termination of any commitment to lend, or if such default permits (or upon a lapse of time or notice or both would permit) the holder or holders of such indebtedness or beneficiary or beneficiaries of such indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to accelerate any indebtedness or to terminate any commitment to lend, or (ii) there occurs under any Swap Contract an Early Termination Date resulting from (1) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party or (2) any Termination Event as to which the Company or any Subsidiary is an Affected Party, and, in either event, the Swap Termination Value owed by the Company or such Subsidiary as a result thereof is greater than \$25,000,000; for purposes of this subsection (f), the terms "Early Termination Date", "Defaulting Party", "Termination Event", and "Affected Party" shall have the meanings assigned to them in the relevant Swap Contract, it being understood that such definitions contemplate Swap Contracts documented on International Swaps and Derivatives Association ("ISDA") standard forms; if such Swap Contract is not documented on an ISDA standard form, such terms shall be given similar or analogous meanings as used in such non-ISDA standard agreements

(g) (i) Any one or more ERISA Events shall occur with respect to one or more Pension Plans or Multiemployer Plans which has or have resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$50,000,000; (ii) the aggregate amount of Unfunded Pension Liability among all Pension Plans at any time exceeds \$50,000,000; or (iii) the Company or any ERISA Affiliate shall fail to pay when due, after the expiration of any applicable grace period, any installment payment or payments with respect to its withdrawal liability under Section 4201 of ERISA under any one or more Multiemployer Plans, which payment or payments are in an aggregate amount in excess of \$50,000,000;

(h) The entering of a final order by any court or administrative agency requiring the Company or any Subsidiary to divest itself of such a substantial part of its assets that the ability of the Company to pay, when due and payable, either at the fixed maturity thereof or otherwise, the Loans or any part thereof, or any installment of interest thereon, or the principal of or interest on any other obligation for borrowed

money, will be or may reasonably be expected to be materially adversely affected, which order is not subject to appeal or review by any court or as to which order the right to appeal or review has expired, and such order remains in effect for more than 60 days;

(i) Any Person or related group of Persons (other than employees of the Company or its Subsidiaries and any Plan for the benefit of such employees) shall beneficially own or shall control by proxy or otherwise, or shall enter into any agreement to obtain any right to acquire, more than thirty percent (30%) of the Company's voting securities; or

(j) The Company shall breach, or default under, any covenant, term, condition, provision, representation or warranty contained in this Agreement not specifically referred to in this Article, and, except in the case of a breach or default under Section 7.03, such breach or default shall continue for thirty days after the earlier of its discovery by any elected or appointed officer of the Company or written notice thereof to the Company by the Agent or any Bank.

8.02 Remedies. If any Event of Default occurs, the Agent shall, at the request of, or may, with the consent of, the Majority Banks,

(a) declare the commitment of each Bank to make Committed Loans and the commitment of the Swingline Bank to make Swingline Loans to be terminated, whereupon such commitments shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other document or instrument given in connection herewith to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Company; and

(c) exercise on behalf of itself and the Banks and Designated Bidders all rights and remedies available to it and the Banks and Designated Bidders under this Agreement, the Notes, or applicable law;

provided, however, that upon the occurrence of any event specified in subsection (d) or (e) of Section 8.01 (in the case of subsection (e) upon the expiration of the 45-day period mentioned therein), the obligation of each Bank to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of the Agent or any Bank or Designated Bidder.

8.03 Rights Not Exclusive. The rights provided for in this Agreement and the other documents or instruments given in connection herewith are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

8.04 Notice of Default. The Agent shall give notice to the Company under subsection 8.01(j) promptly upon being requested to do so by any Bank and shall thereupon notify all the Banks thereof.

ARTICLE IX THE AGENT

9.01 Appointment and Authorization; "Agent". Each Bank and Designated Bidder hereby irrevocably (subject to Section 9.09) appoints, designates and authorizes the Agent to take such action on its behalf under the provisions of this Agreement and each other document or instrument given in connection herewith and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any such document or instrument, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere in this Agreement or in any such document or instrument, the Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Agent have or be deemed to have any fiduciary relationship with any Bank or Designated Bidder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other document or instrument given in connection herewith or otherwise exist against the Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

9.02 Delegation of Duties. The Agent may execute any of its duties under this Agreement or any other document or instrument given in connection herewith by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

9.03 Liability of Agent. None of the Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other document or instrument given in connection herewith or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any

manner to any of the Banks or Designated Bidders for any recital, statement, representation or warranty made by the Company or any Subsidiary or affiliate of the Company, or any officer thereof, contained in this Agreement or in any other such document or instrument, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other document or instrument given in connection herewith, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other such document or instrument, or for any failure of the Company or any other party to any other such document or instrument to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Bank or Designated Bidder to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other such document or instrument, or to inspect the properties, books or records of the Company or any of the Company's Subsidiaries or affiliates.

9.04 Reliance by Agent.

(a) The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to the Company), independent accountants and other experts selected by the Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other document or instrument given in connection herewith unless it shall first receive such advice or concurrence of the Majority Banks (or, when expressly required hereby, all of the Banks) as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Majority Banks (or, when expressly required hereby, all of the Banks) and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Banks.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Bank that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent by the Agent to such Bank for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to the Bank.

9.05 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Banks or Designated Bidders, unless the Agent shall have received written notice from a Bank or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Agent will notify the Banks of its receipt of any such notice. The Agent shall take such action with respect to such Default or Event of Default as may be requested by the Majority Banks in accordance with Article VIII; provided, however, that unless and until the Agent has received any such request, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Banks and Designated Bidders.

9.06 Credit Decision. Each Bank (which for purposes of this Section 9.06 shall include each Designated Bidder) acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by the Agent hereinafter taken, including any review of the affairs of the Company and its Subsidiaries, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Bank. Each Bank represents to the Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Company and its Subsidiaries, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Company hereunder. Each Bank also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other documents or instruments given in connection herewith, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Company. Except for notices, reports and other documents expressly herein required to be furnished to the Banks by the Agent, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Company which may come into the possession of any of the Agent-Related Persons.

9.07 Indemnification of Agent. Whether or not the transactions contemplated hereby are consummated, the Banks shall indemnify upon demand the Agent-Related Persons (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so), pro rata, from and against any and all Indemnified Liabilities; provided, however, that no Bank shall be liable for the payment to the Agent-Related Persons of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct. Without limitation of the foregoing, each Bank shall reimburse the Agent upon demand for its ratable

share of any costs or out-of-pocket expenses (including attorney costs) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other document or instrument given in connection herewith, or any document contemplated by or referred to herein, to the extent that the Agent is not reimbursed for such expenses by or on behalf of the Company. The undertaking in this Section shall survive the payment of all obligations hereunder and the resignation or replacement of the Agent.

9.08 Agent in Individual Capacity. BofA (or any successor agent) and its affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Company and its Subsidiaries and affiliates as though BofA (or such successor agent) were not the Agent hereunder and without notice to or consent of the Banks or Designated Bidders. The Banks and the Designated Bidders acknowledge that, pursuant to such activities, BofA (or such successor agent) or its affiliates may receive information regarding the Company or its Subsidiaries or affiliates (including information that may be subject to confidentiality obligations in favor of the Company or such Subsidiaries or affiliates) and acknowledge that the Agent shall be under no obligation to provide such information to them. With respect to its Loans, BofA (or such successor) shall have the same rights and powers under this Agreement as any other Bank and may exercise the same as though it were not the Agent, and the terms "Bank" and "Banks" include BofA (or such successor) in its individual capacity.

9.09 Successor Agent. The Agent may, and at the request of the Majority Banks shall, resign as Agent upon 30 days' notice to the Company and the Banks. If the Agent resigns under this Agreement, the Majority Banks shall appoint from among the Banks a successor agent for the Banks. If no successor agent is appointed prior to the effective date of the resignation of the Agent, the Agent may appoint, after consulting with the Banks and the Company, a successor agent from among the Banks. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Agent and the term "Agent" shall mean such successor agent and the retiring Agent's appointment, powers and duties as Agent shall be terminated. The Company may continue to deal with the retiring Agent as Agent hereunder until it receives notice of the appointment of such a successor agent. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article IX and Sections 10.04 and 10.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Banks shall perform all of the duties of the Agent hereunder until such time, if any, as the Majority Banks appoint a successor agent as provided for above. If the Company has not received notice of the appointment of a successor agent within 30 days of the retiring Agent's notice of resignation, the Company shall deal directly with the Banks and Designated Bidders until it receives notice of the appointment of a successor agent as provided above. Notwithstanding the foregoing, however, BofA may not be removed as the Agent at the request of the Majority Banks unless BofA shall also simultaneously be replaced as "Swingline Bank" hereunder pursuant to documentation in form and substance reasonably satisfactory to BofA.

9.10 Withholding Tax.

(a) If any Bank (which for purposes of this Section 9.10 shall include any Designated Bidder) is a "foreign corporation, partnership or trust" within the meaning of the Code and such Bank claims exemption from, or a reduction of, U.S. withholding tax under Sections 1441 or 1442 of the Code, such Bank agrees with and in favor of the Agent, to deliver to the Agent:

(i) if such Bank claims an exemption from, or a reduction of, withholding tax under a United States tax treaty, properly completed IRS Forms 1001 and W-8 before the payment of any interest in the first calendar year and before the payment of any interest in each third succeeding calendar year during which interest may be paid under this Agreement;

(ii) if such Bank claims that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Bank, two properly completed and executed copies of IRS Form 4224 before the payment of any interest is due in the first taxable year of such Bank and in each succeeding taxable year of such Bank during which interest may be paid under this Agreement, and IRS Form W-9; and

(iii) such other form or forms as may be required under the Code or other laws of the United States as a condition to exemption from, or reduction of, United States withholding tax.

Such Bank agrees to promptly notify the Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(b) If any Bank claims exemption from, or reduction of, withholding tax under a United States tax treaty by providing IRS Form 1001 and such Bank sells, assigns, grants a participation in, or otherwise transfers all or part of the obligations of the Company hereunder to such Bank, such Bank agrees to notify the Agent of the percentage amount in which it is no longer the beneficial owner such obligations of the Company to such Bank. To the extent of such percentage amount, the Agent will treat such Bank's IRS Form 1001 as

no longer valid.

(c) If any Bank claiming exemption from United States withholding tax by filing IRS Form 4224 with the Agent sells, assigns, grants a participation in, or otherwise transfers all or part of the obligations of the Company hereunder to such Bank, such Bank agrees to undertake sole responsibility for complying with the withholding tax requirements imposed by Sections 1441 and 1442 of the Code.

(d) If any Bank is entitled to a reduction in the applicable withholding tax, the Agent may withhold from any interest payment to such Bank an amount equivalent to the applicable withholding tax after taking into account such reduction. If the forms or other documentation required by subsection (a) of this Section are not delivered to the Agent, then the Agent may withhold from any interest payment to such Bank not providing such forms or other documentation an amount equivalent to the applicable withholding tax.

(e) If the IRS or any other governmental authority of the United States or other jurisdiction asserts a claim that the Agent did not properly withhold tax from amounts paid to or for the account of any Bank (because the appropriate form was not delivered, was not properly executed, or because such Bank failed to notify the Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Bank shall indemnify the Agent fully for all amounts paid, directly or indirectly, by the Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Agent under this Section, together with all costs and expenses (including attorney costs). The obligation of the Banks under this subsection shall survive the payment of all obligations and the resignation or replacement of the Agent.

ARTICLE X MISCELLANEOUS

10.01 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other document or instrument given in connection herewith, and no consent with respect to any departure by the Company therefrom, shall be effective unless the same shall be in writing and signed by the Majority Banks (or by the Agent at the written request of the Majority Banks) and the Company and acknowledged by the Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Banks and the Company and acknowledged by the Agent, do any of the following:

(a) increase or extend the Commitment of any Bank (or reinstate any Commitment terminated pursuant to Section 8.02);

(b) postpone or delay any date fixed by this Agreement or any other document or instrument given in connection herewith for any payment of principal, interest, fees or other amounts due to the Banks or the Designated Bidders (or any of them) hereunder or under any other such document or instrument;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or (subject to clause (iii) below) any fees or other amounts payable hereunder or under any other document or instrument given in connection herewith;

(d) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans which is required for the Banks or any of them to take any action hereunder; or

(e) amend this Section, or Section 2.16, or any provision herein providing for consent or other action by all Banks;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Majority Banks or all the Banks, as the case may be, affect the rights or duties of the Agent under this Agreement or any other document or instrument given in connection herewith, (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swingline Bank in addition to the Majority Banks or all the Banks, as the case may be, affect the rights or duties of the Swingline Bank under this Agreement or any other document or instrument given in connection herewith, and (iii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed by the parties thereto.

10.02 Notices.

(a) All notices, requests and other communications shall be in writing (including, unless the context expressly otherwise provides, by facsimile transmission, provided that any matter transmitted by or to the Company by facsimile (i) shall be immediately confirmed by a telephone call to the recipient at the number specified on Schedule 10.02, and (ii) except in the case of a Notice of Borrowing, Notice of Conversion/Continuation, or Competitive Bid Request, in which case the facsimile copy shall be deemed to be the operative original document, shall be followed promptly by delivery of a hard copy original thereof) and mailed, faxed or delivered, to the address or facsimile number specified for notices on Schedule 10.02; or, if directed to the Company or the Agent, to such other address as shall be designated by such party in a written notice to the other parties, and if directed to any other party, at such other address as shall be designated by such party in a written notice to the Company and the Agent.

(b) All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective upon the next Business Day after delivery for overnight (next-day) delivery, or when transmitted in legible form by facsimile machine, respectively, or if mailed,

upon the third Business Day after the date deposited into the U.S. mail, or if delivered, upon delivery; except that notices pursuant to Article II or IX shall not be effective until actually received by the Agent.

(c) Any agreement of the Agent and the Banks and Designated Bidders herein to receive certain notices by facsimile is solely for the convenience and at the request of the Company. The Agent and the Banks and Designated Bidders shall be entitled to rely on the authority of any Person purporting to be a Person authorized by the Company to give such notice and the Agent and the Banks and Designated Bidders shall not have any liability to the Company or other Person on account of any action taken or not taken by the Agent or the Banks or Designated Bidders in reliance upon such facsimile notice. The obligation of the Company to repay the Loans shall not be affected in any way or to any extent by any failure by the Agent and the Banks and Designated Bidders to receive written confirmation of any facsimile notice or the receipt by the Agent and the Banks and Designated Bidders of a confirmation which is at variance with the terms understood by the Agent and the Banks and Designated Bidders to be contained in the facsimile notice.

10.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Bank or Designated Bidder, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

10.04 Costs and Expenses. The Company shall:

(a) whether or not the transactions contemplated hereby are consummated, pay or reimburse BofA (including in its capacity as Agent) within five Business Days after demand (subject to subsection 4.01(e)) for all costs and expenses incurred by BofA (including in its capacity as Agent) in connection with the development, preparation, delivery, administration and execution of, and any amendment, supplement, waiver or modification to (in each case, whether or not consummated), this Agreement and any other documents prepared in connection herewith, and the consummation of the transactions contemplated hereby and thereby, including reasonable attorney costs incurred by BofA (including in its capacity as Agent) with respect thereto; and

(b) pay or reimburse the Agent and each Bank and Designated Bidder within five Business Days after demand (subject to subsection 4.01(e)) for all costs and expenses (including attorney costs) incurred by them in connection with the enforcement, attempted enforcement, or preservation of any rights or remedies under this Agreement or any other document or instrument given in connection herewith during the existence of an Event of Default or after acceleration of the Loans (including in connection with any "workout" or restructuring regarding the Loans, and including in any insolvency proceeding or appellate proceeding).

10.05 Company Indemnification. Whether or not the transactions contemplated hereby are consummated, the Company shall indemnify and hold the Agent-Related Persons, and each Bank and Designated Bidder and each of their respective officers, directors, employees, counsel, agents and attorneys-in-fact (each, an "Indemnified Person") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses and disbursements (including attorney costs) of any kind or nature whatsoever which may at any time (including at any time following repayment of the Loans and the termination, resignation or replacement of the Agent or replacement of any Bank or Designated Bidder) be imposed on, incurred by or asserted against any such Person in any way relating to or arising out of this Agreement or any document contemplated by or referred to herein, or the transactions contemplated hereby, or any action taken or omitted by any such Person under or in connection with any of the foregoing, including with respect to any investigation, litigation or proceeding (including any insolvency proceeding or appellate proceeding) related to or arising out of this Agreement or the Loans or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto (all the foregoing, collectively, the "Indemnified Liabilities"); provided, that the Company shall have no obligation hereunder to any Indemnified Person with respect to (i) Indemnified Liabilities to the extent resulting from the gross negligence or willful misconduct of such Indemnified Person (ii) any violation of any banking law or regulation by such Indemnified Person, (iii) any liability as between or among any Indemnified Person or their respective shareholders and controlling persons, (iv) any default hereunder by any Person other than the Company, or (v) any Taxes or Other Taxes, except to the extent such Taxes or Other Taxes are indemnified against by other provisions of this Agreement. The agreements in this Section shall survive payment of all other obligations of the Company.

10.06 Payments Set Aside. To the extent that the Company makes a payment to the Agent or the Banks or Designated Bidders, or the Agent or the Banks or Designated Bidders exercise their right of set-off, and such payment or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Bank or Designated Bidder in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any insolvency proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred, and (b) each Bank severally agrees to pay (and to cause any Designated Bidder designated by it to pay) to the Agent upon demand its pro rata share of any amount so recovered from or repaid by the Agent.

10.07 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Company may not assign or transfer any of its rights or obligations under this Agreement without the

prior written consent of the Agent and each Bank.

10.08 Assignments, Participations, etc.

(a) Any Bank may, with the written consent of the Company at all times other than during the existence of an Event of Default and the Agent, which consents shall not be unreasonably withheld, at any time assign and delegate to one or more Eligible Assignees (each an "Assignee") all, or any ratable (in the case of Committed Loans) part of all, of the Loans, the Commitments and the other rights and obligations of such Bank hereunder, in a minimum amount of \$10,000,000; provided, however, that the Company and the Agent may continue to deal solely and directly with such Bank in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Company and the Agent by such Bank and the Assignee; (ii) such Bank and its Assignee shall have delivered to the Company and the Agent an Assignment and Acceptance substantially in the form of Exhibit E ("Assignment and Acceptance") together with any Note or Notes subject to such assignment and (iii) the assignor Bank or Assignee has paid to the Agent a processing fee in the amount of \$3,000. In connection with any assignment by the Swingline Bank, its Swingline Commitment may be in whole or in part included as part of the assignment transaction, and the Assignment and Acceptance may be appropriately modified to include an assignment and delegation of its Swingline Commitment and any outstanding Swingline Loans.

(b) From and after the date that the Agent notifies the assignor Bank that it has received (and provided its consent with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Bank under this Agreement and the other documents or instruments given in connection herewith, and (ii) the assignor Bank shall, to the extent that rights and obligations hereunder and under such documents or instruments have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations hereunder and under such other documents and instruments.

(c) Within five Business Days after its receipt of notice by the Agent that it has received an executed Assignment and Acceptance and payment of the processing fee (and provided that it consents to such assignment if required under subsection 10.08(a)), the Company shall execute and deliver to the Agent, new Notes evidencing such Assignee's assigned Loans and Commitment and, if the assignor Bank has retained a portion of its Loans and its Commitment, a replacement Note in the form of Exhibit I in the principal amount of the Commitment retained by the assignor Bank (such Note to be in exchange for, but not in payment of, the Note with respect to Committed Loans held by such Bank, which shall be returned to the Company concurrently with the delivery by the Company of the replacement Note). Immediately upon each Assignor's or Assignee's making its processing fee payment under the Assignment and Acceptance, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce the Commitment of the assigning Bank pro tanto.

(d) Any Bank or Designated Bidder may at any time sell to one or more commercial banks or other Persons not affiliates of the Company (a "Participant") participating interests in any Loans, the Commitment of that Bank and the other interests of that Bank or Designated Bidder (the "Originator") hereunder and under the other documents and instruments given in connection herewith; provided, however, that (i) the Originator's obligations under this Agreement shall remain unchanged, (ii) the Originator shall remain solely responsible for the performance of such obligations, (iii) the Company and the Agent shall continue to deal solely and directly with the Originator in connection with the Originator's rights and obligations under this Agreement and the other documents and instruments given in connection herewith, and (iv) no Bank shall transfer or grant any participating interest under which the Participant has rights to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other document or instrument given in connection herewith, except to the extent such amendment, consent or waiver would require unanimous consent of the Banks as described in the first proviso to Section 10.01. In the case of any such participation, the Participant shall not have any rights under this Agreement, or any of the other documents or instruments given in connection herewith, and all amounts payable by the Company hereunder shall be determined as if such Originator had not sold such participation; except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set-off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Bank or Designated Bidder (as the case may be) under this Agreement.

(e) Notwithstanding any other provision in this Agreement, any Bank or Designated Bidder may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement and the Notes held by it in favor of any Federal Reserve Bank in accordance with Regulation A of the FRB or U.S. Treasury Regulation 31 CFR Section 203.14, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

10.09 Designated Bidders. Any Bank from time to time may designate one Designated Bidder to have a right to offer and make Bid Loans pursuant to Section 2.06; provided, however, that (i) no such Bank may make more than 3 such designations, (ii) each such Bank making any such designation shall retain the right to make Bid Loans, and (iii) the parties to each such designation shall execute and deliver to the Agent a Designation Agreement.

Upon its receipt of an appropriately completed Designation Agreement executed by a designating Bank and a designee representing that it is a Designated Bidder, the Agent will accept such Designation Agreement and give prompt notice thereof to the Company, whereupon such designation of such Designated Bidder shall become effective and such designee shall become a party to this Agreement as a "Designated Bidder."

10.10 Confidentiality. Each Bank and Designated Bidder agrees to take and to cause its affiliates to take normal and reasonable precautions and exercise due care to maintain the confidentiality of all information provided to it by the Company or any Subsidiary, or by the Agent on such Company's or Subsidiary's behalf, under this Agreement or any other document or instrument given in connection herewith, and neither it nor any of its affiliates shall use any such information other than in connection with or in enforcement of this Agreement and the other documents and instruments given in connection herewith or in connection with other business now or hereafter existing or contemplated with the Company or any Subsidiary, except to the extent such information (i) was or becomes generally available to the public other than as a result of disclosure by such Bank or Designated Bidder in breach of this Section 10.10, or (ii) was or becomes available on a non-confidential basis from a source other than the Company, provided that such source is not bound by a confidentiality agreement with the Company known to such Bank or Designated Bidder; provided, however, that any Bank or Designated Bidder may disclose such information (A) at the request or pursuant to any requirement of any governmental authority to which such Bank or Designated Bidder is subject or in connection with an examination of such Bank or Designated Bidder by any such authority; (B) pursuant to subpoena or other court process; (C) when required to do so in accordance with the provisions of any applicable Requirement of Law; (D) to the extent reasonably required in connection with any litigation or proceeding to which the Agent, any Bank or Designated Bidder or their respective affiliates may be party; (E) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other document or instrument given in connection herewith; (F) to such Bank's or Designated Bidder's independent auditors and other professional advisors; (G) to any Participant or Assignee, actual or potential, provided that such Person agrees in writing to keep such information confidential to the same extent required of the Banks hereunder; and (H) as to any Bank or Designated Bidder or its affiliates, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Company or any Subsidiary is party or is deemed party with such Bank or Designated Bidder or such affiliate.

10.11 Set-off. In addition to any rights and remedies of the Banks and Designated Bidders provided by law, if an Event of Default exists or the Loans have been accelerated, each Bank and each Designated Bidder is authorized at any time and from time to time, without prior notice to the Company, any such notice being waived by the Company to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Bank or Designated Bidder to or for the credit or the account of the Company against any and all obligations of the Company owing to such Bank or Designated Bidder, now or hereafter existing, irrespective of whether or not the Agent or such Bank or Designated Bidder shall have made demand under this Agreement or any document or instrument given in connection herewith and although such obligations may be contingent or unmatured. Each Bank and each Designated Bidder agrees promptly to notify the Company and the Agent after any such set-off and application made by such Bank or Designated Bidder; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.

10.12 Notification of Addresses, Lending Offices, Etc. Each Bank and each Designated Bidder shall notify the Agent in writing of any changes in the address to which notices to such Bank or Designated Bidder should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

10.13 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

10.14 Severability. The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any instrument or agreement required hereunder.

10.15 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and legal benefit of the Company, the Banks, the Designated Bidders, the Agent-Related Persons, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other documents or instruments given in connection herewith.

10.16 Certain Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings,

however evidenced; (ii) the term "including" is not limiting and means "including but not limited to;" and (iii) in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement, and (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other documents or instruments given in connection herewith may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(g) References to "attorney costs" in this Agreement or in the Notes or any other document or instrument given in connection herewith means and includes all fees and disbursements of any law firm or other external counsel, the allocated cost of internal legal services and all disbursements of internal counsel.

(i) This Agreement and the other documents and instruments given in connection herewith are the result of negotiations among and have been reviewed by counsel to the Agent, the Company and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Banks, the Designated Bidders, the Swingline Bank or the Agent merely because of the Agent's, Banks', Designated Bidders' or Swingline Bank's involvement in their preparation.

10.17 Governing Law. THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA; PROVIDED THAT THE AGENT AND THE BANKS AND DESIGNATED BIDDERS SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

10.18 Arbitration; Reference Proceeding.

(a) The Company, the Banks, the Designated Bidders and the Agent each agree that any controversy or claim between or among the parties, including but not limited to those arising out of or relating to this Agreement or any other document or instrument given in connection herewith, and any claim based on or arising from an alleged tort related hereto or thereto, shall at the request of any party be determined by arbitration. The arbitration shall be conducted in accordance with the United States Arbitration Act (Title 9, U.S. Code), notwithstanding any choice of law provision in this Agreement, and under the Commercial Rules of the American Arbitration Association ("AAA"). The arbitrators shall give effect to statutes of limitation in determining any claim. Any controversy concerning whether an issue is arbitrable shall be determined by the arbitrators. Judgment upon the arbitration award may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(b) Notwithstanding the provisions of subsection (a), no controversy or claim shall be submitted to arbitration without the consent of all parties if, at the time of the proposed submission, such controversy or claim arises from or relates to an obligation to the Agent or any Bank or Designated Bidder which is secured by real property collateral located in California. If all parties do not consent to submission of such a controversy or claim to arbitration, the controversy or claim shall be determined as provided in subsection (c).

(c) A controversy or claim which is not submitted to arbitration as provided and limited in subsections (a) and (b) shall, at the request of any party, be determined by a reference in accordance with California Code of Civil Procedure Sections 638 et seq. If such an election is made, the parties shall designate to the court a referee or referees selected under the auspices of the AAA in the same manner as arbitrators are selected in AAA-sponsored proceedings. The presiding referee of the panel, or the referee if there is a single referee, shall be an active attorney or retired judge. Judgment upon the award rendered by such referee or referees shall be entered in the court in which such proceeding was commenced in accordance with California Code of Civil Procedure Sections 644 and 645.

(d) No provision of this Section shall limit the right of any party to this Agreement to exercise self-help remedies such as set-off, to foreclose against or sell any real or personal property collateral or security or to obtain provisional or ancillary remedies from a court of competent jurisdiction before, after, or during the pendency of any arbitration or other proceeding. The exercise of a remedy does not waive the right of either party to resort to arbitration or reference. At the Majority Banks' option, foreclosure under a deed of trust or mortgage may be accomplished either by exercise of power of sale under the deed of trust or mortgage or by judicial foreclosure.

10.19 Entire Agreement. This Agreement, together with the other documents and instruments given in connection herewith, including the Notes and the Fee Letter, embodies the entire agreement and understanding among the

Company, the Banks and the Agent, and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

In Witness Whereof, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

LOUISIANA-PACIFIC CORPORATION

By:
Title: Chairman and Chief
Executive Officer

By:
Title: Vice President, Treasurer
and Controller

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION,
as Agent

By:
Title: Vice President

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, as a Bank

By:
Title: Managing Director

ABN AMRO BANK N.V.
By: ABN AMRO
North America,
Inc., as its agent

By:
Title:

By:
Title:

FIRST INTERSTATE BANK OF
OREGON, N.A.

By:
Title:

ROYAL BANK OF CANADA

By:
Title:

SOCIETE GENERALE

By:
Title:

By:
Title:

THE BANK OF NOVA SCOTIA

By:
Title:

By:

Title:

THE CHASE MANHATTAN BANK, N.A.

By:
Title:

THE FIRST NATIONAL BANK OF CHICAGO

By:
Title:

UNITED STATES NATIONAL BANK OF
OREGON

By:
Title:

By:
Title:

WACHOVIA BANK OF GEORGIA, N.A.

By:
Title:

WELLS FARGO BANK, N.A.

By:
Title:

SCHEDULE 2.01

COMMITMENTS
AND PRO RATA SHARES

Bank -----	Commitment -----	Pro Rata Share -----
Bank of America National Trust and Savings Association	\$ 50,000,000	16.666666668%
ABN AMRO Bank N.V.	25,000,000	8.333333333
First Interstate Bank of Oregon, N.A.	25,000,000	8.333333333
Royal Bank of Canada	25,000,000	8.333333333
Societe Generale	25,000,000	8.333333333
The Bank of Nova Scotia	25,000,000	8.333333333
The Chase Manhattan Bank, N.A.	35,000,000	11.666666667
The First National Bank of Chicago	20,000,000	6.666666667
United States National Bank of Oregon	25,000,000	8.333333333
Wachovia Bank of Georgia, N.A.	35,000,000	11.666666667
Wells Fargo Bank, N.A. -----	10,000,000 -----	3.333333333 -----
TOTAL	\$300,000,000 =====	100.000000000% =====

SCHEDULE 5.14(c)

The Company's subsidiary, Ketchikan Pulp Company ("KPC"), participates in the Alaska Loggers Association Retirement Plan ("Plan"), a non-collectively bargained, multiple employer, defined benefit plan which covers approximately 700 active, retired, and terminated hourly employees of KPC. Contributions to the Plan are made by participating employers on a cents-per-hour basis, as determined by the Plan's actuary. On an ongoing basis, it is estimated that there is no unfunded liability for the Plan. If KPC were to terminate its participation in the Plan currently, the Company estimates that the liability to KPC would be approximately \$2 million.

The Company maintains the Louisiana-Pacific Retirement Plan ("Plan") covering its hourly employees. With the exception of certain hourly employees at one small location of the Company, no employee whose employment commenced after December 31, 1994, shall become a participant in the Plan and no further benefits accrue to participants after said date. The Plan covers approximately 13,900 active, terminated, and retired employees of the Company. Contributions to the Plan are made in accordance with the requirements of ERISA and the recommendations of the Plan's actuary. On an ongoing basis, it is estimated that there is no unfunded liability for the Plan. If the Company were to terminate the Plan, the estimated unfunded liability for the Plan (based on current interest rates) would be approximately \$29 million.

OFFSHORE AND DOMESTIC LENDING OFFICES,
ADDRESSES FOR NOTICES

LOUISIANA-PACIFIC CORPORATION

Address for notices:

Louisiana-Pacific Corporation
111 S.W. Fifth Avenue
Portland, OR 97204
Attn: William L. Hebert
Treasurer and CFO
Telephone: 503/221-0800
Facsimile: 503/796-0319

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION,
as Agent

Address for notices:

Bank of America National Trust
and Savings Association
Agency Management Services #5596
1455 Market Street, 12th Floor
San Francisco, California 94103
Attn: Ivo Bakovic
Vice President
Telephone: 415/436-2789
Facsimile: 415/436-2700

Address for payments:

Bank of America National Trust
and Savings Association
1850 Gateway Blvd.
Concord, CA 94520
ABA # 121-000-358 SF
Attn: Agency Management Services #5596
For credit to Bancontrol Account No. 12334-15135
Ref: Louisiana-Pacific Corporation

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION,
as a Bank

Address for Notices (other than Borrowing notices and Notices of
Conversion/Continuation):

Bank of America National Trust
and Savings Association
Credit Products #3838
555 California Street, 41st Floor
San Francisco, CA 94104
Attn: Michael J. Balok
Telephone: 415/622-2018
Facsimile: 415/622-4585

Domestic and Offshore Lending Office:

1850 Gateway Boulevard, Fourth Floor
Concord, California 94520
Attn: Terry Peach
Telephone: 510/675-7350
Facsimile: 510/675-7531

ABN AMRO BANK N.V.

Address for notices:

ABN AMRO Bank N.V.
600 University Street
Suite 2323
Seattle, WA 98101
Attn: David McGinnis
Telephone: 206/587-0342
Facsimile: 206/682-5641

Domestic and Offshore Lending Office:

600 University Street
Suite 2323
Seattle, WA 98101
Attn: Suzanne Smith
Telephone: 206/587-0281
Facsimile: 206/682-5641

FIRST INTERSTATE BANK OF OREGON, N.A.

Address for notices:

Oregon Corporate Division
1300 S.W. Fifth Avenue T-19
Portland, OR 97208
Attn: Marcia J. Janner
Vice President
Telephone: 503/220-4855
Telex: 360118 FIORE PLT
Facsimile: 503/225-3162

Domestic and Offshore Lending Office:

Oregon Corporate Division
1300 S.W. Fifth Avenue
Portland, OR 97201
Attn: Marcia J. Janner
Vice President
Telephone: 503/220-4855
Facsimile: 503/225-3162

ROYAL BANK OF CANADA

Address for notices:

Grand Cayman (North America No. 1) Branch
c/o New York Branch
Financial Square, 23rd Floor
New York, NY 10005-3531
Attn: Gail Zapata
Assistant Manager, Credit Administration
Telephone: 212/428-6321
Facsimile: 212/428-2372

with a copy to:

600 Wilshire Boulevard
Suite 800
Los Angeles, CA 90017
Attn: Brian W. Dixon
Senior Manager
Telephone: 213/955-5316
Facsimile: 213/955-5350

Domestic and Offshore Lending Office:

Grand Cayman (North America No. 1) Branch
c/o New York Branch
Financial Square, 23rd Floor
New York, NY 10005-3531

SOCIETE GENERALE

Address for notices:

1 Montgomery #3220
San Francisco, CA 94104
Attn: Alec Neville
Vice President
Telephone: 415/433-8400
Facsimile: 415/989-9922

Domestic and Offshore Lending Office:

2029 Century Park East #2900
Los Angeles, CA 90067
Attn: Tulin Wu
Corporate Assistant
Telephone: 310/788-7117
Facsimile: 310/203-0539

THE BANK OF NOVA SCOTIA

Address for notices:

888 S.W. Fifth Avenue
Suite 750
Portland, OR 97204-2078
Attn: Sharon Bishop Bloch
Relationship Manager
Telephone: 503/222-3148
Facsimile: 503/222-5502

Domestic and Offshore Lending Office:

888 S.W. Fifth Avenue
Suite 750
Portland, OR 97204-2078
Attn: Sharon Bishop Bloch
Relationship Manager
Telephone: 503/222-3148
Facsimile: 503/222-5502

THE CHASE MANHATTAN BANK, N.A.

Address for notices:

The Chase Manhattan Bank, N.A.
1 Chase Manhattan Plaza
New York, NY 10081
Attn: Nancy A. Bridgman
Vice President
Telephone: 212/552-6193
Telex: 62910 CMB UW
Facsimile: 212/552-7773

Domestic and Offshore Lending Office:

2 Chase Manhattan Plaza, 5th Floor
New York, NY 10081
Attn: Patrice Sneed
Telephone: 212/552-5407
Facsimile: 212/552-4455

THE FIRST NATIONAL BANK OF CHICAGO

Address for notices:

777 South Figueroa Street, 4th Floor
Los Angeles, CA 90017-5800
Attn: Michael P. Gage
Vice President
Telephone: 213/683-4976
Facsimile: 213/683-4949

Domestic and Offshore Lending Office:

One First National Plaza
10th Floor, Suite 0634
Chicago, IL 60670
Attn: James Graham
Customer Service Officer
Telephone: 312/732-7112
Facsimile: 312/732-4840

UNITED STATES NATIONAL BANK OF OREGON

Address for notices:

555 S.W. Oak Street
(PL-4)
Portland, OR 97204
Attn: Janice T. Thede
Vice President
Telephone: 503/275-4942
Facsimile: 503/275-5428

Domestic and Offshore Lending Office:

555 S.W. Oak Street
(PL-7)
Portland, OR 97204
Attn: Loretta Frazier
Telephone: 503/275-6558
Facsimile: 503/275-4600

WACHOVIA BANK OF GEORGIA, N.A.

Address for notices:

First Wachovia Corporate Services
U.S. Corporate, MC0371
191 Peachtree Street, N.E.
Atlanta, GA 30303
Attn: Michael Kerner
Banking Officer
Telephone: 404/332-6756
Telex: 4611015
Facsimile: 404/332-6898

Domestic and Offshore Lending Office:

First Wachovia Corporate Services
U.S. Corporate, MC0371
191 Peachtree Street, N.E.
Atlanta, GA 30303
Attn: Karen Swain
Telephone: 404/332-6445
Facsimile: 404/332-6898

WELLS FARGO BANK, N.A.

Address for notices:

Corporate Banking Group
420 Montgomery Street, 9th Floor
San Francisco, CA 94163
Attn: John Huber
Vice President
Telephone: 415/396-2257
Telex: 184904 Wells UT
Facsimile: 415/421-1352

Domestic and Offshore Lending Office:

420 Montgomery Street, 9th Floor
San Francisco, CA 94163
Attn: Teresa Croce
Telephone: 415/396-3629
Facsimile: 415/989-4319

EXHIBIT A
FORM OF NOTICE OF BORROWING

Date: _____,

To: Bank of America National Trust and Savings Association as Agent for the Banks and Designated Bidders parties to the Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement") among Louisiana-Pacific Corporation, certain Banks which are signatories thereto and Bank of America National Trust and Savings Association, as agent for the Banks and Designated Bidders (in such capacity, the "Agent")

Ladies and Gentlemen:

The undersigned, Louisiana-Pacific Corporation (the "Company"), refers to the Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Sections [2.03] [2.07] and 4.02 of the Agreement, of the Borrowing specified below:

1. The Business Day of the proposed Borrowing is _____, _____.

2. The aggregate amount of the proposed Borrowing is \$ _____.

[3. The Borrowing is to be comprised of \$ _____ of [Base Rate] [Offshore Rate] Committed Loans.]

or

[3. The Borrowing is to be comprised of a Swingline Loan.]

4. [If applicable:] The duration of the Interest Period for the Offshore Rate Committed Loans included in the Borrowing shall be _____ months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the Company contained in Article V (exclusive of Section 5.13) of the Agreement are true and correct as though made on and as of such date;

(b) the financial statements most recently supplied to the Banks under both subsections 6.07(a) and 6.07(b) have been prepared in accordance with the provisions of such subsections as of the dates and periods therein specified, and since such dates and periods there has been no change in the Company's consolidated financial condition or results of operations sufficient to impair the Company's ability to repay the Loans in accordance with the terms of the Agreement, and neither the Company nor any Subsidiary has any contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate to the Company, except as have been disclosed in such financial statements, or as have been otherwise previously disclosed to the Banks in writing;

(c) no Default or Event of Default exists or would result from such proposed Borrowing; and

(d) the proposed Borrowing will not cause (i) the aggregate principal amount of all outstanding Loans to exceed the combined Commitments of the Banks, or (ii) the aggregate principal amount of all outstanding Swingline Loans to exceed the Swingline Commitment.

LOUISIANA-PACIFIC CORPORATION

By:

Title:

EXHIBIT B

FORM OF NOTICE OF CONVERSION/CONTINUATION

Date: _____ , _____

To: Bank of America National Trust and Savings Association, as Agent for the Banks and Designated Bidders parties to the Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement") among Louisiana-Pacific Corporation, certain Banks which are signatories thereto and Bank of America National Trust and Savings Association, as agent for the Banks and Designated Bidders (in such capacity, the "Agent")

Ladies and Gentlemen:

The undersigned, Louisiana-Pacific Corporation (the "Company"), refers to the Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 2.04 of the Agreement, with respect to the [conversion] [continuation] of the Committed Loans specified herein, that:

1. The Conversion/Continuation Date is _____ , _____.
2. The aggregate amount of the Committed Loans to be [converted] [continued] is \$ _____.
3. The Committed Loans are to be [converted into] [continued as] [Offshore Rate] [Base Rate] Committed Loans.
4. [If applicable:] The duration of the Interest Period for the Committed Loans included in the [conversion] [continuation] shall be _____ months.

LOUISIANA-PACIFIC CORPORATION

By:
Title:

EXHIBIT C

LOUISIANA-PACIFIC CORPORATION
FORM OF COMPLIANCE CERTIFICATE

Financial
Statement Date: , ____

Reference is made to that certain Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement") among Louisiana-Pacific Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time parties to the Agreement (the "Banks") and Bank of America National Trust and Savings Association, as agent for the Banks and Designated Bidders (in such capacity, the "Agent"). Unless otherwise defined herein, capitalized terms used herein have the respective meanings assigned to them in the Agreement.

The undersigned responsible officer of Louisiana-Pacific Corporation hereby certifies as of the date hereof that he/she is the of the Company and that, as such, he/she is authorized to execute and deliver this Certificate to the Banks and the Agent on the behalf of the Company and its consolidated Subsidiaries, and that:

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection 6.07(a) of the Agreement.]

1. Attached as Schedule 1 hereto are (a) a true and correct copy of the unaudited consolidated summary balance sheets of the Company and its Subsidiaries as of the end of the fiscal quarter ended _____, _____, and (b) the related unaudited consolidated summary statements of income, shareholders' equity, and cash flows for the period commencing on the first day of such quarter and on the first day of the fiscal year and, in each case, ending on the last day of such quarter. Such financial statements were prepared in accordance with GAAP (subject only to ordinary, good faith year-end audit adjustments, the summary nature of such statements, and the absence of footnotes) and fairly present, in all material respects, the consolidated financial position and results of operations of the Company and its Subsidiaries.

or

[Use the following paragraph if this Certificate is delivered in connection with the financial statements required by subsection 6.07(b) of the Agreement.]

1. Attached as Schedule 1 hereto are (a) a true and correct copy of the audited consolidated balance sheets of the Company and its Subsidiaries as at the end of the fiscal year ended _____, _____ and (b) the related consolidated statements of income, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, and (i) accompanied by the opinion of an independent public accountant or accountants selected by the Company and acceptable to the Majority Banks (the "Independent Auditor") which report states that such consolidated financial statements are complete and correct and have been prepared in accordance with GAAP, without qualification arising out of the scope of the audit, and fairly present, in all material respects, the consolidated financial position of the Company and its Subsidiaries for the periods indicated and on a basis consistent with prior periods; and (ii) further accompanied by the Independent Auditor's certificate that in the course of making their audit they obtained no knowledge of any existing unremedied Default or Event of Default by the Company under the Agreement, or a statement by the Independent Auditor disclosing any such defaults if any are found. Such financial statements were prepared in accordance with GAAP and fairly present, in all material respects, the consolidated financial position and results of operations of the Company and its Subsidiaries.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and conditions (financial or otherwise) of the Company during the accounting period covered by the attached financial statements.

3. To the best of the undersigned's knowledge, the Company, during such period, has observed, performed or satisfied all of its covenants and other agreements, and satisfied every condition in the Agreement to be observed, performed or satisfied by the Company, and the undersigned has no knowledge of any Default or Event of Default.

4. The following financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate. Attached hereto as Schedule 3 is a statement from the Independent Auditor that it has reviewed such analyses and information and that they are true and correct.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of

By:

Title:

Date: _____,
For the fiscal quarter/year
ended _____,

SCHEDULE 2
to the Compliance Certificate
(\$ in 000's)(1)

	Actual	Required/Permitted
1. Section 7.01 Funded Debt to Net Worth Ratio.		
the ratio of:		
A. the sum of:		
(i) indebtedness for borrowed monies	-----	
(ii) lease obligations for payment of industrial revenue and pollution control bonds	-----	
(iii) Purchase Money Indebtedness	-----	
(iv) prepayment deposits for sales contracts	-----	
(v) unfunded litigation reserves	-----	
= (i) + (ii) + (iii) + (iv) + (v) =	-----	

(1) All calculations on a consolidated basis and in accordance with GAAP.

B. Net Worth:

the sum of:

(i) capital accounts -----

(ii) debt subordinated to the Loans and other sums now or hereafter owed to the Agent or the Banks or Designated Bidders with respect to the Loans or otherwise under the Agreement or the Notes by arrangements or agreements in form and substance satisfactory to the Majority Banks -----

= (i) + (ii) + (iii) = -----

=	A	=	Not to exceed 1:00 to 1:00
	B		

2. Interest Coverage Ratio.

the ratio of:

A. the sum of:

(i) (a) net income (or net loss) for the four quarter fiscal period then ended -----

less

(b) extraordinary losses or gains and the cumulative effect of changes in accounting principles -----

(a) - (b) = -----

(ii) interest expense to the extent included in determining net income (or net loss) for the four quarter fiscal period then ended -----

= (i) + (ii) + (iii) = -----

B. interest expense (including capitalized interest) for the four quarter fiscal period then ended

=	A	=	
	B		

February ____, 1996

To the Banks and the Agent referred to below
c/o Bank of America National Trust
and Savings Association, as Agent
1455 Market Street, 12th Floor
San Francisco, California 94103

Subject: Credit Agreement ("Agreement"), dated as of February 16,
1996, among Louisiana-Pacific Corporation ("Company"),
the banks named on the signature pages of the Agreement
("Banks"), and Bank of America National Trust and Savings
Association as agent for Banks ("Agent")

Ladies and Gentlemen:

We have acted as counsel for Company in connection with the transactions contemplated by the Agreement. This opinion is being delivered to you pursuant to Section 4.01(b) of the Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings as in the Agreement.

In connection with this opinion, we have examined and relied upon the Agreement (as to factual matters) and such records, documents, certificates of public officials and officers of Company (without independent verification by us of the assertions made therein), made such inquiries of officers of Company and considered such questions of law as we have deemed necessary for the purpose of rendering the opinions set forth herein. We have assumed the genuineness of all signatures, other than those of Company on the Agreement, of all persons executing agreements, instruments, or documents examined or relied upon by us. We have assumed the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photostatic copies. We have assumed the due execution and delivery pursuant to due authorization by Banks and Agent of the Agreement and all other instruments and agreements required thereunder (collectively, "Transaction Documents"), and that each of Banks and Agent have the power to enter into and perform their respective obligations under the Transaction Documents.

Whenever our opinion herein is indicated to be based on our knowledge, it is intended to signify the actual knowledge after due inquiry of the attorneys of Miller, Nash, Wiener, Hager & Carlsen who have provided legal services in connection with the transactions contemplated by the Agreement (specifically, John J. DeMott and Catherine A. Shaw).

With respect to the opinions expressed herein, the rights and obligations under the Transaction Documents and the enforceability thereof are subject to:

- (i) limitations imposed by bankruptcy, insolvency, reorganization, and other similar laws and related court decisions of general applicability relating to or affecting creditors' rights generally;
- (ii) limitations on the availability of equitable remedies;
- (iii) the effect of judicial decisions which have held that certain provisions are unenforceable where the enforcement would violate an implied covenant of good faith and fair dealing or would be commercially unreasonable or where the breach is not material;
- (iv) limitations on the enforceability of provisions expressly or by implication waiving broadly or vaguely stated rights, or waiving rights granted by law where such waivers are against public policy, or cannot be waived by consent;
- (v) limitations on the enforceability of provisions that rights or remedies are not exclusive, that every right or remedy is cumulative, or that the election of a particular remedy or remedies does not preclude recourse to one or more other remedies;
- (vi) limitations on the enforceability of provisions providing that a Transaction Document may be amended or waived only in writing to the extent that the parties have orally agreed to modify provisions of a Transaction Document; and
- (vii) limitations on the enforceability of provisions providing for a party to be indemnified with respect to its own unlawful conduct, negligence, recklessness, or willful misconduct, or otherwise in a manner contrary to public

policy.

In rendering the opinions herein, we are acting only as members of the Bar of the state of Oregon and are not expressing our views as to the laws, rules, and regulations of any jurisdiction other than the laws, rules, and regulations of the state of Oregon, the corporate laws, rules, and regulations of the State of Delaware, and United States federal law, rules, and regulations. Our opinion as to any document or instrument governed by the laws of any other jurisdiction is limited to the extent that such document or instrument would be governed by the laws of the state of Oregon.

Based upon and subject to the foregoing and any other qualifications stated herein, we are of the opinion that:

1. Company is a corporation duly organized and existing under the laws of Delaware.

2. The execution, delivery, and performance by Company of the Agreement and any instrument or agreement required thereunder are within Company's powers, have been duly authorized, and are not in conflict with the terms of the certificate of incorporation or bylaws of Company, or to our knowledge any material instrument or agreement to which Company is a party or by which Company is bound or affected.

3. No approval, consent, or other action by, or notice to or filing with, any governmental authority is necessary in connection with the execution, delivery, and performance by Company of the Agreement or any instrument or agreement required thereunder.

4. There is no law, rule, or regulation applicable to Company nor, to our knowledge, is there any judgment, decree or order of any court or governmental authority binding on Company or any Subsidiary, which would be contravened by the execution, delivery, or performance by Company of the Agreement or any instrument or agreement required thereunder.

5. The Agreement has been duly executed and delivered by Company and is, and each of the Notes when duly executed and delivered will be, a legal, valid, and binding agreement of Company, enforceable against Company in accordance with its terms.

6. Except as disclosed in reports filed by Company with the Securities and Exchange Commission or as set forth on Exhibit A attached hereto, to our knowledge, there are no suits, proceedings, claims, or disputes pending or threatened against or affecting Company or any Subsidiary or their respective properties, the adverse determination of which might materially adversely affect Company's consolidated financial condition or operations or materially impair Company's ability to perform its obligations under the Agreement or under any instrument or agreement required thereunder.

7. The execution, delivery, and performance of the Agreement and any instrument or agreement required thereunder will not conflict with or contravene any of Regulations G, T, U and X promulgated by the Board of Governors of the Federal Reserve System.

8. None of the Company, any Person controlling the Company, or any Subsidiary, is an "investment company" within the meaning of the Investment Company Act of 1940.

The information set forth herein is as of the date hereof. We assume no obligation to advise you of changes which may thereafter be brought to our attention.

This opinion is solely for the use of Agent, Banks, Designated Bidders, Assignees, and Participants in connection with the transactions contemplated by the Agreement and may not be used or relied upon for any other purpose.

Very truly yours,

MILLER, NASH, WIENER, HAGER & CARLSEN

EXHIBIT A

Certain Litigation Matters

In January 1996, an action entitled International Paper Company v. Mark A. Suwyn and Louisiana-Pacific Corporation was instituted in the United States District Court for the Southern District of New York claiming that Mr. Suwyn's employment as chief executive officer of the Company violated the terms of a previous employment agreement with the plaintiff. The complaint seeks an injunction prohibiting Mr. Suwyn from continuing his employment with the Company for 18 months and other relief.

In January 1996, the Company received a notice of suspension from the United States Environmental Protection Agency ("EPA") stating that, because of criminal proceedings pending against the Company in Colorado, agencies of the federal government would be prohibited from purchasing from the Company's Northern Division. Under recently revised regulations of the United States Department of Agriculture, such action may also have the effect of barring the Company's Northern Division from purchasing timber from the United States Forest Service. The Company is seeking to overturn or modify the EPA action.

In January 1996, an action entitled Stewart v. Louisiana-Pacific Corporation was instituted in the United States District Court for the District of Colorado. Plaintiff seeks to represent a purported class consisting generally of owners and purchasers of buildings in which the Company's OSB panels are used for flooring, subflooring, or underlayment. The complaint seeks damages in an unspecified amount and equitable relief by reason of alleged fraud, misrepresentation, negligence, breach of warranty, and deceptive trade practices related to alleged improprieties in testing, certification, and marketing of OSB structure panels and alleged premature deterioration of OSB panels.

February 16, 1996

Bank of America National Trust and Savings Association, as Agent
1455 Market Street, 12th Floor
San Francisco, CA 94103

Banks listed on Schedule A attached hereto

Re: Louisiana-Pacific Corporation Credit Agreement

Mesdames and Gentlemen:

We have acted as special California counsel for Bank of America National Trust and Savings Association, as agent (the "Agent") under the Credit Agreement (the "Agreement") dated as of February 16, 1996 among Louisiana-Pacific Corporation (the "Company"), the Agent, and the Banks listed on Schedule A attached hereto. This opinion is furnished to you pursuant to Section 4.01(b)(ii) of the Agreement.

We have examined an original or a copy of the Agreement and the form of the Notes (collectively, the "Documents"). Unless otherwise defined herein, terms defined in the Agreement shall have the same meanings herein.

In addition, we have examined such records, documents, and certificates of public officials and considered such questions of law as we have deemed necessary for the purpose of rendering the opinions set forth herein.

We have assumed the genuineness of all signatures and the authenticity of all items submitted to us as originals and the conformity with originals of all items submitted to us as copies. In making our examination of the Documents, we have assumed that each party to the Documents (including each Assignee becoming a Bank or Designated Bidder hereafter) has the power and authority to execute and deliver, and to perform and observe the provisions of, the Documents and has duly authorized, executed and delivered the Documents. We have also assumed that the Documents constitute the legal, valid and binding obligation of each party to the Documents (including each Assignee becoming a Bank or Designated Bidder hereafter) other than the Company.

We have assumed that each of the Banks and Designated Bidders (including each Assignee becoming a Bank or Designated Bidder hereafter) is an exempt lender under the California usury law.

We call your attention to the arbitration provision of the Agreement and to the existence of differences between the arbitral and judicial processes. We have based our opinion upon an assessment of legal authorities which would be applicable in judicial proceedings.

Based upon and subject to the exceptions and qualifications set forth herein, we are of the opinion that the Agreement constitutes, and each Note when duly executed and delivered by the Company will constitute, a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

The opinion expressed herein is subject to the following further qualifications and exceptions:

(1) The effect of bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally, including, without limitation, laws relating to fraudulent transfers or conveyances, preferences and equitable subordination.

(2) Limitations imposed by general principles of equity upon the availability of equitable remedies or the enforcement of provisions of the Documents; and the effect of judicial decisions which have held that certain provisions are unenforceable where their enforcement would violate the implied covenant of good faith and fair dealing, or would be commercially unreasonable.

(3) We express no opinion as to the effect on the opinions expressed herein of (a) the compliance or non-compliance of any party to the Documents (including each Assignee becoming a Bank or Designated Bidder hereafter) with any laws or regulations applicable to it, or (b) the legal or regulatory status or the nature of the business of any such party.

(4) The enforceability of provisions of the Documents providing for indemnification or contribution, to the extent such indemnification or contribution is against public policy.

(5) The enforceability of provisions of the Documents providing for arbitration of disputes to the extent that arbitration of a particular dispute would be against public policy.

(6) The enforceability of provisions of the Documents which purport to establish evidentiary standards or to make determinations conclusive.

(7) The enforceability of provisions of the Documents that establish the circumstances under which rights of set-off may be exercised.

(8) The effect of judicial decisions which may permit the introduction of extrinsic evidence to modify the terms or the interpretation of the Documents.

(9) The effect of California law which provides that where a contract permits one party to the contract to recover attorney's fees, the prevailing party in any action to enforce any provision of the contract shall be entitled to recover its reasonable attorney's fees notwithstanding the absence of a written agreement to such effect.

(10) The enforceability of certain provisions of the Documents expressly or by implication waiving broadly or vaguely stated rights, or waiving rights granted by law where such waivers are against public policy.

(11) The enforceability of provisions of the Documents providing that rights or remedies are not exclusive, that every right or remedy is cumulative, or that the election of a particular remedy or remedies does not preclude recourse to one or more other remedies.

(12) The enforceability of a requirement that provisions of the documents may only be modified in writing to the extent that an oral agreement has been executed modifying provisions of the Documents.

(13) The enforceability of provisions of the Documents imposing or which are construed as effectively imposing penalties or forfeitures.

We express no opinion as to matters governed by any laws other than the substantive laws of the State of California (without reference to its choice-of-law rules).

This opinion is solely for your benefit and may not be relied upon by any other person other than Assignees becoming Banks or Designated Bidders hereafter, nor may copies be delivered to any person other than Participants, Assignees, and your professional advisors and regulatory authorities, in each case without our prior written consent.

Very truly yours,

Morrison & Foerster LLP

SCHEDULE A

Bank of America National Trust and Savings Association

ABN AMRO Bank N.V.

First Interstate Bank of Oregon, N.A.

Royal Bank of Canada

Societe Generale

The Bank of Nova Scotia

The Chase Manhattan Bank, N.A.

The First National Bank of Chicago

United States National Bank of Oregon

Wachovia Bank of Georgia, N.A.

Wells Fargo Bank, N.A.

EXHIBIT E

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

This ASSIGNMENT AND ACCEPTANCE AGREEMENT (this "Assignment and Acceptance") dated as of _____, _____ is made between _____ (the "Assignor") and _____ (the "Assignee").

RECITALS

WHEREAS, the Assignor is party to that certain Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated, the "Agreement") among Louisiana-Pacific Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party thereto (including the Assignor, the "Banks"), and Bank of America National Trust and Savings Association, as agent for the Banks and the Designated Bidders (the "Agent"). Any terms defined in the Agreement and not defined in this Assignment and Acceptance are used herein as defined in the Agreement;

WHEREAS, as provided under the Agreement, the Assignor has committed to making committed loans (the "Committed Loans") to the Company in an aggregate amount not to exceed \$_____ (the "Commitment") and has agreed to offer to provide the Company with Bid Loans from time to time in the Assignor's sole discretion;

WHEREAS, [the Assignor has made Committed Loans in the aggregate principal amount of \$_____ to the Company [, and Bid Loans in the aggregate principal amount of \$_____] to the Company] [no Committed Loans are outstanding under the Agreement] [no Bid Loans are outstanding under the Agreement]; and

WHEREAS, the Assignor wishes to assign to the Assignee [part of the] [all] rights and obligations of the Assignor under the Agreement in respect of [(i)] its Commitment [, together with a corresponding portion of each of its outstanding Committed Loans,] in an amount equal to \$_____ (the "Assigned Amount"), [and (ii) its outstanding Bid Loans in an amount equal to \$_____,] in each case on the terms and subject to the conditions set forth herein and the Assignee wishes to accept assignment of such rights and to assume such obligations from the Assignor on such terms and subject to such conditions;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

1. Assignment and Acceptance.

(a) Subject to the terms and conditions of this Assignment and Acceptance, (i) the Assignor hereby sells, transfers and assigns to the Assignee, and (ii) the Assignee hereby purchases, assumes and undertakes from the Assignor, without recourse and without representation or warranty (except as provided in this Assignment and Acceptance) ___% (the "Assignee's Percentage Share") of (A) the Commitment [and the Committed Loans] of the Assignor, [and] (B) [\$_____ in principal amount of outstanding Bid Loans, and (C)] all related rights, benefits, obligations, liabilities and indemnities of the Assignor under and in connection with the Agreement and the documents and instruments given by the Company in connection therewith.

[If appropriate, add paragraph specifying payment to Assignor by Assignee of outstanding principal of, accrued interest on, and fees with respect to, Committed Loans and Bid Loans assigned.]

(b) With effect on and after the Effective Date (as defined in Section 5 hereof), the Assignee shall be a party to the Agreement and succeed to all of the rights and be obligated to perform all of the obligations of a Bank under the Agreement, including the requirements concerning confidentiality and the payment of indemnification, with a Commitment in an amount equal to the Assigned Amount. The Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Agreement are required to be performed by it as a Bank. It is the intent of the parties hereto that the Commitment of the Assignor shall, as of the Effective Date, be reduced by an amount equal to the Assigned Amount and the Assignor shall relinquish its rights and be released from its obligations under the Agreement to the extent such obligations have been assumed by the Assignee; provided, however, the Assignor shall not relinquish its rights under Sections 10.04 and 10.05 of the Agreement to the extent such rights relate to the time prior to the Effective Date.

(c) After giving effect to the assignment and assumption set forth herein, on the Effective Date the Assignee's Commitment will be \$_____.

(d) After giving effect to the assignment and assumption set forth herein, on the Effective Date the Assignor's Commitment will be \$_____.

2. Payments.

(a) As consideration for the sale, assignment and transfer contemplated in Section 1 hereof, the Assignee shall

pay to the Assignor on the Effective Date in immediately available funds an amount equal to \$_____, in respect of the Assignee's Percentage Share of the principal amount of all Committed Loans of the Assignor [and \$_____ in respect of the principal amount of Bid Loans previously made, and currently owed, by the Company to the Assignor under the Credit Agreement and outstanding on the Effective Date].

(b)The [Assignor] [Assignee] further agrees to pay to the Agent a processing fee in the amount specified in subsection 10.08(a) of the Agreement.

3.Reallocation of Payments.

Any interest, fees and other payments accrued to the Effective Date with respect to the Commitment[,] [Bid Loans,] [and] Committed Loans of the Assignor shall be for the account of the Assignor. Any interest, fees and other payments accrued on and after the Effective Date with respect to the Assigned Amount [and Bid Loans assigned hereunder] shall be for the account of the Assignee. Each of the Assignor and the Assignee agrees that it will hold in trust for the other party any interest, fees and other amounts which it may receive to which the other party is entitled pursuant to the two preceding sentences and pay to the other party any such amounts which it may receive promptly upon receipt.

4.Independent Credit Decision.

The Assignee (a) acknowledges that it has received a copy of the Agreement and the Schedules and Exhibits thereto, together with copies of the most recent financial statements referred to in Section 6.07 of the Agreement, and such other documents and information as it has deemed appropriate to make its own credit and legal analysis and decision to enter into this Assignment and Acceptance; and (b) agrees that it will, independently and without reliance upon the Assignor, the Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit and legal decisions in taking or not taking action under the Agreement.

5.Effective Date; Notices.

(a)As between the Assignor and the Assignee, the effective date for this Assignment and Acceptance shall be _____, _____ (the "Effective Date"); provided that the following conditions precedent have been satisfied on or before the Effective Date:

(i) this Assignment and Acceptance shall be executed and delivered by the Assignor and the Assignee;

(ii) the consent of the Company and the Agent required for an effective assignment of the Assigned Amount by the Assignor to the Assignee under Section 10.08(a) of the Agreement shall have been duly obtained and shall be in full force and effect as of the Effective Date;

(iii) the Assignee shall pay to the Assignor all amounts due to the Assignor under this Assignment and Acceptance;

(iv) the Assignee shall have complied with subsection 9.10(a) of the Agreement (if applicable); and

(v) the processing fee referred to in Section 2(b) hereof and in Section 10.08(a) of the Agreement shall have been paid to the Agent.

(b) Promptly following the execution of this Assignment and Acceptance, the Assignor shall deliver to the Company and the Agent for acknowledgment by the Agent, a Notice of Assignment in the form attached hereto as Schedule 1.

6. Agent.

[(a)] The Assignee hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Agreement as are delegated to the Agent by the Banks pursuant to the terms of the Agreement.

[INCLUDE ONLY IF ASSIGNOR IS AGENT: (b) The Assignee shall assume no duties or obligations held by the Assignor in its capacity as Agent under the Agreement.]

7. Withholding Tax.

The Assignee (a) represents and warrants to the Assignor, the Agent and the Company that under applicable law and treaties no tax will be required to be withheld by the Assignor with respect to any payments to be made to the Assignee hereunder, (b) agrees to furnish (if it is organized under the laws of any jurisdiction other than the United States or any State thereof) to the Agent and the Company prior to the time that the Agent or the Company is required to make any payment of principal, interest or fees hereunder, duplicate executed originals of either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 (wherein the Assignee claims entitlement to the benefits of a tax treaty that provides for a complete exemption from U.S. federal income withholding tax on all payments hereunder) and agrees to provide new Forms 4224 or 1001 upon the expiration of any previously delivered form or comparable statements in accordance with applicable U.S. law and regulations and amendments thereto, duly executed and completed by the Assignee, and (c) agrees to comply with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

8. Representations and Warranties.

(a) The Assignor represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Lien or other adverse claim; (ii) it is duly organized and existing and it has the full power and authority to take, and has taken, all action necessary to execute and deliver this Assignment and Acceptance and any other documents required or permitted to be executed or delivered by it in connection with this Assignment and Acceptance and to fulfill its obligations hereunder; (iii) except for the notice required by Section 5(b) hereof, no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Assignment and Acceptance, and apart from any agreements or undertakings or filings required by the Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; and (iv) this Assignment and Acceptance has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles.

(b) The Assignor makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any other instrument or document furnished pursuant thereto. The Assignor makes no representation or warranty in connection with, and assumes no responsibility with respect to, the solvency, financial condition or statements of the Company, or the performance or observance by the Company of any of its respective obligations under the Agreement or any other instrument or document furnished in connection therewith.

(c) The Assignee represents and warrants that (i) it is duly organized and existing and it has full power and authority to take, and has taken, all action necessary to execute and deliver this Assignment and Acceptance and any other documents required or permitted to be executed or delivered by it in connection with this Assignment and Acceptance, and to fulfill its obligations hereunder; (ii) except for the notice required by Section 5(b) hereof, no notices to, or consents, authorizations or approvals of, any Person are required (other than any already given or obtained) for its due execution, delivery and performance of this Assignment and Acceptance; and apart from any agreements or undertakings or filings required by the Agreement, no further action by, or notice to, or filing with, any Person is required of it for such execution, delivery or performance; (iii) this Assignment and Acceptance has been duly executed and delivered by it and constitutes the legal, valid and binding obligation of the Assignee, enforceable against the Assignee in accordance with the terms hereof, subject, as to enforcement, to bankruptcy, insolvency, moratorium, reorganization and other laws of general application relating to or affecting creditors' rights and to general equitable principles; and (iv) it is an Eligible Assignee.

9. Further Assurances.

The Assignor and the Assignee each hereby agree to execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Assignment and Acceptance, including the delivery of any notices or other documents or instruments to the Company or the Agent, which may be required in connection with the assignment and assumption contemplated hereby.

10. Miscellaneous.

(a) Any amendment or waiver of any provision of this Assignment and Acceptance shall be in writing and signed by the parties hereto. No failure or delay by either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof and any waiver of any breach of the provisions of this Assignment and Acceptance shall be without prejudice to any rights with respect to any other or further breach thereof.

(b) All payments made hereunder shall be made without any set-off or counterclaim.

(c) The Assignor and the Assignee shall each pay its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Assignment and Acceptance.

(d) This Assignment and Acceptance may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

(e) THIS ASSIGNMENT AND ACCEPTANCE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF CALIFORNIA. The Assignor and the Assignee each irrevocably submit to the non-exclusive jurisdiction of any State or Federal court sitting in California over any suit, action or proceeding arising out of or relating to this Assignment and Acceptance and irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such California State or Federal court. Each party to this Assignment and Acceptance hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

(f) THE ASSIGNOR AND THE ASSIGNEE EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS ASSIGNMENT AND ACCEPTANCE, THE AGREEMENT, ANY RELATED DOCUMENTS AND AGREEMENTS OR ANY COURSE OF CONDUCT, COURSE OF DEALING, OR STATEMENTS (WHETHER ORAL OR WRITTEN).

[Other provisions to be added as may be negotiated between the Assignor and the Assignee, provided that such provisions are not inconsistent with the Agreement.]

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment and Acceptance to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNOR]

By:

Title:

By:

Title:

Address:

[ASSIGNEE]

By:

Title:

By:

Title:

Address:

SCHEDULE 1

NOTICE OF ASSIGNMENT AND ACCEPTANCE

Bank of America National Trust
and Savings Association, as Agent
1455 Market Street, 12th Floor
San Francisco, CA 94103
Attn: Agency Management Services #5596

Louisiana-Pacific Corporation
111 S.W. Fifth Avenue
Portland, OR 97204

Ladies and Gentlemen:

We refer to the Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement") among Louisiana-Pacific Corporation (the "Company"), the Banks referred to therein and Bank of America National Trust and Savings Association and as agent for the Banks and the Designated Bidders (the "Agent"). Terms defined in the Agreement are used herein as therein defined.

1. We hereby give you notice of, and request your consent to(1), the assignment by _____ (the "Assignor") to _____ (the "Assignee") of _____% of the right, title and interest of the Assignor in and to the Agreement (including, without limitation, the right, title and interest of the Assignor in and to the Commitment of the Assignor [and all outstanding Committed Loans made by the Assignor]) [and \$_____ of outstanding Bid Loans made by the Assignor thereunder], pursuant to the Assignment and Acceptance Agreement attached hereto (the "Assignment and Acceptance"). Before giving effect to such assignment the Assignor's Commitment is \$ _____ [, and the aggregate amount of its outstanding Committed Loans is \$ _____ [and Bid Loans is \$_____]]. After giving effect to such assignment the Assignor's Commitment is \$ _____ [, and the aggregate amount of its outstanding Committed Loans is \$ _____ [and Bid Loans is \$_____]], and the Assignee's Commitment is \$ _____ [, and the aggregate amount of its outstanding Committed Loans is \$ _____ [and Bid Loans is \$_____]].

2. The Assignee agrees that, upon receiving the consent of the Agent and, if applicable, the Company, to such assignment, the Assignee will be bound by the terms of the Agreement as fully and to the same extent as if the Assignee were the Bank originally holding such interest in the Agreement.

3. The following administrative details apply to the Assignee:

(1) See Section 10.08 of the Credit Agreement regarding circumstances under which Company consent is required.

(A) Notice Address:

Assignee name: _____
Address: _____

Attention: _____
Telephone: (____) _____
Telecopier: (____) _____
Telex (Answerback): _____

(B) Payment Instructions:

Account No.: _____
At: _____

Reference: _____
Attention: _____

4. You are entitled to rely upon the representations, warranties and covenants of each of the Assignor and Assignee contained in the Assignment and Acceptance.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Notice of Assignment and Acceptance to be executed by their respective duly authorized officials, officers or agents as of the date first above mentioned.

Very truly yours,

[NAME OF ASSIGNOR]

By:

Title:

By:

Title:

[NAME OF ASSIGNEE]

By:

Title:

By:

Title:

ACKNOWLEDGED AND ASSIGNMENT
CONSENTED TO:

LOUISIANA-PACIFIC CORPORATION

By:

Title: _____

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION, as Agent

By: _____
Vice President

EXHIBIT F

FORM OF INVITATION FOR COMPETITIVE BIDS

Via Facsimile

To the Banks [and Designated Bidders] Listed on Schedule A attached hereto:

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement"), among Louisiana-Pacific Corporation (the "Company"), the Banks party thereto, and Bank of America National Trust and Savings Association, as Agent for the Banks and the Designated Bidders (the "Agent"). Capitalized terms used herein have the meanings specified in the Agreement.

Pursuant to subsection 2.06(b) of the Agreement, you are hereby invited to submit offers to make Bid Loans to the Company based on the following specifications:

1. The Business Day of the proposed Bid Borrowing is _____, ____.
2. The aggregate amount of the proposed Bid Borrowing is \$_____.
3. The proposed Bid Borrowing to be made pursuant to Section 2.06 shall be comprised of [LIBOR] [Absolute Rate] Bid Loans.
4. The duration of the Interest Period[s] for the Bid Loans comprised in the Borrowing shall be _____, [_____] [and _____].
5. [if applicable] The Interest Payment Date[s] for the Bid Loans comprised in the Borrowing shall be _____, [_____] [and _____].

All Competitive Bids must be in the form of Exhibit H to the Agreement and must be received by the Agent no later than 6:30 a.m. (or, in the case of a Competitive Bid by the Agent or an affiliate of the Agent in the capacity of a Bank or Designated Bidder, 6:15 a.m.) (San Francisco time) on _____, ____.

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, as Agent

By: _____
Vice President

Schedule A

List of Banks [and Designated Bidders]

Bank of America National Trust
and Savings Association, as a Bank

Facsimile: (415) 622-____

[Bank]

Facsimile: (____) ____-____

[Bank]

Facsimile: (____) ____-____

[Bank]

Facsimile: (____) ____-____

[Bank]

Facsimile: (____) ____-____

FORM OF COMPETITIVE BID REQUEST

_____ / _____

Bank of America National Trust
and Savings Association, as Agent
1455 Market Street, 12th Floor
San Francisco, CA 94103
Attention: Agency Management Services #5596

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement"), by and among Louisiana-Pacific Corporation (the "Company"), the Banks party thereto, and Bank of America National Trust and Savings Association, as Agent for the Banks and the Designated Bidders (the "Agent"). Capitalized terms used herein have the meanings specified in the Agreement.

This is a Competitive Bid Request for Bid Loans pursuant to Section 2.06 of the Agreement as follows:

(i) The Business Day of the proposed Bid Borrowing is _____, _____.

(ii) The aggregate amount of the proposed Bid Borrowing is \$_____.

(iii) The proposed Bid Borrowing to be made pursuant to Section 2.06 shall be comprised of [LIBOR] [Absolute Rate] Bid Loans.

(iv) The Interest Period[s] for the Bid Loans comprised in the Borrowing shall be _____, [_____] and [_____].

(v) [if applicable] The Interest Payment Date[s] for the Bid Loans comprised in the Borrowing shall be _____, [_____] [and _____].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the Company contained in Article V (exclusive of Section 5.13) of the Agreement are true and correct as though made on and as of such date;

(b) the financial statements most recently supplied to the Banks under both subsections 6.07(a) and 6.07(b) have been prepared in accordance with the provisions of such subsections as of the dates and periods therein specified, and since such dates and periods there has been no change in the Company's consolidated financial condition or results of operations sufficient to impair the Company's ability to repay the Loans in accordance with the terms of the Agreement, and neither the Company nor any Subsidiary has any contingent obligations, liabilities for taxes or other outstanding financial obligations which are material in the aggregate to the Company, except as have been disclosed in such financial statements, or as have been otherwise previously disclosed to the Banks in writing;

(c) no Default or Event of Default exists or would result from such proposed Borrowing; and

(d) the proposed Borrowing will not cause the aggregate principal amount of all outstanding Loans to exceed the combined Commitments of the Banks.

LOUISIANA-PACIFIC CORPORATION

By: _____

Title: _____

EXHIBIT H
FORM OF COMPETITIVE BID

_____, _____
Bank of America National Trust
and Savings Association, as Agent
1455 Market Street, 12th Floor
San Francisco, CA 94103
Attention: Agency Management Services #5596

Ladies and Gentlemen:

Reference is made to the Credit Agreement dated as of February 16, 1996 (as amended from time to time, the "Agreement") by and among Louisiana-Pacific Corporation (the "Company"), the Banks party thereto, and Bank of America National Trust and Savings Association, as Agent for the Banks and the Designated Bidders (the "Agent"). Capitalized terms used herein have the meanings specified in the Agreement.

In response to the Competitive Bid Request of the Company dated _____, _____ and in accordance with subsection 2.06(c)(ii) of the Agreement, the undersigned Bank offers to make [a] Bid Loan[s] thereunder in the following principal amount[s] at the following interest rates for the following Interest Period[s] [with the following Interest Payment Date[s]]:

Date of Borrowing: _____, _____

Principal Amount \$ _____	[Principal Amount \$ _____]	[Principal Amount \$ _____]
Interest: [Absolute Rate % , % , %] -- -- --	Interest: [Absolute Rate % , % , %] -- -- --	Interest: [Absolute Rate % , % , %] -- -- --
[Libor Bid Margin +/- % , +/- % , -- -- +/- %] --	[Libor Bid Margin +/- % , +/- % , -- -- +/- %] --	[Libor Bid Margin +/- % , +/- % , -- -- +/- %] --
Interest Period _____	Interest Period _____	Interest Period _____
[Interest Payment Date[s] _____]	[Interest Payment Date[s] _____]	[Interest Payment Date[s] _____]

[NAME OF BANK OR DESIGNATED BIDDER]

By: _____
Title: _____

EXHIBIT I

FORM OF COMMITTED LOAN NOTE

\$

_____,
San Francisco, California

FOR VALUE RECEIVED, the undersigned, Louisiana-Pacific Corporation, a Delaware corporation (the "Company"), hereby promises to pay to the order of _____ (the "Bank") [(i)] the principal sum of _____ Dollars (\$) _____) or, if less, the aggregate unpaid principal amount of all Committed Loans made by the Bank to the Company pursuant to the Credit Agreement, dated as of February 16, 1996 (such Agreement, as it may be extended, renewed, supplemented, amended or restated from time to time, being hereinafter called the "Agreement"), among the Company, the Bank, the other banks parties thereto and Bank of America National Trust and Savings Association, as Agent for the Banks and the Designated Bidders [, together with (ii) the principal amount of any outstanding Swingline Loans made by the Bank as Swingline Bank, in each case(1)], on the dates and in the amounts provided in the Agreement. The Company further promises to pay interest on the unpaid principal amount of the Committed Loans [and Swingline Loans] evidenced hereby from time to time at the rates, on the dates, and otherwise as provided in the Agreement.

The Bank is authorized to endorse the amount and the date on which each Committed Loan [or Swingline Loan] is made, the maturity date therefor and each payment of principal with respect thereto on the schedules annexed hereto and made a part hereof, or on continuations thereof which shall be attached hereto and made a part hereof; provided, that any failure to endorse such information on such schedule or continuation thereof shall not in any manner affect any obligation of the Company under the Agreement and this Committed Loan Note (the "Note").

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Agreement, which Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

Terms defined in the Agreement are used herein with their defined meanings therein unless otherwise defined herein. This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed entirely within such State.

LOUISIANA-PACIFIC CORPORATION

By:

Title:

Schedule A to Note

BASE RATE COMMITTED LOANS AND REPAYMENT OF BASE
RATE COMMITTED LOANS [AND SWINGLINE LOANS]

(1) Date	(2) Amount of Base Rate Com- mitted Loan [or Swing- line Loan]	(3) Maturity Date of Base Rate Committed Loan [or Swing- line Loan]	(4) Amount of Base Rate Committed Loan [or Swingline Loan] Repaid	Notation Made By
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OFFSHORE RATE COMMITTED LOANS AND REPAYMENT OF
OFFSHORE RATE COMMITTED LOANS

(1) Date	(2) Amount of Offshore Rate Commit- ted Loan	(3) Maturity Date of Offshore Rate Commit- ted Loan	(4) Amount of Offshore Rate Loan Commit- ted Repaid	(5) Notation Made By
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EXHIBIT J

FORM OF BID LOAN NOTE

_____, _____ San Francisco, California

FOR VALUE RECEIVED, the undersigned, Louisiana-Pacific Corporation, a Delaware corporation (the "Company"), hereby promises to pay to the order of _____ (the "Bid Loan Lender") the aggregate unpaid principal amount of all Bid Loans made by the Bid Loan Lender to the Company pursuant to the Credit Agreement, dated as of February 16, 1996 (such Agreement, as it may be extended, renewed, supplemented, amended or restated from time to time, being hereinafter called the "Agreement"), among the Company, the Bid Loan Lender, the other banks parties thereto and Bank of America National Trust and Savings Association, as Agent for the Banks and the Designated Bidders, on the dates and in the amounts provided in the Agreement. The Company further promises to pay interest on the unpaid principal amount of the Bid Loans evidenced hereby from time to time at the rates, on the dates, and otherwise as provided in the Agreement.

The Bid Loan Lender is authorized to endorse the amount and the date on which each Bid Loan is made, the maturity date therefor and each payment of principal with respect thereto on the schedules annexed hereto and made a part hereof, or on continuations thereof which shall be attached hereto and made a part hereof; provided, that any failure to endorse such information on such schedule or continuation thereof shall not in any manner affect any obligation of the Company under the Agreement and this Bid Loan Note (the "Note").

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Agreement, which Agreement, among other things, contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

Terms defined in the Agreement are used herein with their defined meanings therein unless otherwise defined herein. This Note shall be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed entirely within such State.

LOUISIANA-PACIFIC CORPORATION

By:

Title:

Schedule A to Note

ABSOLUTE RATE BID LOANS AND REPAYMENT OF
ABSOLUTE RATE BID LOANS

(1) Date	(2) Amount of Absolute Rate Bid Loan	(3) Maturity Date of Absolute Rate Bid Loan	(4) Amount of Absolute Rate Loan Bid Repaid	(5) Notation Made By
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Schedule B to Note

LIBOR BID LOANS AND REPAYMENT OF
LIBOR BID LOANS

(1) Date	(2) Amount of LIBOR Bid Loan	(3) Maturity Date of LIBOR Bid Loan	(4) Amount of LIBOR Bid Loan Repaid	(5) Notation Made By
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EXHIBIT K
DESIGNATION AGREEMENT

Date: _____, ____

Reference is made to the Credit Agreement dated as of February 16, 1996 (as extended, renewed, supplemented, amended or restated from time to time, the "Agreement") among Louisiana-Pacific Corporation, a Delaware corporation (the Company), the Banks (as such term is defined in the Agreement) and Bank of America National Trust and Savings Association, as Agent for the Banks and the Designated Bidders (the "Agent"). Terms defined in the Agreement are used herein with the same meaning.

_____ (the "Designator") and
_____ (the "Designee") hereby agree as follows:

1. The Designator hereby designates the Designee, and the Designee hereby accepts such designation, to have a right to make Bid Loans pursuant to Section 2.06 of the Agreement.

2. The Designator makes no representation or warranty and assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Agreement or any other instrument or document furnished pursuant thereto and (ii) the financial condition of the Company or the performance or observance by the Company of any of its obligations under the Agreement or any other instrument or document furnished pursuant thereto.

3. The Designee (i) confirms that it has received a copy of the Agreement, together with copies of the financial statements referred to in Section [5.13] [6.07] thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Designation Agreement; (ii) agrees that it will, independently and without reliance upon the Agent, the Designator or any other Bank or Designated Bidder and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Agreement; (iii) confirms that it is an entity qualified to be a Designated Bidder; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Agreement as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Agreement are required to be performed by it as a Designated Bidder; and (vi) specifies as its Lending Office with respect to Bid Loans (and address for notices) the office(s) set forth beneath its name on the signature page hereof.

4. Following the execution of this Designation Agreement by the Designator and its Designee, it will be delivered to the Agent for acceptance by the Agent. The effective date of this Designation Agreement shall be the date of acceptance thereof by the Agent, unless otherwise specified on the signature page hereto (the "Effective Date").

5. Upon such acceptance and recording by the Agent, as of the Effective Date, the Designee shall be a party to the Agreement as a "Designated Bidder" with a right to make Bid Loans pursuant to Section 2.06 of the Agreement and the rights and obligations of a Designated Bidder related thereto.

6. This Designation Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Designation Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Effective Date*:

_____, ____

[NAME OF DESIGNATOR]

By: _____

Title: _____

[NAME OF DESIGNEE]

By: _____

Title: _____

Lending Office (and
address for notices)
[Address]

Accepted this ____ day
of _____, ____

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, as Agent

By: _____
Vice President

* This date should be no earlier than the date of acceptance by the Agent.

EMPLOYMENT AGREEMENT

THIS RESTATED EMPLOYMENT AGREEMENT ("Agreement") is entered into effective as of the close of business on January 2, 1996 by Louisiana-Pacific Corporation, a Delaware corporation, having its principal offices at 111 S.W. Fifth Avenue, Portland, Oregon 97204 (the "Company"), and Mark A. Suwyn, presently residing at 86 Clearview Lane, New Canaan, Connecticut 06840 (the "Executive"). This Agreement is a restatement of, and supersedes, the employment agreement previously entered into by the Company and the Executive as of the same date.

RECITALS

A. The Company desires to obtain the services of the Executive as the chairman and the chief executive officer of the Company; and

B. The Executive desires to provide his services to the Company on the terms and conditions herein provided.

NOW, THEREFORE, the parties agree as follows:

1. Definitions.

(a) "Base Salary" means the salary provided for in section 4(a) below, as such amount may be adjusted hereunder.

(b) "Board" means the Board of Directors of the Company or an authorized committee thereof.

(c) "Cause" means that, prior to any termination pursuant to Section 5(f), the Executive shall have:

(i) committed an act of fraud, embezzlement or theft in connection with his duties or in the course of his employment with the Company or any Subsidiary (excluding good faith acts relating to expense reimbursements and similar matters);

(ii) committed an act of willful misconduct having a material adverse effect on the business or property of the Company and its Subsidiaries;

(iii) continuing to fail to devote substantially the whole of his business time to the business and affairs of the Company and its Subsidiaries (excluding reasonable amounts of time devoted to charitable purposes, passive investments and other directorships and periods in which he is physically or mentally ill or injured) after written notice (within the prior 90 days) to the Executive of his failure to be doing so;

(iv) made any Unauthorized Disclosure; or

(v) engaged in any Competitive Activity.

Notwithstanding the foregoing, the Executive will not be deemed to have been terminated for "Cause" hereunder unless and until there shall have been delivered to the Executive a copy of a resolution finding Cause duly adopted by the Board after reasonable notice to the Executive and an opportunity for the Executive (together with his counsel if the Executive so chooses) to be heard before the Board. In addition, no resolution finding Cause will be valid unless the Board adopts such resolution within 90 days of the date on which the Board becomes aware of the acts or events giving rise to such finding. Nothing herein will limit the right of the Executive or his beneficiaries to contest the validity or propriety of any finding of Cause.

(d) "Change in Control" means:

(i) The Company is merged, consolidated or reorganized into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than a majority of the combined voting power of the then-outstanding Voting Stock of such corporation or person immediately after such transaction is held in the aggregate by the holders of Voting Stock of the Company immediately prior to such transaction;

(ii) The Company sells or otherwise transfers all or substantially all of its assets to another corporation or other legal person, and as a result of such sale or transfer less than a majority of the combined voting power of the then-outstanding Voting Stock of such corporation or person immediately after such sale or transfer is held in the aggregate by the holders of Voting Stock of the Company immediately prior to such sale or transfer;

(iii) There is a report filed on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the Exchange Act, disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) of securities representing 25% or more of the combined voting power of the then-outstanding Voting Stock of the

Company;

(iv) The Company files a report or proxy statement with the Securities and Exchange Commission pursuant to the Exchange Act disclosing in response to Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) that a change in control of the Company has occurred or will occur in the future pursuant to any then-existing contract or transaction; or

(v) If, during any period of two consecutive years, individuals who at the beginning of any such period constitute the Board cease for any reason to constitute at least a majority thereof; provided, however, that for purposes of this clause (v) each member of the Board who is first elected, or first nominated for election by the Company's stockholders, by a vote of at least two-thirds of the Board (or a committee thereof) then still in office who were members of the Board at the beginning of any such period will be deemed to have been a member of the Board at the beginning of such period.

Notwithstanding the foregoing, unless otherwise determined in a specific case by the Board, a "Change in Control" shall not be deemed to have occurred for purposes of this Agreement solely because (A) the Company, (B) a Subsidiary, or (C) any Company-sponsored employee stock ownership plan or any other employee benefit plan of the Company or any Subsidiary either files or becomes obligated to file a report or a proxy statement under or in response to Schedule 13D, Schedule 14D-1, Form 8-K or Schedule 14A (or any successor schedule, form or report or item therein) under the Exchange Act disclosing beneficial ownership by it of shares of Voting Stock, whether in excess of 50% or otherwise, or because the Company reports that a change in control of the Company has occurred or will occur in the future by reason of such beneficial ownership.

(e) "Competitive Activity" means the Executive's active participation, without the written consent of the Company based on the approval of the Board, in the management of any business enterprise if such enterprise engages in substantial and direct competition with the Company and such enterprise's sales of any product or service competitive with any product or service of the Company amounted to 5% of such enterprise's net sales for its most recently completed fiscal year and if the Company's net sales of said product or service amounted to 5% of the Company's net sales for its most recently completed fiscal year. "Competitive Activity" will not include (i) the mere ownership of not more than 2.0% of any class of the securities of any such enterprise and the exercise of rights appurtenant thereto or (ii) participation in the management of any such enterprise other than directly in connection with the competitive operations of such enterprise.

(f) "Disability" means the Executive's inability, as a result of mental or physical illness, injury or disease, to perform substantially his material duties and responsibilities under this Agreement for a period of 180 consecutive days within any 12-month period.

(g) "Employee Benefits" means the perquisites, benefits and service credit for benefits as provided under any and all employee retirement income and welfare benefit policies, plans, programs or arrangements in which Executive is entitled to participate, including without limitation any stock option, stock purchase, stock appreciation, savings, pension, supplemental executive retirement, or other retirement income or welfare benefit, deferred compensation, incentive compensation, group or other life, health, medical/hospital or other insurance (whether funded by actual insurance or self-insured by the Company), disability, salary continuation, expense reimbursement and other employee benefit policies, plans, programs or arrangements that may now exist or any equivalent successor policies, plans, programs or arrangements that may be adopted hereafter by the Company, providing perquisites, benefits and service credit for benefits at least as great in the aggregate as are payable thereunder on the date hereof.

(h) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(i) "Good Reason" means the occurrence of one or more of the following events during the Term of Employment:

(i) Failure to elect or reelect or otherwise to maintain the Executive in the office of chief executive officer and chairman of the Board of the Company (or any successor thereto);

(ii) (A) A reduction in the Executive's Base Salary received from the Company and any Subsidiary, or (B) the termination or denial of the Executive's rights to any Employee Benefits (other than employee stock options or similar equity-based benefits) or a reduction in the scope or value thereof, any of which is not remedied by the Company within 10 calendar days after receipt by the Company of written notice from the Executive of such reduction or termination, as the case may be;

(iii) The liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or substantially all of its business and/or assets, unless the successor or successors (by liquidation, merger, consolidation, reorganization, transfer or otherwise) to which all or substantially all of its business and/or assets have been transferred (directly or by operation of law) assumed all obligations of the Company under this Agreement pursuant to Section 9(a);

(iv) The Company relocates its principal executive

offices, or requires the Executive to have his principal location of work changed, to any location that is in excess of 25 miles from the location thereof on the date hereof (other than any relocation recommended or approved by the Executive), or requires the Executive to travel away from his office in the course of discharging his responsibilities or duties hereunder at least 20% more (in terms of aggregate days in any calendar year or in any calendar quarter when annualized for purposes of comparison to any prior year) than was required of Executive in any of the three immediately preceding calendar years in either case, his prior written consent; or

(v) Without limiting the generality or effect of the foregoing, any material breach of this Agreement by the Company or any successor thereto which is not remedied by the Company (or such successor) within 10 calendar days after receipt by the Company of written notice from the Executive of such breach.

(i) "Subsidiary" means an entity in which the Company directly or indirectly beneficially owns 50% or more of the outstanding Voting Stock.

(k) "Term of Employment" means the period specified in Section 2 hereof.

(l) "Unauthorized Disclosure" means the Executive's willful disclosure in bad faith to any person or entity, other than an employee or other agent or representative of the Company or any Subsidiary, or a person or entity to whom disclosure is reasonably necessary or appropriate in response to legal process, in accordance with applicable regulatory requirements or in connection with the performance by the Executive of his duties hereunder, without the prior approval of the Board, of any confidential information obtained by the Executive while in the employ of the Company with respect to the Company's business or any other business carried on by the Company or any Subsidiary, the disclosure of which the Executive knows or reasonably should know may be materially damaging to the Company and its Subsidiaries.

(m) "Voting Stock" means securities entitled to vote generally in the election of directors.

2. Term of Employment. The Company hereby employs the Executive as the chairman and the chief executive officer of the Company, and the Executive hereby accepts such employment, effective as of the close of business on January 2, 1996 and ending at the close of business on December 31, 1998; provided that thereafter the Term of Employment will automatically be extended for successive one-year periods unless either party gives written notice to the other, not less than 90 calendar days prior to the otherwise scheduled expiration of the Term of Employment, that it or he does not want the Term of Employment to so extend. The Executive will devote substantially the whole of his business time to the business and affairs of, and to advance the best interests of, the Company and its Subsidiaries (excluding reasonable amounts of time devoted to charitable purposes, passive investments and other directorships and periods in which he is physically or mentally ill or injured).

3. Duties and Responsibilities. During the Term of Employment, the Executive will have and perform such duties and responsibilities commensurate with his position as the chairman and the chief executive officer as are customary for chairmen and chief executive officers of public companies, including those as may from time to time be assigned by the Board, subject to any terms or conditions of this Agreement which will restrict or limit such duties and responsibilities. The Executive will report directly to the Board with respect to such duties and responsibilities, and all other employees of the Company will report through him to the Board. It is the intention of the parties that the Executive will be elected to the position of, and serve as, the chairman of the Board throughout the Term of Employment.

4. Compensation and Benefits. (a) Base Salary. During the Term of Employment, the Executive will receive a Base Salary of \$600,000 per year; subject to annual review by the Board for increase (but not decrease) each year during the Term of Employment commencing with 1997. Such Base Salary will be payable by the Company in accordance with its regular compensation practices and policies.

(b) Annual Performance Bonus. The Executive, upon satisfying reasonable annual performance goals established by the Board or a committee thereof, shall be entitled to an annual bonus, payable no later than the end of the first quarter of the following fiscal year. Such bonus if the targeted performance goals are achieved shall be not less than \$400,000 for the 1996 fiscal year and 70 percent of Base Salary for each fiscal year thereafter during the Term of Employment. Higher or lower bonuses may be paid upon achievement of specified greater or lesser goals than the targeted goals. The Board may, if it so elects, establish a bonus plan subject and pursuant to Code Section 162(m) for purposes of fulfilling the aforesaid obligations. The Executive agrees that if the Board so elects, the obligation to pay an annual bonus as aforesaid shall be conditioned upon stockholder approval of such plan in accordance with the requirements of Code Section 162(m). While such plan may provide for committee discretion to reduce the bonus amounts specified if the targeted performance goals are achieved, any reduction below the amounts specified above if the targeted performance goals are achieved shall be deemed a breach of the obligation of this Section 4(b). Any achieved bonus shall be deemed earned and vested as of the end of the fiscal year for which it is earned.

(c) Replacement Bonus for 1995. The Company will pay the Executive a replacement bonus equal to \$600,000 reduced (but not below zero) by the amount of any annual performance bonus payable to the Executive by International Paper Company ("IP") for 1995. Such replacement bonus will be payable by the Company on or prior to February 15, 1996 in accordance with its regular

compensation practices and policies.

(d) Stock Options. The Executive will receive a grant under the Company's 1991 Stock Option Plan (the "Option Plan") of options to purchase 200,000 shares of Common Stock of the Company. Such options will be granted as of the close of business on January 2, 1996 and will have an exercise price per share equal to the closing price per share of such Common Stock quoted on the New York Stock Exchange on such date. Such options will become cumulatively vested and exercisable as to 20% of the options on each of the first five anniversaries of January 1, 1996 and will become 100% vested and exercisable upon a Change in Control, a change of control as defined in the Option Plan, the termination of the Term of Employment by the Company pursuant to Section 2 or the Executive's death, Disability, termination by the Executive for Good Reason or termination by the Company without Cause; provided in each case that the Executive is employed by the Company on the date of such event; and provided further that the vesting of such options will cease upon the termination of the Term of Employment by the Executive pursuant to Section 2 or the Executive's termination by the Executive without Good Reason or termination by the Company for Cause. For purposes of the one year employment requirement in Section 5(i) of the Option Plan, a termination of employment by the Executive for Good Reason will be deemed a constructive discharge by the Company and hence not a violation of such Section. Notwithstanding the foregoing, such options will not be exercisable in any event after the tenth anniversary of the date of grant.

(e) Restricted Stock. The Executive will receive from the Company within 30 days a grant of 150,000 restricted shares of Common Stock of the Company. The Executive's rights to 30,000 shares of such restricted stock will become cumulatively vested and nonforfeitable on each of the first three anniversaries of January 1, 1996 and will become 100% vested and nonforfeitable upon a Change in Control, a change of control as defined in the Option Plan, the termination of the Term of Employment by the Company pursuant to Section 2 or the Executive's death, Disability, termination by the Executive for Good Reason or termination by the Company without Cause; provided in each case that the Executive is employed by the Company on the date of such event; and provided further that the vesting of such restricted stock will cease upon the termination of the Term of Employment by the Executive pursuant to Section 2 or the Executive's termination by the Executive without Good Reason or termination by the Company for Cause. The Executive's rights to 60,000 shares of such restricted stock will become 100% vested and nonforfeitable upon a Change in Control, a change of control as defined in the Option Plan, the termination of the Term of Employment by the Company pursuant to Section 2 or the Executive's attainment of age 62, termination by the Executive for Good Reason or termination by the Company without Cause; provided in each case that the Executive is employed by the Company on the date of such event; and provided further that the vesting of such restricted stock will cease upon the termination of the Term of Employment by the Executive pursuant to Section 2 or the Executive's death, Disability, termination by the Executive without Good Reason or termination by the Company for Cause. The restricted stock agreement evidencing such grant will provide for either registration rights of the Executive, a put by the Executive to the Company or other means by which the Executive will be reasonably able to sell the restricted stock upon its vesting at the then market price without expenses other than brokerage commissions.

(f) Supplemental Executive Retirement Benefit. The Executive will be entitled to receive a nonqualified supplemental executive retirement benefit from the Company, which he shall be immediately vested in to the extent accrued. The annual benefit payable to Executive (calculated as a single life annuity on an unreduced basis starting at age 62 and actuarially reduced from age 62 if commencing prior to age 62 or paid in a form other than a single life annuity) will equal the greater of I and II, reduced by III, where I, II and III are as follows:

I equals the lesser of (i) and (ii), reduced by (iii), where (i), (ii) and (iii) are as follows:

(i) equals the product of (A) 3.25 percent of the Executive's Compensation for the calendar year during the three consecutive completed calendar years prior to termination of the Executive's employment (the "Determination Date") in which the Executive had the highest Compensation (the "Highest Compensation") (where Compensation shall mean the Executive's Base Salary and annual performance bonus paid for that calendar year, including without limitation any of the above amounts deferred pursuant to a salary reduction agreement pursuant to Code Section 125 or 401(k) or electively pursuant to a nonqualified deferred compensation arrangement and any portion of the annual performance bonus earned for the calendar year non-electively deferred, provided that for 1996 Compensation shall be deemed not to be less than \$1,000,000 and the 1996 calendar year shall be deemed a completed prior calendar year), multiplied by (B) the number of years (including fractions thereof) that the Executive is employed by the Company and previously was employed by IP (the "Benefit Servicer").

(ii) equals 50 percent of the Executive's Highest Compensation.

(iii) equals the product of:

(A) 3.25 percent of the Executive's Primary Social Security Benefit multiplied by the number of years of Benefit Service projected to age 65, subject to a maximum of 50 percent of the Executive's Primary Social Security Benefit, multiplied by

(B) the ratio of Benefit Service at the Determination Date to Benefit Service projected to age 65.

II equals 25 percent of the Executive's Highest Compensation.

III equals the sum of the single life annuity actuarial equivalent on the Determination Date of the annual benefit payable to the Executive, if any, under the primary qualified retirement plan maintained by the Company, the primary qualified retirement plan maintained by IP and the Unfunded Supplemental Retirement Plan for Senior Managers of IP.

Such benefit will be payable by the Company to the Executive or, in the event of his death, his beneficiary (which unless he elects otherwise in writing shall be his spouse, if married or, if not, his estate) commencing 30 days after the Executive's termination of employment with the Company and all Subsidiaries in the form of a single life annuity, a joint and 50 percent survivor annuity, installments over two to 15 years or a single lump sum payment, as timely elected by the Executive in a manner established by the Company that permits the Executive maximum flexibility but avoids constructive receipt. If no election is made, such payment shall be payable in the form of a lump sum. If the Executive dies prior to his termination of employment, his beneficiary (as indicated above) shall receive in a single lump sum 30 days after such death an amount equal to 50 percent of the lump sum the Executive would have received if he received his benefits in a lump sum as of such date. The actuarial assumptions to be used for this Section 4(f) shall be those in effect for the Company's primary qualified retirement plan (or, if such plan is not a defined benefit plan, the actuarial assumptions then promulgated by the Pension Benefit Guaranty Corporation for calculating single lump sum payments), provided that with regard to reductions pursuant to III above, the actuarial equivalents, if any, in the plan being offset shall be utilized.

(g) Relocation Benefits. The Company will pay the Executive a relocation bonus on or prior to February 15, 1996 in an amount such that, after payment by the Executive of all income, employment, excise and other applicable taxes on such bonus, the Executive will retain \$100,000. The Executive also will receive standard relocation benefits applicable to senior executive officers of the Company, including payment or reimbursement of reasonable temporary housing costs, closing costs, costs of moving household belongings and automobiles and up to one year of storage costs. In addition, if the Executive is unable to sell his current Connecticut residence after three months of reasonable sales efforts (for a price net of all applicable expenses and commissions of at least \$2,400,000), the Company will engage a relocation company to purchase such residence (net of all applicable expenses and commissions) for not less than the Executive's invested cost up to \$2,400,000. Such relocation benefits will be payable by the Company in accordance with its regular compensation practices and policies.

(h) Employee Benefit Plans and Perquisites. During the Term of Employment, the Executive will be entitled (i) to participate in all employee benefit plans, programs, policies and arrangements sponsored, maintained or contributed to by the Company, subject to and in accordance with the terms and conditions of such plans, programs, policies and arrangements as they relate to senior executive officers of the Company, (ii) to participate in all equity and long-term incentive plans sponsored or maintained by the Company at a level commensurate with his position, and (iii) to receive all other benefits and perquisites provided or made available by the Company to its senior executive officers including long-term disability coverage providing benefits of not less than 60% of current Base Salary from the onset of disability, subject to and in accordance with the terms and conditions of such benefits and perquisites as they relate to similarly situated senior executive officers of the Company.

(i) Expenses. During the Term of Employment, the Executive will be entitled to reimbursement of all documented reasonable travel and entertainment expenses incurred by him on behalf of the Company in the course of the performance of his duties hereunder in accordance with the expense reimbursement policies applicable to senior executive officers of the Company.

(j) Vacation. During the Term of Employment, the Executive will be entitled to not less than four weeks of vacation, in addition to paid public holidays as observed by the Company from year to year, in accordance with its regular compensation practices and policies applicable to senior executive officers of the Company.

(k) Indemnification. During and after the Term of Employment, the indemnification provisions of the Bylaws of the Company will not be amended in any manner that would reduce or limit the Executive's rights to indemnification thereunder for his actions or inactions as an officer or director of the Company or any of its Subsidiaries, and legal fees will be advanced as incurred under any such indemnity. In addition, at all times during and after the Term of Employment, the Company will cause the Executive to be covered for his actions and inactions as an officer and director of the Company and its Subsidiaries by directors' and officers' liability insurance in at least the same amount and on the same terms and conditions as maintained for then current officers and directors of the Company.

5. Termination of Employment. (a) Termination by the Executive Notice. Subject to Sections 5(b) (c), (d), (e) and (f), the Executive's employment hereunder will be for the Term of Employment specified in Section 2. If the Term of Employment is terminated following notice by the Executive pursuant to Section 2, the Executive will only be entitled to the compensation and benefits provided in Section 5(g).

(b) Termination for Cause. Subject to Section 1(c), the Company may, with or without notice, terminate the Executive's employment hereunder for Cause. If the Executive's employment is terminated by the Company effective during the Term of Employment for Cause, the Executive will only be entitled

to the compensation and benefits provided in Section 5(g).

(c) Termination without Cause, for Good Reason or by the Company by Notice. If the Term of Employment is terminated following notice by the Company pursuant to Section 2, or if the Executive's employment is terminated effective during the Term of Employment by the Executive for Good Reason or by the Company for any reason other than Cause or Disability:

(i) the Executive will be entitled to the compensation and benefits provided in Section 5(g);

(ii) the Executive will receive his Base Salary, at the rate in effect on the effective date of his termination of employment, for the remainder of the Term of Employment or for a period of 24 months from the date of such termination, whichever is longer;

(iii) the Executive will be entitled to receive (within 10 days after the date of such termination) a bonus equal to the targeted annual performance bonus, if any, payable pursuant to Section 4(b) for the year of such termination multiplied by a fraction, the numerator of which is the number of calendar days during such year through the date of termination, and the denominator of which is 365. Notwithstanding the foregoing, in the event that the requirement of payment under the foregoing portion of this subsection (iii) would cause the annual bonus in a year in which the Executive's employment does not terminate to be treated as not contingent upon achievement of performance goals under Code Section 162(m), the following shall apply in lieu of the foregoing: the Executive will receive at the time bonuses are paid for the fiscal year of termination to other executives (but in any event prior to the end of three months after the end of such fiscal year), a pro rata bonus based on the relative period of the year he worked to the full year and the level of performance goals achieved during the full fiscal year (provided that if the bonus is discretionary it shall be based upon the target bonus level); and

(iv) the Company will pay the cost of any continuation coverage (within the meaning of Section 4980B of the Internal Revenue Code of 1986, as amended (the "Code")) timely elected by the Executive and any of his eligible dependents for the lesser of 18 months or the period of time during which the Executive is eligible to receive such coverage.

(d) Death or Disability. If the Executive's employment is terminated effective during the Term of Employment as a result of his death or by the Company as a result of his Disability:

(i) the Executive will be entitled to the compensation and benefits provided in Section 5(g);

(ii) the Executive (or, in the event of his death, his designated beneficiary) will be entitled to receive (within 10 days after the date of such termination) a bonus equal to the targeted annual performance bonus, if any, payable pursuant to Section 4(b) for the year of such termination; and

(iii) the Executive (in the event of his Disability) will receive his Base Salary, at the rate in effect on his termination of employment, for a period of 24 months from the date of such termination, less any amounts paid to the Executive under any long-term disability plan, program, policy or arrangement to the extent paid for by the Company.

(e) Voluntary Termination. If the Executive's employment is terminated by the Executive effective during the Term of Employment for any reason other than Good Reason (which right the Executive will have), the Executive will only be entitled to the compensation and benefits provided in Section 5(9).

(f) Termination following a Change in Control. If a Change in Control occurs during the Term of Employment and the Executive's employment terminates at any time during the 13-month period beginning on the date of the first occurrence of such Change in Control for any reason other than Cause or the Executive's death or Disability (including without limitation by the Executive with or without Good Reason):

(i) the Executive will be entitled to the compensation and benefits provided in Section 5(g);

(ii) the Executive will receive his Base Salary, at the rate in effect on the effective date of his termination of employment, for the remainder of the Term of Employment or for a period of 24 months from the date of such termination, whichever is longer;

(iii) the Executive will be entitled to receive (within 10 days after the date of such termination) a bonus equal to the targeted annual performance bonus, if any, payable pursuant to Section 4(b) for the year of such termination multiplied by a fraction, the numerator of which is the number of calendar days during such year through the date of termination, and the denominator of which is 365;

(iv) the Executive will be entitled to receive a bonus equal to two times the targeted annual performance bonus, if any, payable pursuant to Section 4(b) for the year of such termination, which will be payable in equal monthly installments

for a period of 24 months from the date of such termination; and

(v) for a period of 24 months following the date of such termination, the Company will arrange to provide the Executive with Employee Benefits that are welfare benefits (but not stock option, stock purchase, stock appreciation or similar compensatory benefits) substantially similar to those that the Executive was receiving or entitled to receive immediately prior to the date of such termination, except that the level of any such Employee Benefits to be provided to the Executive may be reduced in the event of a corresponding reduction generally applicable to all recipients of or participants in such Employee Benefits. In addition, the Executive will be credited with two additional years of employment with the Company for purposes of the nonqualified supplemental executive retirement benefit described in Section 4(f).

(g) Compensation and Benefits on Termination. Except as otherwise provided in Section 5(c), 5(d) or 5(f):

(i) all compensation and benefits payable to the Executive pursuant to Section 4 hereof (other than compensation and benefits previously earned and, if applicable, vested under the terms of this Agreement or any other applicable employee benefit plan, program, policy, arrangement or agreement, including without limitation any achieved annual performance bonus for a completed fiscal year (including without limitation any amount due as a result of a breach of Section 4(b) for a completed fiscal year), the replacement bonus described in Section 4(c), the relocation bonus and benefits described in Section 4(g) and the supplemental executive retirement benefit payable pursuant to Section 4(f), all of which will be deemed earned and vested) will terminate as of the effective date of the Executive's termination of employment; and

(ii) the Executive will not be entitled to, and hereby waives, any claims for compensation or benefits (other than compensation and benefits previously earned and, if applicable, vested under the terms of this Agreement or any other applicable employee benefit plan, program, policy, arrangement or agreement) payable after such effective date and for damages arising in connection with his termination of employment pursuant to this Agreement.

(h) No Mitigation. The Executive will not be obliged to seek out other employment or otherwise to mitigate any damages arising in connection with his termination of employment, and, except as expressly provided herein, no amounts payable to the Executive under this Section 5 will be subject to offset or reduction based on amounts payable to the Executive by or from any other person or entity.

6. Certain Additional Payments by the Company.

(a) Anything in this Agreement to the contrary notwithstanding, in the event that this Agreement becomes operative and it is determined (as hereafter provided) that any payment or distribution by the Company or any of its affiliates to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any stock option, stock appreciation-right or similar right, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code by reason of being considered "contingent on a change in ownership or control" of the Company, within the meaning of Section 280G of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law, or any interest or penalties with respect to such tax (such tax or taxes, together with any such interest and penalties, being hereafter collectively referred to as the "Excise Tax"), then the Executive will be entitled to receive an additional payment or payments (collectively, a "Gross-Up Payment"); provided, however, that no Gross-Up Payment will be made with respect to the Excise Tax, if any, attributable to (i) any incentive stock option, as defined by Section 422 of the Code ("ISO") granted prior to the execution of this Agreement, or (ii) any stock appreciation or similar right, whether or not limited, granted in tandem with any ISO described in clause (i). The Gross-Up Payment will be in an amount such that, after payment by the Executive of all income, employment, excise and other applicable taxes (including any interest or penalties imposed with respect to such taxes), including any Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payment.

(b) Subject to the provisions of Section 6(f), all determinations required to be made under this Section 6, including whether an Excise Tax is payable by the Executive and the amount of such Excise Tax and whether a Gross-Up Payment is required to be paid by the Company to the Executive and the amount of such Gross-Up Payment, if any, will be made by a nationally recognized accounting firm (the "Accounting Firm") selected by the Executive in his sole discretion. The Executive will direct the Accounting Firm to submit its determination and detailed supporting calculations to both the Company and the Executive within 30 calendar days after the Termination Date, if applicable, and any such other time or times as may be requested by the Company or the Executive. If the Accounting Firm determines that any Excise Tax is payable by the Executive, the Company will pay the required Gross-Up Payment to the Executive within five business days after receipt of such determination and calculations with respect to any Payment to the Executive. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall, at the same time as it makes such determination, furnish

the Company and the Executive an opinion that the Executive has substantial authority not to report any Excise Tax on his federal, state or local income or other tax return. As a result of the uncertainty in the application of Section 4999 of the Code (or any successor provision thereto) and the possibility of similar uncertainty regarding applicable state or local tax law at the time of any determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (an "Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts or fails to pursue its remedies pursuant to Section 6(f) and the Executive thereafter is required to make a payment of any Excise Tax, the Executive will direct the Accounting Firm to determine the amount of the Underpayment that has occurred and to submit its determination and detailed supporting calculations to both the Company and the Executive as promptly as possible. Any such Underpayment will be promptly paid by the Company to, or for the benefit of, the Executive within five business days after receipt of such determination and calculations.

(c) The Company and the Executive will each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the determinations and calculations contemplated by Section 6(b). Any determination by the Accounting Firm as to the amount of the Gross-Up Payment will be binding upon the Company and the Executive.

(d) The federal, state and local income or other tax returns filed by the Executive will be prepared and filed on a consistent basis with the determination of the Accounting Firm with respect to the Excise Tax payable by the Executive. The Executive will make proper payment of the amount of any Excise Payment, and at the request of the Company, provide to the Company true and correct copies (with any amendments) of his federal income tax return as filed with the Internal Revenue Service and corresponding state and local tax returns, if relevant, as filed with the applicable taxing authority, and such other documents reasonably requested by the Company, evidencing such payment. If prior to the filing of the Executive's federal income tax return, or corresponding state or local tax return, if relevant, the Accounting Firm determines that the amount of the Gross-Up Payment should be reduced, the Executive will within five business days pay to the Company the amount of such reduction.

(e) The reasonable fees and expenses of the Accounting Firm for its services in connection with the determinations and calculations contemplated by Section 6(b) will be borne by the Company. If such fees and expenses are initially paid by the Executive, the Company will reimburse the Executive for such fees and expenses within five business days after receipt from the Executive of a statement therefor and reasonable evidence of his payment thereof.

(f) The Executive will notify the Company in writing of any claim by the Internal Revenue Service or any other taxing authority that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification will be given as promptly as practicable but no later than 10 business days after the Executive actually receives notice of such claim and the Executive will further apprise the Company of the nature of such claim and the date on which such claim is requested to be paid (in each case, to the extent known by the Executive). The Executive will not pay such claim prior to the earlier of (i) the expiration of the 30-calendar-day period following the date on which he gives such notice to the Company and (ii) the date that any payment of amount with respect to such claim is due. If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive will:

(i) provide the Company with any written records or documents in his possession relating to such claim reasonably requested by the Company;

(ii) take such action in connection with contesting such claim as the Company may reasonably request in writing from time to time, including without limitation accepting legal representation with respect to such claim by an attorney competent in respect of the subject matter and reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company will bear and pay directly all costs and expenses (including interest and penalties) incurred in connection with such contest and will indemnify and hold harmless the Executive, on an after-tax basis, for and against any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 6(f), the Company will control all proceedings taken in connection with the contest of any claim contemplated by this Section 6(f) and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim (provided, however, that the Executive may participate therein at his own cost and expense) and may, at its option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest (at the Company's expense) to a determination before any administrative tribunal, in a court of initial jurisdiction and

in one or more appellate courts, as the Company may determine; provided, however, that if the Company directs the Executive to pay the tax claimed and sue for a refund, the Company will advance the amount of such payment to the Executive on an interest-free basis and will indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income or other tax, including interest or penalties with respect thereto, imposed with respect to such advance; and provided further, however, that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which the contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of any such contested claim will be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive will be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(g) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 6(f), the Executive receives any refund with respect to such claim, the Executive will (subject to the Company's complying with the requirements of Section 6(f)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after any taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 6(f), a determination is made that the Executive will not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial or refund prior to the expiration of 30 calendar days after such determination, then such advance will be forgiven and will not be required to be repaid and the amount of any such advance will offset, to the extent thereof, the amount of Gross-Up Payment required to be paid by the Company to the Executive pursuant to this Section 6.

7. **Competitive Activity.** During the Term of Employment, the Executive will not engage, directly or indirectly, in any Competitive Activity. During any period after the Term of Employment with respect to which the Executive is receiving severance payments or otherwise is continuing to receive payments pursuant to Section 5(c)(ii), 5(c)(iv), 5(d)(iii), 5(f)(ii), 5(f)(iv) or 5(f)(v), the Executive will not engage, directly or indirectly, in any Competitive Activity unless the Executive waives and releases his rights to any such payments due for periods thereafter.

8. **Unauthorized Disclosure.** During the Term of Employment and thereafter, the Executive will not make any Unauthorized Disclosure.

9. **Successors and Binding Agreement.** (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance reasonably satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement), but will not otherwise be assignable, transferable or delegable by the Company.

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 9(a) and 9(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 9(c), the Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

10. **Additional Remedies.**

(a) Notwithstanding any other remedy herein provided for or available, if the Executive should be in breach of any of the provisions of Section 7 or 8, the company will be entitled to injunctive relief or specific performance, without the necessity of proving damages, in addition to any other remedies it may have.

(b) Notwithstanding the foregoing, in the event of any disputes regarding the interpretation or application of this Agreement, either the Executive or the Company, or both parties, may request in writing that such dispute be resolved through final and binding arbitration. The parties will jointly select the arbitrator who will hear such dispute. If the parties cannot agree, on the selection of an arbitrator, the parties will request that one be appointed by the American Arbitration Association. The arbitration will be conducted in accordance with the rules of the American Arbitration Association, and the arbitrator will be instructed to permit discovery by the parties in accordance with the rules of the Federal courts. The decision of the arbitrator may be entered in any court having jurisdiction. Each party will pay its own legal fees, costs and expenses in connection with any such dispute or procedure, except that the Company will promptly pay the reasonable

documented legal fees, costs and expenses of the Executive in connection with any such dispute or procedure in which the Executive prevails as to any amount being due him. In addition, the Company will pay the reasonable documented legal fees (at regular hourly rates), costs and expenses of the Executive (not to exceed \$10,000) in connection with the negotiation and preparation of this Agreement.

11. Each party represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between it and any other person or entity. The Company acknowledges that the Executive has informed it that he has an agreement with IP not to solicit employees of IP for a period of 18 months.

12. Severability. In the event that any provision or portion of this Agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement will be unaffected thereby and will remain in full force and effect to the fullest extent permitted by law.

13. Notices. For all purposes of this Agreement, all communications, including without limitation notices, consents, requests or approvals, required or permitted to be given hereunder will be in writing and will be deemed to have been duly given when hand delivered or dispatched by electronic facsimile transmission (with receipt thereof orally confirmed), or five business days after having been mailed by United States registered or certified mail, return receipt requested, postage prepaid, or three business days after having been sent by a nationally recognized overnight courier service such as Federal Express or UPS, addressed to the Company (to the attention of the Secretary of the Company) at its principal executive office and to the Executive at his principal residence (with a copy to Michael S. Sirkin of Proskauer, Rose, Goetz & Mendelsohn, 1585 Broadway, New York, New York 10036 or any other counsel designated by the Executive), or to such other address as any party may have furnished to the other in writing and in accordance herewith, except that notices of changes of address will be effective only upon receipt.

14. Modifications and Waivers. No provision of this Agreement may be modified or discharged unless such modification or discharge is authorized by the Board and is agreed to in writing, signed by the Executive and by an officer of the Company duly authorized by the Board. No waiver by either party hereto of any breach by the other party hereto of any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the time or at any prior or subsequent time.

15. Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto with respect to its subject matter, except as such parties may otherwise agree in a writing which specifies that it is an exception to the foregoing. This Agreement supersedes all prior agreements between the parties hereto with respect to its subject matter and, notwithstanding any other provision hereof, will become effective upon the execution of this Agreement by the parties.

16. Governing Law. This Agreement will be governed by the laws of the State of Delaware without regard for its conflict of laws rules.

17. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

18. Headings, Etc. The section headings contained in this Agreement are for convenience of reference only and will not be deemed to control or affect the meaning or construction of any provision of this Agreement. References to Sections are to Sections in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LOUISIANA-PACIFIC CORPORATION

By: /s/ LEE C. SIMPSON
President

EXECUTIVE

/s/ MARK A. SUWYN

RESTRICTED STOCK AWARD AGREEMENT

This RESTRICTED STOCK AWARD AGREEMENT ("Award Agreement") is entered into effective as of January 31, 1996, between Louisiana-Pacific Corporation, a Delaware corporation ("Company"), and Mark A. Suwyn, Chairman and Chief Executive Officer of the Company ("Executive").

WHEREAS, the Company and the Executive have entered into an Employment Agreement dated as of January 2, 1996 ("Employment Agreement"), pursuant to which the Executive became Chairman and Chief Executive Officer of the Company; and

WHEREAS, the Employment Agreement provides, among other matters, that the Executive will receive from the Company, within 30 days of the date of the Employment Agreement, a grant of 150,000 restricted shares of common stock of the Company; and

WHEREAS, the parties have entered into this Award Agreement in order to evidence the grant and award of restricted shares pursuant to the Employment Agreement;

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions.

"Certificate" means a stock certificate representing Restricted Shares.

"Common Stock" means shares of common stock, \$1.00 par value, of the Company.

"Restricted Shares" means the shares of Common Stock issued to Executive pursuant to this Award Agreement and, unless the context otherwise requires, includes any shares of Common Stock or other equity security of the Company (or any successor issuer) issued in respect of the Restricted Shares as a stock dividend, stock split, or similar distribution, or issued in exchange or substitution therefore by reason of any reorganization, recapitalization, merger, or other similar transaction.

"Securities Act" means the Securities Act of 1933, as amended.

"Vest," "Vested," or any similar word, means, with respect to the Restricted Shares represented by any Certificate, the expiration or termination of the period during which the Restricted Shares may be forfeited pursuant to Section 3(d) hereof and during which transfer of the Restricted Shares is restricted pursuant to Section 4(b) hereof.

Other capitalized terms used in this Award Agreement without definition shall have the meanings ascribed thereto in the Employment Agreement.

Section 2. Award of Restricted Shares.

The Company has, effective the date of this Award Agreement, granted and awarded to the Executive, subject to possible forfeiture as provided in Section 3(d) hereof, 150,000 Restricted Shares initially represented by four Certificates as follows:

Certificate	Number of Shares	Scheduled Date of Vesting
1	30,000	January 1, 1997
2	30,000	January 1, 1998
3	30,000	January 1, 1999
4	30,000	January 1, 2004

The Certificate numbers referred to above are used for convenient reference only, it being understood that each Certificate shall bear a number assigned by the Company's transfer agent.

Section 3. Vesting and Forfeiture.

(a) Unless sooner Vested or forfeited, the Restricted Shares evidenced by each Certificate (including, without limitation, any Restricted Shares issued in respect of the shares originally represented thereby) will become Vested and non-forfeitable on the respective dates set forth in Section 2; provided, in each case, that the Executive is employed by the Company on such date.

(b) Unless sooner Vested or forfeited, the Restricted Shares evidenced by Certificates 1, 2, and 3 (including, without limitation, any Restricted Shares issued in respect of the shares originally represented thereby) will become immediately Vested and non-forfeitable upon the occurrence of any one of the following: a Change in Control, a "change of control" as defined in the Option Plan, the termination of the Term of Employment by the Company pursuant to Section 2 of the Employment Agreement, the Executive's death or Disability, termination of employment by the Executive for Good Reason, or termination of employment by the Company without Cause; provided, in each case, that the Executive is employed by the Company on the date of such event.

(c) Unless sooner Vested or forfeited, the Restricted Shares evidenced by Certificate 4 (including, without limitation, any Restricted Shares issued in respect of the shares originally represented thereby) will become Vested and non-forfeitable upon the occurrence of any of the following: a Change in Control, a "change of control" as defined in the Option Plan, the termination

of the Term of Employment by the Company pursuant to Section 2 of the Employment Agreement, termination of employment by the Executive for Good Reason, or termination of employment by the Company without Cause; provided, in each case, that the Executive is employed by the Company on the date of such event.

(d) Upon the termination of Executive's employment with the Company, the rights of the Executive with respect to any Restricted Shares which are not Vested pursuant to paragraph (a), (b), or (c) above on or prior to the date of such termination shall be forfeited and shall revert to the ownership of the Company.

Section 4. Rights as Stockholder; Restrictions on Transfer.

(a) Except as expressly provided in this Award Agreement, the Executive shall be entitled to all rights as a stockholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and to receive any dividends and other distributions with respect to the Restricted Shares; provided, however, that certain dividends and distributions, as specified in Section 1 hereof, shall themselves constitute Restricted Shares, subject to possible forfeiture as provided herein.

(b) None of the Restricted Shares, the Certificates representing Restricted Shares, or the Executive's rights with respect thereto under this Award Agreement may be sold, assigned, pledged, or otherwise transferred, disposed of, or encumbered, voluntarily or involuntarily, until they have become Vested. Any purported sale, assignment, pledge, or other transfer, disposition, or encumbrance of Restricted Shares in violation of this Award Agreement shall be null and void.

(c) Each Certificate for Restricted Shares shall be issued in the name of the Executive and shall be held by the Company until the Restricted Shares represented thereby have become Vested or until such Restricted Shares are forfeited, as provided in this Award Agreement. The Executive shall execute and deliver to the Company a stock transfer power with respect to the Restricted Shares. All Certificates for Restricted Shares that have not become Vested shall bear a legend in substantially the following form:

"The shares evidenced by this Certificate were issued as Restricted Shares pursuant to a Restricted Stock Award Agreement dated as of January 31, 1996, and are subject to possible forfeiture and restrictions on transfer, disposition, or encumbrance until [scheduled date of vesting] pursuant to the terms of said agreement."

When any Restricted Shares become Vested, they shall no longer be subject to possible forfeiture pursuant to Section 3(d), the transfer thereof shall no longer be restricted by the provisions of Section 4(b), and the Company shall promptly cause a new Certificate or Certificates representing such shares to be issued in the name of the Executive, without the foregoing legend, and shall deliver such Certificate or Certificates to the Executive.

Section 5. Income Taxes.

The Company shall have the right to withhold from any amounts payable to the Executive, as compensation or otherwise, or to require the Executive to make other provision satisfactory to the Company for payment of an amount sufficient to satisfy all federal, state, and local withholding tax requirements with respect to the award or the Vesting of the Restricted Shares. The Company shall not be obligated to deliver any Certificates to the Executive until any such withholding or payment requirement shall have been satisfied. The Executive agrees to promptly notify the Company if the Executive makes an election under Section 83(b) of the Internal Revenue Code with respect to any of the Restricted Shares.

Section 6. Securities Law Restrictions.

(a) The Executive acknowledges that the Restricted Shares have not been registered under the Securities Act or any applicable state securities law, and that the Restricted Shares may not be sold or otherwise transferred in the absence of an effective registration statement under the Securities Act or an available exemption from such registration, and upon compliance with the requirements of any applicable state securities law. The Executive further acknowledges that transfer of shares owned by affiliates of the Company is restricted under the Securities Act. The Executive represents that the Restricted Shares are being acquired for his own account without any view to the distribution thereof.

(b) All Certificates for the Restricted Shares shall bear the following legend:

"The securities represented hereby have not been registered under the Securities Act of 1933, and they may not be sold or otherwise transferred in the absence of an effective registration statement under the Securities Act of 1933 or an available exemption from such registration."

(c) At any time after the Vesting of Restricted Shares, upon the written request of the Executive or, if he is deceased, his estate, the Company shall prepare and file a registration statement under the Securities Act covering an offering and sale of such number of Vested Restricted Shares as shall have been requested by the Executive or his estate, and shall use its reasonable efforts to cause such registration statement to become effective; provided, however, that the Company shall not be required to prepare and file more than four registration statements pursuant to this Award Agreement.

(d) Notwithstanding the provisions of paragraph (c), the Company shall not be obligated to file a registration statement with respect to the sale of

Restricted Shares (i) if the Company shall deliver to the Executive (or to his estate if he is deceased) an opinion of counsel to the effect that the proposed sale of the Restricted Shares for which registration was requested does not require registration under the Securities Act, or that such sale may be effected immediately pursuant to the exemption from registration afforded by Rule 144 or any similar exemption, or (ii) if the Company shall undertake to purchase and purchases the Restricted Shares for which registration is requested, on a date specified by the Company (not later than 30 days after the date of the Executive's or his estate's request), at a price per share equal to the reported closing price for a share of Common Stock (or any successor security) on the New York Stock Exchange (or if not traded on the New York Stock Exchange, on the principal market on which Common Stock (or any successor security) is then traded) for the last day immediately preceding the date of purchase on which Common Stock (or any successor security) is traded.

(e) Whenever Restricted Shares are to be registered hereunder:

(i) The parties shall cooperate in supplying one another with all information and documents as may be reasonably necessary in connection with such registration and shall execute and deliver such representations, indemnity agreements, underwriting agreements, and other undertakings as are reasonable and customary in connection with similar transactions.

(ii) The Company shall prepare and file a registration statement and such exhibits, amendments, and supplements thereto as may be necessary to cause such registration statement to become effective as promptly as reasonably practicable and to remain effective for a reasonable period of time not exceeding 30 days; provided, however, that the Company may, in its discretion, delay the filing or effectiveness of a registration statement for a reasonable time not exceeding 180 days if, in the good faith judgment of its board of directors, the filing or effectiveness of such registration statement would be unreasonably detrimental to the interests of the Company.

(iii) The Company shall prepare such prospectuses and other documents as may be reasonably required in connection with such registration and shall register or qualify the Restricted Shares covered by such registration statement under such blue sky laws as may be reasonably necessary, and do such other acts as may be reasonably necessary or advisable in order to enable the Executive to consummate the sale of the Restricted Shares.

(iv) The Company shall pay all expenses in connection with the registration, other than underwriters' discounts, brokers' commissions, or similar fees.

Section 7. Miscellaneous.

(a) Subject to the restrictions on transfer of the Restricted Shares set forth herein, this Award Agreement shall be binding upon and benefit the parties hereto and their respective successors and assigns.

(b) Any notices under this Award Agreement shall be in writing and shall be effective if given as provided in the Employment Agreement.

(c) This Award Agreement will be governed by the laws of the state of Delaware without regard to its conflict of laws rules.

(d) This Award Agreement (together with the Employment Agreement to the extent referred to herein) constitutes the entire understanding of the parties with respect to the subject matter hereof, and supersedes all prior agreements between the parties hereto with respect to its subject matter. This Award Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Award Agreement as of the date first set forth above.

LOUISIANA-PACIFIC CORPORATION

By /s/ LEE C. SIMPSON
Title President

EXECUTIVE

/s/ MARK A. SUWYN

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of July 28, 1995, between Louisiana-Pacific Corporation, a Delaware corporation ("Employer") and Donald R. Kayser ("Employee").

W I T N E S E T H:

WHEREAS, Employer desires to retain the services of Employee on an interim basis and Employee desires to be employed by Employer upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the agreements herein contained, Employer and Employee hereby agree as follows:

1. **EMPLOYMENT.** Employer hereby employs Employee, and Employee hereby agrees to serve, as interim Chief Executive Officer ("CEO") of Employer and Chairman of the Employer's Board of Directors (the "Board"), for the term hereinafter set forth.

2. **TERM.** Employee shall be employed by and shall serve as Chairman and CEO for the period commencing July 28, 1995 and ending on the earlier of (a) January 29, 1996, or (b) the date Employer employs a new chief executive officer (the "Term of Employment"). Extensions of the Term of Employment will be negotiable.

3. **SALARY.** As compensation for Employee's services hereunder, during the Term of Employment Employer shall pay Employee an annual base salary of \$600,000, payable pursuant to Employer's regular payroll practices. Should the Term of Employment last less than six months, Employer shall pay Employee a single sum equal to \$300,000, less the aggregate of all base salary payments made to Employee hereunder, no later than ten days after the end of the Term of Employment.

4. **PHANTOM STOCK DEFERRED PAYMENT BENEFIT.** Employee shall be entitled to receive phantom stock payments as follows:

(a) Employer shall pay Employee the "appreciation" (as defined below) on 25,000 phantom shares of common stock of Louisiana-Pacific Corporation ("L-P common stock"), on the earlier of August 1, 1996, or the day after Employee ceases to be CEO of Employer.

(b) Employer shall pay Employee the "appreciation" on 25,000 phantom shares of L-P common stock on August 1, 1997.

The "appreciation" in value of a phantom share shall be equal to the excess, if any, of (i) the mean of the closing price per share for L-P common stock on the New York Stock Exchange for the 20 trading days ending on the day before the date of payment, over (ii) \$24.625, the closing price for a share of L-P common stock on July 31, 1995. In the event the amount in clause (i) is equal to or less than the amount in clause (ii), no payment shall be made.

The number of shares for which phantom stock payments are made and the formula for determining "appreciation" shall be appropriately adjusted to reflect any stock dividend, stock split, recapitalization, etc.

In the event L-P common stock shall be converted into cash or other securities by reason of a merger or other transaction or in the event there is any extraordinary distribution of cash or securities in respect of L-P common stock, then there shall be substituted for the amount referred to in clause (i) above (in the case of any such conversion or any extraordinary distribution following which L-P common stock does not remain outstanding in the hands of its then existing stockholders) or there shall be added to the amount in clause (i) (in the event of any extraordinary distribution following which L-P common stock remains outstanding in the hands of its then existing stockholders) the value of the cash or securities received by L-P stockholders in respect of one share of L-P common stock on the date so received, plus interest on such amount at the prime rate from the date so received until the date on which payment of appreciation is to be made.

5. **EMPLOYEE BENEFITS.** During the Term of Employment, Employee shall be entitled to coverage under Employer's customary employee benefits package applicable to individuals who are both executive officers and board members of Employer; provided, however, that key employee whole life insurance (Crown Life Insurance) shall not be included.

6. **VACATION.** During the Term of Employment, Employee shall be entitled to four weeks' paid vacation during Employer's May 1 through April 30 vacation year (or a pro rata portion thereof if the Term of Employment is less than 12 months), pursuant to the terms of Employer's applicable vacation pay policies.

7. **HOUSING ALLOWANCE.** During the Term of Employment, Employer shall provide Employee with a monthly \$2,500 housing allowance and Employer shall be responsible for the cost of all related required deposits.

8. **AUTOMOBILE.** Employer shall, at Employer's option, lease or purchase an automobile for Employee's use, pursuant to Employer's applicable automobile policies, during the Term of Employment. Employer shall be responsible for all operating costs and expenses associated with maintaining said automobile during the Term of Employment.

8. **REIMBURSEMENT OF EXPENSES.** Employee shall be entitled to be

reimbursed for travel and other expenses incurred by Employee during the Term of Employment in connection with Employee's services rendered pursuant to this Agreement.

9. APPLICABLE LAW. Any dispute arising under this Agreement shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, Employer and Employee have caused this Agreement to be executed and entered into as of the date first set forth above.

LOUISIANA-PACIFIC CORPORATION
("EMPLOYER")

By /s/ WILLIAM L. HEBERT
Treasurer and
Chief Financial Officer

DONALD R. KAYSER
("EMPLOYEE")

/s/ DONALD R. KAYSER

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of July 28, 1995, between Louisiana-Pacific Corporation, a Delaware corporation ("Employer") and Lee C. Simpson ("Employee").

W I T N E S E T H:

WHEREAS, Employer desires to retain the services of Employee on an interim basis and Employee desires to be employed by Employer upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the agreements herein contained, Employer and Employee hereby agree as follows:

1. EMPLOYMENT. Employer hereby employs Employee, and Employee hereby agrees to serve, as interim President and Chief Operating Officer ("COO") of Employer, for the term hereinafter set forth.

2. TERM. Employee shall be employed by and shall serve as President and COO for the period commencing July 28, 1995 and ending on the earlier of (a) January 29, 1996, or (b) the date a permanent chief executive officer of Employer no longer requires Employee's services (the "Term of Employment"). Extensions of the Term of Employment will be negotiable.

3. SALARY. As compensation for Employee's services hereunder, during the Term of Employment Employer shall pay Employee an annual base salary of \$540,000, payable pursuant to Employer's regular payroll practices. Should the Term of Employment last less than six months, Employer shall pay Employee a single sum equal to \$270,000, less the aggregate of all base salary payments made to Employee hereunder, no later than ten days after the end of the Term of Employment.

4. PHANTOM STOCK DEFERRED PAYMENT BENEFIT. Employee shall be entitled to receive phantom stock payments as follows:

(a) Employer shall pay Employee the "appreciation" (as defined below) on 22,500 phantom shares of common stock of Louisiana-Pacific Corporation ("L-P common stock"), on the earlier of August 1, 1996, or the day after Employee ceases to be President and COO of Employer.

(b) Employer shall pay Employee the "appreciation" on 22,500 phantom shares of L-P common stock on August 1, 1997.

The "appreciation" in value of a phantom share shall be equal to the excess, if any, of (i) the mean of the closing price per share for L-P common stock on the New York Stock Exchange for the 20 trading days ending on the day before the date of payment, over (ii) \$24.625, the closing price for a share of L-P common stock on July 31, 1995. In the event the amount in clause (i) is equal to or less than the amount in clause (ii), no payment shall be made.

The number of shares for which phantom stock payments are made and the formula for determining "appreciation" shall be appropriately adjusted to reflect any stock dividend, stock split, recapitalization, etc.

In the event L-P common stock shall be converted into cash or other securities by reason of a merger or other transaction or in the event there is any extraordinary distribution of cash or securities in respect of L-P common stock, then there shall be substituted for the amount referred to in clause (i) above (in the case of any such conversion or any extraordinary distribution following which L-P common stock does not remain outstanding in the hands of its then existing stockholders) or there shall be added to the amount in clause (i) (in the event of any extraordinary distribution following which L-P common stock remains outstanding in the hands of its then existing stockholders) the value of the cash or securities received by L-P stockholders in respect of one share of L-P common stock on the date so received, plus interest on such amount at the prime rate from the date so received until the date on which payment of appreciation is to be made.

5. EMPLOYEE BENEFITS. During the Term of Employment, Employee shall be entitled to coverage under Employer's customary employee benefits package applicable to individuals who are both executive officers and board members of Employer; provided, however, that key employee whole life insurance (Crown Life Insurance) shall not be included.

6. VACATION. During the Term of Employment, Employee shall be entitled to four weeks' paid vacation during Employer's May 1 through April 30 vacation year (or a pro rata portion thereof if the Term of Employment is less than 12 months), pursuant to the terms of Employer's applicable vacation pay policies.

7. HOUSING ALLOWANCE. During the Term of Employment, Employer shall provide Employee with a monthly \$2,500 housing allowance and Employer shall be responsible for the cost of all related required deposits.

8. AUTOMOBILE. Employer shall, at Employer's option, lease or purchase an automobile for Employee's use, pursuant to Employer's applicable automobile policies, during the Term of Employment. Employer shall be responsible for all operating costs and expenses associated with maintaining said automobile during the Term of Employment.

8. REIMBURSEMENT OF EXPENSES. Employee shall be entitled to be reimbursed for travel and other expenses incurred by Employee during the Term

of Employment in connection with Employee's services rendered pursuant to this Agreement.

9. APPLICABLE LAW. Any dispute arising under this Agreement shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, Employer and Employee have caused this Agreement to be executed and entered into as of the date first set forth above.

LOUISIANA-PACIFIC CORPORATION
("EMPLOYER")

By /s/ WILLIAM L. HEBERT
Treasurer and
Chief Financial Officer

LEE C. SIMPSON
("EMPLOYEE")

/s/ LEE C. SIMPSON

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of August 1, 1995, between Louisiana-Pacific Corporation, a Delaware corporation ("Employer") and Stephen Grant ("Employee").

W I T N E S E T H:

WHEREAS, Employer desires to retain the services of Employee and Employee desires to be employed by Employer upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the agreements herein contained, Employer and Employee hereby agree as follows:

1. **EMPLOYMENT.** Employer hereby employs Employee, and Employee hereby agrees to serve, as Senior Vice President - Compliance of Employer, for the term hereinafter set forth.
2. **TERM.** Employee shall be employed by and shall serve as Senior Vice President - Compliance for the period commencing August 1, 1995 and ending on January 31, 1996 (the "Term of Employment"). The Term of Employment shall thereafter be automatically extended to the earlier of the date a permanent chief executive officer of Employer either (a) no longer requires Employee's services, or (b) establishes a permanent position for Employee which is acceptable to Employee.
3. **SALARY.** As compensation for Employee's services hereunder, during the Term of Employment Employer shall pay Employee an annual base salary of \$375,000, payable pursuant to Employer's regular payroll practices. Should the Term of Employment last less than six months, Employer shall pay Employee a single sum equal to \$187,500, less the aggregate of all base salary payments made to Employee hereunder, no later than ten days after the end of the Term of Employment.
4. **PHANTOM STOCK DEFERRED PAYMENT BENEFIT.** Employee shall be entitled to receive phantom stock payments as follows:
 - (a) Employer shall pay Employee the "appreciation" (as defined below) on 15,000 phantom shares of common stock of Louisiana-Pacific Corporation ("L-P common stock"), on the earlier of August 1, 1996, or the day after Employee ceases to be Senior Vice President - Compliance of Employer.
 - (b) Employer shall pay Employee the "appreciation" on 15,000 phantom shares of L-P common stock on August 1, 1997.The "appreciation" in value of a phantom share shall be equal to the excess, if any, of (i) the mean of the closing price per share for L-P common stock on the New York Stock Exchange for the 20 trading days ending on the day before the date of payment, over (ii) \$24.625, the closing price for a share of L-P common stock on July 31, 1995. In the event the amount in clause (i) is equal to or less than the amount in clause (ii), no payment shall be made.

The number of shares for which phantom stock payments are made and the formula for determining "appreciation" shall be appropriately adjusted to reflect any stock dividend, stock split, recapitalization, etc.

In the event L-P common stock shall be converted into cash or other securities by reason of a merger or other transaction or in the event there is any extraordinary distribution of cash or securities in respect of L-P common stock, then there shall be substituted for the amount referred to in clause (i) above (in the case of any such conversion or any extraordinary distribution following which L-P common stock does not remain outstanding in the hands of its then existing stockholders) or there shall be added to the amount in clause (i) (in the event of any extraordinary distribution following which L-P common stock remains outstanding in the hands of its then existing stockholders) the value of the cash or securities received by L-P stockholders in respect of one share of L-P common stock on the date so received, plus interest on such amount at the prime rate from the date so received until the date on which payment of appreciation is to be made.
5. **EMPLOYEE BENEFITS.** During the Term of Employment, Employee shall be entitled to coverage under Employer's customary employee benefits package applicable to individuals who are executive officers of Employer; provided, however, that key employee whole life insurance (Crown Life Insurance) shall not be included.
6. **VACATION.** During the Term of Employment, Employee shall be entitled to four weeks' paid vacation during Employer's May 1 through April 30 vacation year (or a pro rata portion thereof if the Term of Employment is less than 12 months), pursuant to the terms of Employer's applicable vacation pay policies.
7. **HOUSING ALLOWANCE.** During the Term of Employment, Employer shall provide Employee with a monthly \$2,500 housing allowance and Employer shall be responsible for the cost of all related required deposits.
8. **AUTOMOBILE.** Employer shall, at Employer's option, lease or purchase an automobile for Employee's use, pursuant to Employer's applicable automobile policies, during the Term of Employment. Employer shall be responsible for all operating costs and expenses associated with maintaining said automobile during the Term of Employment.

9. REIMBURSEMENT OF EXPENSES. Employee shall be entitled to be reimbursed for travel and other expenses incurred by Employee during the Term of Employment in connection with Employee's services rendered pursuant to this Agreement.

10. APPLICABLE LAW. Any dispute arising under this Agreement shall be governed by the laws of the State of Oregon.

IN WITNESS WHEREOF, Employer and Employee have caused this Agreement to be executed and entered into as of the date first set forth above.

LOUISIANA-PACIFIC CORPORATION
("EMPLOYER")

By /s/ WILLIAM L. HEBERT
Treasurer and
Chief Financial Officer

STEPHEN GRANT
("EMPLOYEE")

/s/ STEPHEN GRANT

January 29, 1996

Mr. Donald R. Kayser
Louisiana-Pacific Corporation
111 S.W. Fifth Avenue
Portland, Oregon 97204

Re: Consulting Agreement

Dear Mr. Kayser:

1. Engagement. Louisiana-Pacific Corporation ("L-P") hereby agrees to engage you as a consultant ("Consultant") to L-P pursuant to the terms of this agreement ("Agreement"), and Consultant agrees to perform said consulting services.

2. Term.

(a) This Agreement shall commence on January 30, 1996, and shall remain in full force and effect until April 30, 1996.

(b) Upon the expiration of this Agreement, neither L-P nor Consultant shall have any liability or obligation to the other, except for (i) the obligation of L-P to pay Consultant any due and payable consulting fee pursuant to Section 4 for his consulting services rendered to L-P prior to the expiration of this Agreement, and (ii) the obligation of L-P to reimburse expenses incurred by Consultant pursuant to Section 6, all of which shall survive the expiration of this Agreement.

3. Consulting Services. Consultant shall provide consulting services to L-P as requested by the Chairman and Chief Executive Officer which shall include advice on transitional issues and other mutually agreeable projects. As may be requested by L-P, Consultant shall provide L-P with monthly statements setting forth in reasonable detail the consulting services that Consultant provided to L-P during the prior month.

4. Compensation. L-P shall pay Consultant a retainer fee of \$22,500 for consulting services during the term of this Agreement, payable at the rate of one-third (1/3) of that amount on each of February 28, 1996, March 31, 1996, and April 30, 1996. Such retainer entitles L-P to consulting services of five (5) days per month beginning February 1, 1996, or an aggregate of 15 days for the term of this Agreement. In the event that Consultant performs more than 15 days of consulting services during the term of this Agreement at the request of L-P, such additional services shall be paid at the rate of \$1,500 per day.

5. Nature of Relationship. Consultant shall perform his consulting services hereunder in the capacity of an independent contractor and not as an employee or agent of L-P. In the performance of his consulting services under this Agreement, Consultant shall not be considered as being employed by L-P for any purpose, including, without limitation, with respect to employee benefits

generally applicable to L-P employees. L-P shall carry no workers compensation insurance or health or accident insurance for Consultant. L-P shall pay no amounts on account of Consultant for purposes of Social Security, unemployment insurance or federal or state withholding taxes, and L-P shall not provide any other contributions or benefits for Consultant which might be expected in the context of an employer-employee relationship.

6. Expenses. During the term of this Agreement, L-P shall be responsible for Consultant's reasonable expenses incurred in performing his consulting services hereunder, including expenses for travel, telephone, mail and similar items, and transportation expenses between Consultant's primary office in Boise, Idaho and Portland, Oregon. In addition, during the term of this Agreement, L-P shall provide to Consultant appropriate office space and services at the corporate office of L-P in Portland, Oregon, the exclusive use of the apartment leased by L-P at 1500 S.W. Fifth Avenue and exclusive use of the Buick Park Avenue automobile leased by L-P (or a suitable substitute).

7. Parties Bound. The rights and obligations of L-P under this Agreement shall inure to the benefit of and shall be binding upon its successors and assigns.

8. Governing Law. Any dispute arising under this Agreement shall be governed by the laws of the State of Oregon.

9. Limitation of Liability of Consultant. Consultant shall not be liable for any error of judgment or mistake of law or for any loss suffered by L-P in connection with the matters to which this Agreement relates, except a loss resulting from gross negligence or willful misconduct on Consultant's part in the performance of his consulting services hereunder.

LOUISIANA-PACIFIC CORPORATION

/s/ MARK A. SUWYN
Chairman and Chief Executive Officer

AGREED AND ACCEPTED:

/s/ DONALD R. KAYSER

DATE: _____

CONSULTING AGREEMENT

CONSULTING AGREEMENT, dated as of the 11th day of August, 1995 (this "Agreement"), by and among Louisiana-Pacific Corporation, a Delaware corporation (the "Company"), and James Eisses (the "Consultant").

W I T N E S S E T H:

WHEREAS, the Company desires the Consultant to render consulting services to it; and

WHEREAS, the Consultant is willing to provide such consulting services to the Company.

NOW, THEREFORE, in consideration of the premises, and on the terms and conditions herein contained, the parties hereto agree as follows:

1. Engagement. The Company hereby engages the Consultant to provide consulting services to the Company pursuant to the terms and conditions of this Agreement and the Consultant hereby agrees to provide such services for the Company.

2. Term.

(a) Unless sooner terminated pursuant to paragraph (b) or (c) of this Section 2, this Agreement shall remain in full force and effect for the period commencing on August 1, 1995, and ending on December 31, 1997.

(b) The Company may terminate this Agreement only upon gross negligence or willful misconduct by Consultant in performing services under this Agreement.

(c) Upon the termination of this Agreement upon written notice pursuant to this Section 2, neither the Company nor the Consultant shall have any liability or obligation to the other, except for (i) the obligation of the Company to pay the Consultant any due and payable consulting fee pursuant to Section 5 for his consulting services rendered for the Company prior to the termination of this Agreement, (ii) the obligation of the Company to reimburse expenses incurred by the Consultant pursuant to Section 6 and (iii) the confidentiality obligation of the Consultant pursuant to Section 7, all of which shall survive such termination.

3. Consulting Services.

(a) The Consultant shall provide consulting services to the Company as requested thereby. Consultant shall not be required to devote more than 84 hours per month providing actual consulting services under this Agreement,

(b) As requested, Consultant shall provide the Company with quarterly statements setting forth in reasonable detail the consulting services that the Consultant provided to the Company hereunder during the prior quarter.

4. Nature of Relationship. The Consultant shall perform his consulting services hereunder in the capacity of an independent contractor and not as an employee or agent of the Company. Any provision to the contrary in this Agreement notwithstanding, the Consultant shall have no power or authority to execute or otherwise enter into any agreement on behalf of, or in any way to bind, the Company. The Consultant shall not be considered as being employed by the Company for any purpose, including without limitation, with respect to employee benefits generally applicable to the Company's employees. The Company shall carry no workers' compensation insurance or health or accident insurance for the Consultant. The Company shall pay no amounts on account of the Consultant for purposes of Social Security, unemployment insurance or federal or state withholding taxes, and the Company shall not provide any other contributions or benefits for the Consultant which might be expected in the context of an employer-employee relationship.

5. Compensation. The Company shall pay the Consultant a consulting retainer fee of \$33,333.00 per month, payable on the first day of each month beginning on August 1, 1995, and continuing thereafter until December 31, 1995, and thereafter at \$11,111.00 per month until this Agreement shall be terminated pursuant to Section 2; provided, however, that if a payment date falls on a Saturday, Sunday or a day on which the Company's offices in Portland, Oregon are closed, the consulting fee shall be paid on the next succeeding business day of the Company. In the event of Consultant's death or disability prior to December 31, 1997, all remaining consulting payments shall be paid on a monthly basis to Consultant's estate or administrator.

6. Expenses. During the term of this Agreement, the Company shall be responsible for Consultant's reasonable expenses incurred in performing his consulting services hereunder, including expenses for travel, telephone, mail and similar items.

7. Confidentiality and Non-Disclosure. The Consultant acknowledges that during the course of performing his consulting services hereunder, he may be exposed to and given confidential investment, financial, operational, marketing and other information about the Company and certain of its operations. The Consultant hereby agrees that he will not in any way, form or manner disclose any such confidential information to any entity or person for any reason, except that the Consultant may disclose any such information to his associates, agents and representatives as necessary in order for the

Consultant to render the consulting services described herein. Any provision of this Agreement to the contrary notwithstanding, the foregoing confidentiality obligation shall not apply to:

(a) Information which is or becomes public information other than due to the Consultant's breach of his duty of confidentiality hereunder;

(b) Information which has been or is obtained by the Consultant from other persons or entities which to the best knowledge of the Consultant are not thereby violating any duty of confidentiality to the Company; or

(c) Information required to be disclosed by the Consultant under applicable law if the Consultant determines in good faith that the Consultant is required to disclose such information and the Consultant gives prior written notice to the Company of such requirement prior to disclosing such information.

8. Noncompetition.

(a) During the term of this Agreement, the Consultant shall not, within any jurisdiction in which the Company or any of its affiliates is duly qualified to do business, or within any marketing area, which shall in no event be larger than a state, in which the Company or any of its affiliates is doing a substantial amount of business, directly or indirectly own, manage, operate, control, be employed by or participate in the ownership, management, operation or control of, or be connected in any manner with, any business of the type and character engaged in and competitive with that conducted by the Company. The decision of the Company's Board of Directors as to what constitutes a competing business shall be final and binding upon the Consultant. For these purposes, the Consultant's ownership of securities of a public company not in excess of one percent (1%) of any class of such securities shall not be considered to be competition with the Company.

(b) During the term of this Agreement, the Consultant agrees to refrain from interfering with the employment relationship between the Company and its employees by soliciting any of such individuals to participate in independent business ventures and agrees to refrain from soliciting business from any client or prospective client of the Company for the Consultant's benefit or for any entity in which the Consultant has an interest or is employed.

(c) It is the desire and intent of the parties hereto that the provisions of this Section 8 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. The Consultant hereby agrees that upon his actual or threatened breach or violation of the commitments and obligations contained in this Section 8, the Company shall be entitled to seek both preliminary and permanent injunctive relief, in any action or proceeding brought in an appropriate court having jurisdiction over the Consultant, to restrain him from committing any violation of said commitments and obligations.

9. Non-Assignability. Except as provided in Paragraph 5 above, neither the Consultant nor the Company shall have any right to anticipate, alienate, sell, assign, transfer, pledge, encumber or otherwise dispose of any right, interest, benefit or payment under this Agreement and any attempted anticipation, alienation, sale, assignment, transfer, pledge, encumbrance or other disposition of any of such rights, interest, benefits or payments contrary to the provisions hereof shall be null and void and without effect. All rights, interests, benefits and payments under this Agreement shall, to the maximum extent permitted by law, be exempt from the claims of any creditor or other person prior to the actual receipt thereof by the person entitled to receive the same hereunder.

10. Entire Agreement. This Agreement constitutes and embodies the full and complete understanding and agreement of the parties hereto with respect to the subject matter hereof, supersedes all prior understandings and agreements, oral or written, and cannot be changed or amended except by the written agreement of the Consultant and the Company. This Agreement is not intended to confer upon any person other than the parties hereto, and, solely for purposes of Section 13, those persons described in Section 13, any rights or remedies hereunder.

11. Parties Bound. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon its successors and assigns.

12. Governing Law. Any dispute arising under this Agreement shall be governed by the laws of the State of Idaho, and the situs of any action shall be the Federal or State courts in Coeur d'Alene, Idaho.

13. Limitation of Liability of Consultant. Neither the Consultant nor his associates, agents or representatives shall be liable for any error of judgment or mistake of law or for any loss suffered by the Company in connection with the matters to which this Agreement relates, except a loss resulting from gross negligence or willful misconduct on the Consultant's part in the performance of his consulting services hereunder.

14. Notices. All notices, statements, instructions or documents required to be provided pursuant to this Agreement shall be in writing and shall be given either personally or by mailing the same in a sealed envelope, first-class mail, postage prepaid and either certified or registered, return receipt requested, addressed to, or sent by telegram, telex, telecopy or similar form of telecommunication (with a copy to follow by mail in the manner described above):

If to the Company, at:

Louisiana-Pacific Corporation

111 S.W. 5th Avenue
Portland, Oregon 97204
Attention: General Counsel
Telecopy: (503) 796-0105

If to the Consultant, at:

Mr. James Eisses
E. 3060 Crestwood Court
Coeur d'Alene, Idaho 83814
Telecopy: (208) 772-1784

and:

Mr. Dan DeRuyter
Douglas Eden Phillips & DeRuyter
422 West Riverside, Suite 909
Spokane, Washington 99201
Telecopy: (509) 455-5348

Either party hereto may from time to time change its address for communications under this Section 14 by giving written notice of such changed address to the other party hereto, which change shall become effective for purposes of this Section 14 seven (7) days following receipt of such notice.

15. Severability. If any provision of this Agreement (or part thereof) shall be held to be invalid or unenforceable under applicable law, the invalidity or unenforceability thereof shall not affect the validity or enforceability of the remaining provisions hereof and each such other provision (or the remainder of such provision) shall, to the full extent consistent with applicable law, continue in full force and effect.

16. Books and Records. The Consultant hereby agrees that all books and records relating in any manner to the business of the Company, and all other files, books and records and other materials owned by the Company or used by it in connection with the conduct of its business, whether prepared by the Consultant or otherwise coming into the Consultant's possession, shall be the exclusive property of the Company regardless of which party prepared the original material, books or records. All such books, records and other materials shall be returned immediately to the Company upon the termination of the Consultant's services hereunder.

17. Headings. The headings of the Sections of this Agreement are intended for convenience of reference only and not to constitute a part hereof or otherwise to be indicative of the scope or content of the Sections of this Agreement.

18. Execution of Agreement. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the Company and the Consultant have caused this Agreement to be executed and entered into as of the date first set forth above.

LOUISIANA-PACIFIC CORPORATION

By _____
Its _____

JAMES EISSES - CONSULTANT

/s/ JAMES EISSES

Louisiana-Pacific Corporation
Legal Department
111 S.W, Fifth Avenue
Portland, Oregon 97204
503/221-0800
Fax 503/796-0105

Anton C. Kirchhof/General Counsel
Christopher M. (Kit) Keyes/Assistant General Counsel
Bert P. Krages II
Christopher J. Biencourt
Douglas P. Anderson
Lauri A. Newton
Blair Rose Rios

August 4, 1995

Mr. Harry A. Merlo
2141 S.W. Scholls Ferry Road
Portland, Oregon 97221

Dear Mr. Merlo:

This Agreement sets forth your agreement with Louisiana-Pacific Corporation (the "Company") with respect to the termination of your employment therefor and Director's status therewith:

1. Resignation. Effective July 28, 1995 at 4:00 p.m., Central Standard Time, you have resigned from your positions as Chairman of the Board of Directors of the Company (the "Board"), Board member and Employee, and any position, including without limitation, Director, Officer, Employee, Agent, or fiduciary of any affiliate of the Company or of any entity or trust for whom you were serving as such at the request of the Company. Your pay through date is September 15, 1995.

2. Special Retirement Benefit. The Company shall make a single sum payment to you by check in the amount of \$3.2 Million, plus an additional amount representing your accrued and unused vacation, all amounts less applicable tax withholdings, no later than August 4, 1995.

3. Stock Options and Employee Benefit Plans. You shall be deemed to have terminated your employment with the Company as of the pay through date for purposes of your participation in and entitlements under the Company's employee stock purchase and stock option plans and group insurance plan. Your Long Term Disability coverage terminated on July 28, 1995. You shall receive your vested benefits earned as of the pay through date under your Supplemental Benefits Plan Account and the Company's ESOT, each in accordance with the terms thereof. In accordance with the terms of the Company's stock option plans, all of your stock options which are not vested as of the pay through date shall be forfeited. In accordance with the terms of the Company's Restricted Stock Plan, you shall earn no benefit for 1995. You (or the trustee or trustees of any applicable insurance trust) shall have the option of assuming responsibility for payment of any and all premiums due with respect to the CrownLife whole life insurance policy on your life, surrendering such policy for its cash value or converting such policy to a paid-up policy, all in accordance with the terms of such policy. The Company will gift you its premium equity in such policy. Each of us shall be responsible for compliance with the securities laws applicable to ourselves.

4. Office and Assistant. You shall vacate your office at the Company's Portland, Oregon location no later than 5:00 p.m. Pacific Standard Time, on August 11, 1995. You shall be permitted to remove art related to the Merlo family from the Company's offices and from the Company's air terminal, and all of your personal belongings wherever located. No later than August 4, 1995, the Company shall make a single sum payment to you by check in the amount of \$90,000, to be used by you for purposes of your arranging for and entering into a lease for an office for you and one assistant, in a Class A office building, other than the US Bancorp Tower, located in downtown Portland, Oregon, which amount is intended to provide for the rent payments, utilities costs and tenant improvements for said office through December 31, 1996. The Company shall pay the costs of providing suitable office furniture and equipment for you and your assistant, in each case reasonably consistent with the standards for office furniture and equipment at the Company's headquarters in Portland, Oregon. Additionally, the Company shall pay the reasonable salary of, and provide regular Company employee benefits to, your assistant through December 31, 1996; provided, however, that the Company shall not be required to pay more than \$48,000 per annum in salary to your assistant. After 1996, the Company shall continue to pay the salary of and provide Company employee benefits, to the extent legally permissible under applicable law, for your assistant; provided, however, that you shall fully reimburse the Company for such salary payments and for the Company's costs incurred in providing all such employee benefits.

5. Merlo Park. To the extent not impermissible under applicable law, effective December 31, 1995, the Company shall cause the Louisiana-Pacific Foundation to transfer to the Merlo Foundation title to that parcel of real estate located in Sterling City, California, known as Merlo Park. The Merlo Foundation shall assume all costs of operating and maintaining and all liabilities with respect to said Merlo Park, as of said date.

6. Portland Trailblazers Tickets. Prior to the beginning of the

1995-1996 National Basketball Association season, the Company shall transfer to you its entitlement to season tickets for two center court Portland Trailblazers seats with all renewal rights. You shall be responsible for the cost of the tickets for the 1995-1996 season (and you shall reimburse the Company to the extent such costs or portion thereof have previously been paid) and thereafter.

7. Residence and Vehicles. The lease agreement with the Company with respect to your residence in Portland, Oregon shall be renewed at the current rental rate through December 31, 1995. On January 1, 1996, you may exercise your option to purchase such residence and its furnishings as provided in your preexisting agreement with the Company. If you choose not to exercise your option to purchase such residence, you shall vacate the premises no later than December 31, 1995. Except as otherwise provided in your lease agreement with the Company, effective immediately, the Company shall no longer provide you with or reimburse you for the maintenance of the residence, the staff of the residence or any capital expenditures associated with the residence. The Company shall immediately sell your Company car to you as well as the vehicles used in connection with your residence for their book value as of August 4, 1995, as carried on the Company's financial records and, effective immediately, the Company shall cease to carry said Company car and vehicles under its blanket insurance policy.

8. Paintings. The two "Commander" paintings in your residence, "The Gentle Breeze" by Robert Clark and "Untitled" by Robert Rishell, shall be appraised by a mutually agreed to third-party appraiser, at the Company's expense. At your option, you shall pay to the Company, by check, the amount of the so determined appraised value thereof or you shall return such paintings to the Company. This option to purchase said paintings shall expire on December 31, 1995.

9. Indemnification and Insurance.

From July 28, 1995 and until all applicable statutes of limitation have expired and all claims have been resolved, to the extent permissible under applicable law and the Company's Certificate of Incorporation and Bylaws, the Company shall:

(a) Indemnify and hold you harmless and advance expenses, all subject and pursuant to the provisions of Article VI of the Company's Bylaws (as in effect on August 4, 1995), with respect to claims and liabilities arising under or in connection with your employment with the Company and your membership on the Board; and

(b) Continue your coverage under the Company's Directors' and Officers' insurance policy or policies ("D&O") to the extent permitted by the issuer or issuers thereof and with policy limits no less than the coverage in place on August 4, 1995. At no time will your coverage be less than that provided for the then active officers and members of the Board. The Company shall purchase extended reporting period coverage (or provide coverage equivalent to such coverage from another source) in the event the Company changes its D&O carrier or carriers.

10. Confidentiality.

You shall not directly or indirectly disclose any of the provisions of this Agreement, except to the extent publicly available, to any person or entity other than (a) any legal or other professional advisor, (b) immediate family members or (c) any governmental agency nor shall you copy this Agreement except as necessary to provide a copy to any legal advisor or any governmental agency.

11. Public Announcements. The Company shall provide you with a reasonable opportunity for prior comment on any public announcement regarding your retirement from the Company.

12. Applicable Law. Any dispute arising under this Agreement shall be governed by the laws of the State of Oregon.

13. Remedies. You recognize and agree that the payment of damages would not be an adequate remedy for a breach by you of the provisions of Section 10. You further recognize that irreparable injury will result to the Company, its business and its property in the event of any such breach and therefore, you agree that the Company may, in addition to recovering damages, proceed in equity to enjoin you from violating any of the provisions of Section 10.

14. Complete Agreement. This Agreement embodies the complete understanding and agreement of the parties hereto relating to the subject matter hereof.

15. Severability. In the event that any provision hereof shall be determined by any court of competent jurisdiction to be illegal or unenforceable, such illegality or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

16. No Assignment. None of your benefits or payments to be provided hereunder shall be assignable by you other than pursuant to the laws of distribution and descent in connection with your death.

17. Successors and Assigns. The rights of the Company hereunder shall inure to the benefit of any and all of its successors, assigns and affiliates and their respective successors, assigns, representatives, agents, officers, directors, attorneys and employees.

_____ By /s/ ANTON C. KIRCHHOF
General Counsel and Secretary

ATTEST Acknowledged and Agreed to
by Harry A. Merlo

_____ /s/ HARRY A. MERLO

Louisiana-Pacific Corporation
Legal Department
P.O. Box 4000-98
N. 13455 Government Way
Hayden Lake, Idaho 83835
(208) 772-6011
Fax (208) 772-1712

Anton C. Kirchhof/General Counsel
Christopher M. (Kit) Keyes/Assistant General Counsel
Bert P. Krages II
Christopher J. Biencourt
Douglas P. Anderson
Lauri A. Newton
Blair Rose Rios

August 11, 1995

Mr. James Eisses
East 3060 Crestwood Court
Coeur d'Alene ID 83814

Dear Mr. Eisses:

This Agreement sets forth your agreement with Louisiana-Pacific Corporation (the "Company") with respect to your retirement from employment with the Company and your Director's status therewith:

1. Retirement. Effective July 28, 1995 at 4:00 p.m., Central Standard Time, you have elected to retire from your positions as Board member and Employee, and any position, including without limitation, Director, Officer, Employee, Agent, or fiduciary of any affiliate of the Company or of any entity or trust for whom you were serving as such at the request of the Company. Your pay through date is September 5, 1995.

2. Special Retirement Benefit. The Company shall make a single sum payment to you by check in the amount of \$800,000 plus an additional amount representing your accrued and unused vacation, all amounts less applicable tax withholdings, no later than August 11, 1995.

3. Consulting Agreement. You shall enter into a Consulting Agreement with the Company pursuant to the terms of that Consulting Agreement attached hereto as Exhibit A.

4. Stock Options and Employee Benefit Plans. You shall be deemed to have terminated your employment with the Company as of the pay through date for purposes of your participation in and entitlements under the Company's employee stock purchase and stock option plans and group insurance plan. Your Long Term Disability coverage terminated on July 28, 1995. You shall receive your vested benefits earned as of the pay through date under your Supplemental Benefits Plan Account and the Company's ESOT, each in accordance with the terms thereof. In accordance with the terms of the Company's stock option plans, all of your stock options which are not vested as of the pay through date shall be forfeited. In accordance with the terms of the Company's Restricted Stock Plan, you shall earn no benefit for 1995. You (or the trustee or trustees of any applicable insurance trust) shall have the option of assuming responsibility for payment of any and all premiums due with respect to the CrownLife whole life insurance policy on your life, surrendering such policy for its cash value or converting such policy to a paid-up policy, all in accordance with the terms of such policy. The Company will gift you its premium equity in such policy. You shall be solely responsible for complying with applicable securities laws in connection with any transaction by you involving your stock or interests under the Company's stock plans.

5. Company Car. The Company shall immediately sell your Company car to you at the car's net book value on the Company's financial records as of August 11, 1995 and, effective immediately the Company shall cease to carry such Company car under its blanket insurance policy. You will be responsible for taxes related to any imputed income resulting from this sale.

6. Medical, Dental and Vision Insurance. Following the termination of your present Company-paid coverages on September 30, 1995, you will be offered the company-sponsored health plan (excluding any Health Maintenance Organization or "HMO") which includes medical, vision and dental coverage for you and your eligible dependent(s) on a self-pay basis for a premium equal to L-P's composite monthly cost. Your monthly premiums must be received at L-P's Corporate office by the first day of each covered month to maintain this coverage without interruption. The plan of benefits will be the same Plan as is provided to the active salaried employees, and any future benefit or funding/cost changes will apply to you and your eligible dependent(s). All coverage terminates for you and your eligible dependent(s) when you attain 65, become eligible for Medicare if earlier, become covered under another group health insurance plan, or upon your death. Any dependent coverage under this paragraph will terminate if the dependent(s) is no longer an eligible dependent as defined by the Plan, becomes eligible for Medicare, or becomes covered under another group health insurance plan.

Under the Federal Consolidated Omnibus Reconciliation Act of 1986 (COBRA), if you have any eligible dependent(s) or if your spouse is under age

Louisiana-Pacific Corporation
Legal Department
111 S.W, Fifth Avenue
Portland, Oregon 97204
503/221-0800
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Bert P. Krages II
Christopher J. Biencourt
Douglas P. Anderson
Lauri A. Newton
Blair Rose Rios

August 17, 1995

Mr. Ronald L. Paul
143 River Plantation
Conroe, Texas 77302

Dear Mr. Paul:

You have asserted claims against the Company for emotional distress, humiliation and anguish arising from the request by the Company that you resign as an officer and director of the Company and from the fact of the resignation. You have also asserted that the Company's request for such resignation was without good cause and that the psychological injuries you have suffered were a direct result of the Company's wrongful conduct. The Company denies all such assertions. However, in full satisfaction of all such claims, as well as any other claim you may have against the Company or any of its officers, directors, agents or attorneys, arising from your resignation or the termination of your services as an officer and director of the Company, the Company agrees as follows:

1. Pay Through Date. Your resignation will be effective July 28, 1995. Your pay through date will be September 5, 1995, and will be inclusive of all unused and accrued vacation.

2. Settlement. The Company shall make a single sum payment to you by check in the amount of \$600,000. Such check shall be sent via expedited delivery no later than August 17, 1995.

3. Medical Insurance. Your Company-provided health and welfare insurance will lapse on September 30, 1995. To the extent that the Company continues to maintain a medical plan for salaried employees, and subject to any future benefit or funding cost changes which apply to active salaried employees, you and your eligible dependents would be given the opportunity to participate thereafter at your expense until the earlier of (i) your participation in another employer's medical plan or (ii) your eligibility for Medicare benefits.

4. Life Insurance. As provided in your CrownLife policy, you would have the opportunity to leave your whole life insurance policy in place by paying the quarterly premiums, to surrender the policy and receive any cash surrender value, or to convert the policy to a lower face value paid up policy.

5. Stock Options. You will have 90 days from your pay through date to exercise any exercisable options.

6. ESOT. Supplement Plan and Restricted Stock. The benefits that would have been accrued by you under the ESOT and the Supplemental Benefit Plan for salary paid during 1995 would be paid to you in a lump sum cash Payment. The fair market value (determined as of February 3, 1996) of shares of Restricted Stock that would have been earned by you under the Restricted Stock Plan for 1995 (i.e., based upon the Company's "return on equity") would be determined on a pro rata basis (i.e., multiplied by 7/12 and the percentage stipulations of the Plan) and would be paid to you in a lump sum cash payment.

7. Indemnification. The Company would indemnify you to the extent permitted under its Bylaws and under applicable law. You will indemnify the Company against any IRS tax liability (including penalties and interest) arising from the forbearance of the Company to withhold federal income taxes from the settlement amount stated in Paragraph 2, above. If either party initiates action against the other to enforce the provisions of this indemnity paragraph, the prevailing party in such action shall be entitled to recover his or its costs, including reasonable attorneys' fees.

8. Employment Status. Notwithstanding the pay through date contained in paragraph 1 and the continuation of benefits through such date, you will not be an employee of the Company following the effective date of your resignation for any purpose and you would have no access to Company facilities or assets except pursuant to a prior written agreement entered into with the Company.

9. Execution of Agreement. This agreement may be executed in counterparts.

ATTEST

LOUISIANA-PACIFIC CORPORATION

By /s/ ANTON C. KIRCHHOF

General Counsel and Secretary

ATTEST

Acknowledged and Agreed to by:

/s/ RONALD L. PAUL

EXHIBIT 11

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
 CALCULATION OF NET INCOME PER SHARE
 FOR THE YEAR ENDED DECEMBER 31, 1995

	Number of Shares	
-----	Including Common Stock Equivalents	Excluding Common Stock Equivalents
-----	-----	-----
(1)		
Weighted average number of shares of common stock outstanding	116,937,022	116,937,022
Weighted average number of shares sold to ESOTs subsequent to January 1, 1994, not allocated to participate accounts (2)	(1,613,168)	(1,613,168)
Weighted average number of shares of treasury stock held during the period	(8,286,544)	(8,286,544)
Common stock equivalents:		
Application of the "treasury stock" method to stock option and purchase plans	157,622	----
	-----	-----
Weighted average number of shares of common stock and common stock equivalents	107,194,931 =====	107,037,309 =====
Rounded to	107,190,000 =====	107,040,000 =====
Net income (loss)	\$(51,700,000) =====	\$(51,700,000) =====
Net income (loss) per share	\$ (.48) =====	\$ (.48) =====

(1) Accounting Principles Board Opinion No. 15, "Earnings Per Share," allows companies to disregard dilution of less than 3 percent in the computation of earnings per share. Therefore, shares used in computing earnings per share for financial reporting purposes is 107,040,000 shares.

(2) American Institute of Certified Public Accountants Statement of Position No. 93-6, "Employers' Accounting for Employee Stock Ownership Plans" requires that shares held by registrant's ESOTs which were acquired by the ESOTs on or after January 1, 1994, which are not allocated to participant's accounts, are not considered outstanding for purposes of computing earnings per share. Shares held by the ESOTs which were acquired by the ESOTs prior to January 1, 1994, continue to be considered outstanding (whether or not allocated to participant's accounts) for purposes of computing earnings per share.

SUBSIDIARIES OF THE REGISTRANT

The following table lists the registrant and each of its subsidiaries and the jurisdiction under the laws of which the registrant and each subsidiary is incorporated. Each subsidiary is identified underneath its immediate parent. Except as indicated, each subsidiary is 100 percent owned by its parent.

Name -----	Jurisdiction -----
Louisiana-Pacific Corporation	Delaware
 Domestic Subsidiaries -----	
Blue Skies Aviation, Inc.	Oregon
Creative Point, Inc.	California
Ketchikan Pulp Company	Washington
Louisiana-Pacific Corporation (W. Va.)	West Virginia
Louisiana-Pacific Foundation	Oregon
Louisiana-Pacific Trucking Company	Oregon
L-P Foreign Sales Corporation	Guam
New Waverly Transportation, Inc.	Texas
 Foreign Subsidiaries -----	
Louisiana-Pacific Canada Ltd.	British Columbia, Canada
Sunpine Forest Products Ltd. (50%)	Alberta, Canada
Suneco Ltd.	Alberta, Canada
Lodgepole Logging Co. Ltd.	Alberta, Canada
Pinetree Construction Co. Ltd.	Alberta, Canada
Louisiana-Pacific de Mexico, S.A. de C.V.	Mexico
Louisiana-Pacific, S.A. de C.V.	Mexico
Louisiana-Pacific de Venezuela, C. A.	Venezuela
Louisiana-Pacific Coillte Ireland Limited	Ireland

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K into the registrant's previously filed Registration Statement Nos. 2-97014, 33-42276, 33-50958, 33-60264, 33-62944, 33-54859, 33-55105, and 33-62317.

ARTHUR ANDERSEN LLP

Portland, Oregon
March 29, 1996

This schedule contains summary financial information extracted from Consolidated Financial Statements and Notes included in this Form 10-K and is qualified in its entirety by reference to such financial statements.

1,000
 DEC-31-1995
 DEC-31-1995
 12-MOS

		75,400
		0
	128,700	
	(1,500)	
	317,700	
	618,500	
		2,592,500
	(1,140,200)	
	2,805,400	
448,500		201,300
	0	
		0
		117,000
	1,539,000	
2,805,400		2,843,200
	2,250,300	
		2,940,900
	2,940,900	
	0	
	0	
5,300,000		
	(94,800)	
	(45,800)	
(51,700)		
	0	
	0	
		0
	(51,700)	
	(.48)	
	0	