

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For Quarterly Period Ended September 30, 2000  
Commission File Number 1-7107

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

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

93-0609074  
(IRS Employer Identification No.)

111 S. W. Fifth Avenue, Portland, Oregon 97204-3699  
(Address of principal executive offices) (Zip Code)

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

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 /X/ No / /

Indicate the number of shares outstanding of each of the issuer's classes of  
common stock: 104,180,191 shares of Common Stock, \$1 par value, outstanding as  
of October 31, 2000.

#### ABOUT FORWARD-LOOKING STATEMENTS

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 provide a "safe harbor" for all forward-looking statements to encourage companies to provide prospective information about their businesses and other matters as long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statements. This report contains, and other reports and documents filed by Louisiana-Pacific Corporation ("LP") with the Securities and Exchange Commission may contain, forward-looking statements. These statements are or will be based upon the beliefs and assumptions of, and on information available to, the management of LP.

The following statements are or may constitute forward-looking statements: (1) statements preceded by, followed by or that include the words "may," "will," "could," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," "potential," "continue" or "future" or the negative or other variations thereof and (2) other statements regarding matters that are not historical facts, including without limitation, plans for product development, forecasts of future costs and expenditures, possible outcomes of legal proceedings and the adequacy of reserves for loss contingencies. These forward-looking statements are subject to various risks and uncertainties, including the following:

- Risks and uncertainties relating to the possible invalidity of the underlying beliefs and assumptions;
- Possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions; and
- Actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, competitors and legislative, regulatory, judicial and other governmental authorities and officials.

In addition to the foregoing and any risks and uncertainties specifically identified in the text surrounding forward-looking statements, any statements in the reports and other documents filed by LP with the Commission that warn of risks or uncertainties associated with future results, events or circumstances identify important factors that could cause actual results, events and circumstances to differ materially from those reflected in the forward-looking statements.

## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(AMOUNTS IN MILLIONS EXCEPT PER SHARE) (UNAUDITED)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Net sales	\$ 652.4	\$ 797.4	\$ 2,207.4	\$ 2,166.0
Costs and expenses:				
Cost of sales	544.5	551.1	1,668.6	1,543.9
Depreciation, amortization and depletion	63.5	52.4	184.1	140.9
Selling and administrative	57.1	56.5	177.2	162.9
Unusual credits and charges, net	1.0	18.7	37.4	13.5
Loss from unconsolidated affiliate	1.4	--	1.4	--
Interest expense	22.6	9.6	58.2	29.7
Interest income	(10.0)	(6.9)	(28.4)	(26.1)
Foreign exchange losses (gains)	3.8	0.8	6.0	1.8
Total costs and expenses	683.9	682.2	2,104.5	1,866.6
Income (loss) before taxes and minority interest	(31.5)	115.2	102.9	299.4
Provision for income taxes	9.7	45.5	64.4	118.1
Minority interest in net income (loss) of consolidated subsidiaries	(0.3)	0.4	0.7	(0.1)
Net income (loss)	\$ (40.9)	\$ 69.3	\$ 37.8	\$ 181.4
Net income (loss) per share - basic and diluted	\$ (0.39)	\$ 0.65	\$ 0.36	\$ 1.70
Average shares outstanding				
Basic	104.1	106.7	104.1	106.5
Diluted	104.1	106.9	104.2	106.7

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED  
FINANCIAL STATEMENTS.

CONDENSED CONSOLIDATED BALANCE SHEETS  
 LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
 (DOLLAR AMOUNTS IN MILLIONS) (UNAUDITED)

	Sept. 30, 2000	Dec. 30, 1999
	-----	-----
<b>ASSETS</b>		
Cash and cash equivalents	\$ 101.6	\$ 116.0
Accounts receivable, net	221.3	200.7
Inventories	298.1	293.4
Prepaid expenses	20.9	18.5
Income taxes receivable	63.1	--
Deferred income taxes	60.1	110.8
	-----	-----
Total current assets	765.1	739.4
Timber and timberlands, net	593.7	611.1
Property, plant and equipment	2,567.4	2,537.4
Accumulated depreciation	(1,262.3)	(1,203.4)
	-----	-----
Net property, plant and equipment	1,305.1	1,334.0
Goodwill, net of amortization	329.3	347.7
Notes receivable from asset sales	403.8	403.8
Other assets	101.7	52.2
	-----	-----
Total assets	\$ 3,498.7	\$ 3,488.2
	=====	=====
<b>LIABILITIES AND EQUITY</b>		
Current portion of long-term debt	\$ 40.7	\$ 44.9
Accounts payable and accrued liabilities	305.4	306.5
Income taxes payable	--	9.3
Current portion of contingency reserves	55.0	180.0
	-----	-----
Total current liabilities	401.1	540.7
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long term debt	775.2	618.3
	-----	-----
Total long-term debt, excluding current portion	1,171.7	1,014.8
Contingency reserves, excluding current portion	118.7	128.8
Deferred income taxes and other	459.2	443.9
Commitments and contingencies		
Stockholders' equity:		
Common stock	117.0	117.0
Additional paid-in capital	444.5	445.4
Retained earnings	1,070.5	1,076.4
Treasury stock	(238.5)	(228.3)
Loans to Employee Stock Ownership Trust	(3.5)	(6.9)
Accumulated comprehensive loss	(42.0)	(43.6)
	-----	-----
Total stockholders' equity	1,348.0	1,360.0
	-----	-----
Total liabilities and equity	\$ 3,498.7	\$ 3,488.2
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED  
 FINANCIAL STATEMENTS.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
(DOLLAR AMOUNTS IN MILLIONS) (UNAUDITED)

	Nine Months Ended September 30,	
	2000	1999
Cash flows from operating activities:		
Net income	\$ 37.8	\$ 181.4
Depreciation, amortization and depletion	184.1	140.9
Unusual credits and charges, net	54.3	13.5
Cash settlements of contingencies	(141.1)	(93.3)
Other adjustments	17.4	16.9
Decrease (increase) in certain working capital components and deferred taxes	(67.5)	89.4
Net cash provided by operating activities	85.0	348.8
Cash flows from investing activities:		
Capital spending	(159.6)	(86.7)
Proceeds from assets sales	21.5	21.4
Acquisitions, including replacement of debt	(54.7)	(612.1)
Other investing activities, net	(6.7)	(11.4)
Net cash used in investing activities	(199.5)	(688.8)
Cash flows from financing activities:		
New borrowings, including net increase in revolving borrowings	622.9	535.3
Repayment of long-term debt	(464.9)	(104.1)
Cash dividends	(43.7)	(44.6)
Purchase of treasury stock	(11.2)	(9.0)
Other financing activities	(3.0)	4.0
Net cash provided by financing activities	100.1	381.6
Net increase (decrease) in cash and cash equivalents	(14.4)	41.6
Cash and cash equivalents at beginning of period	116.0	126.5
Cash and cash equivalents at end of period	\$ 101.6	\$ 168.1

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE UNAUDITED  
FINANCIAL STATEMENTS.

NOTES TO UNAUDITED CONSOLIDATED SUMMARY FINANCIAL STATEMENTS

1. These consolidated summary financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in LP's Annual Report on Form 10-K for the year ended December 31, 1999.

These consolidated summary financial statements reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of the management of LP, necessary to present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of LP and its subsidiaries. Certain 1999 amounts have been reclassified to conform to the 2000 presentation.

2. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.
3. Basic earnings per share are based on the weighted average number of shares of common stock outstanding during the applicable period. Diluted earnings per share include the effects of potentially dilutive common stock equivalents.

(Shares in millions)	Quarter Ended Sept 30,		Nine Months Ended Sept 30,	
	2000	1999	2000	1999
Average shares outstanding used to determine basic income per common share	104.1	106.7	104.1	106.5
Dilutive effects of stock options granted and ESPP shares	--	0.2	.1	0.2
Average shares outstanding used to determine fully diluted income per common share	104.1	106.9	104.2	106.7

4. The preparation of interim financial statements requires the estimation of LP's effective income tax rate based on estimated annual amounts of taxable income and expenses. These estimates are updated quarterly. Accounting standards require that LP's estimated effective income tax rate (based upon estimated annual amounts of taxable income and expense) for the year be applied to year-to-date income or loss at the end of each quarter. Any resulting adjustment related to prior periods must be applied against the current quarter. Weaker markets for LP's products have caused LP's estimated pre-tax income for 2000 to decrease significantly, which in turn has dramatically increased the impact of non-deductible goodwill and other items on the effective tax rate. Based on current estimates, LP expects to record an offsetting income tax benefit at a rate of approximately 63% on the projected loss in the fourth quarter.
5. The preparation of interim financial statements requires the estimation of LP's year-end inventory quantities and costs for purposes of determining last in, first out (LIFO) inventory adjustments. These estimates are revised quarterly and the estimated incremental change in the LIFO inventory reserve is expensed over the remainder of the year.
6. Components of comprehensive income for the periods include:

(Dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Net income (loss)	\$ (40.9)	\$ 69.3	\$ 37.8	\$ 181.4
Currency translation adjustment	(2.5)	0.9	(10.7)	1.7
Pension minimum liability adjustment	--	--	12.2	--
Other	--	--	0.1	0.2
Total comprehensive income (loss)	\$ (43.4)	\$ 70.2	\$ 39.4	\$ 183.3

7. In June 1998, the Financial Accounting Standards Board adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133). The new statement will require recognition of all financial instruments as either assets or liabilities on the balance sheet at fair value; changes to fair value will impact earnings either as gains or losses. SFAS 133, as amended by SFAS 137 and SFAS 138, will be effective for LP beginning January 1, 2001. Based upon a preliminary review, LP does not believe that the adoption of this standard will have a material impact on its financial statements.
8. In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) 101 "Revenue Recognition in Financial Statements." As a result of the new statement, LP will change its recognition of revenue. SAB 101, as amended by SAB101A and SAB101B, will be effective for LP beginning in the fourth quarter of 2000. In addition, the Emerging Issues Task Force (EITF) issued #00-10 "Accounting for Shipping and Handling Fees and Costs". This consensus will be applied in connection with SAB101. It addresses the income statement classification for shipping and handling fees and costs. Based upon a preliminary review, LP does not believe that the adoption of either of these standards will have a material impact on its financial statements.
9. The selected segment data set forth in Item 2 "Management's Discussion and Analysis and Results of Operations" is incorporated herein by reference.
10. The description of certain legal and environmental matters involving LP set forth in Part II of this report under the caption "Legal Proceedings" is incorporated herein by reference.
11. Investments in 50% owned joint ventures are accounted for under the equity method.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND RESULTS OF OPERATIONS.

Net loss for the third quarter of 2000 was \$40.9 million, or \$0.39 per diluted share, on sales of \$652.4 million, compared to third quarter 1999 net income of \$69.3 million, or \$0.65 per diluted share, on sales of \$797.4 million. Excluding unusual items resulting in a net unusual charge of \$1.0 million (\$.6 million after tax, or less than \$0.01 per diluted share), loss for the third quarter of 2000 was \$40.3 million, or \$0.39 per diluted share, compared to third quarter 1999 income excluding unusual items of \$80.8 million, or \$0.76 per diluted share. The third quarter 2000 results reflect a \$22 million (\$.21 per diluted share) year-to-date adjustment of the provision for income taxes. Excluding this tax adjustment, the third quarter results would have been a loss of \$19 million, or (\$.18) per diluted share. Based on current estimates, LP expects to record an offsetting income tax benefit at a rate of approximately 63% on a projected loss in the fourth quarter.

Net income for the first nine months of 2000 was \$37.8 million, or \$0.36 per diluted share, on sales of \$2.2 billion, compared to net income for the first nine months of 1999 of \$181.4 million, or \$1.70 per diluted share, on sales of \$2.2 billion. Excluding unusual items, income for the first nine months of 2000 was \$60.2 million, or \$0.58 per diluted share, compared to income for the first nine months of 1999 of \$189.7 million, or \$1.78 per diluted share.

Reduced demand for building products and the slowing housing markets factored negatively into third quarter and the nine-month period ended September 30, 2000. This softening demand resulted in reduced market prices for structural panels (oriented strand board (OSB), plywood and lumber). These decreased market conditions were partially offset by the inclusion of the operations of Le Group Forex Inc. (Forex), which were acquired in September 1999 and certain assets of Evans Forest Products Ltd. (Evans), which were acquired in November 1999.

LP operates in five segments: structural products; exterior products; industrial panel products; other products; and pulp. Structural products is the most significant segment, accounting for more than 60% of sales during the first nine months of both 2000 and 1999. LP's results of operations are discussed separately for each segment below. Production volumes and industry product price trends are presented below in the tables captioned "Summary of Production Volumes" and "Industry Product Price Trends."

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

Demand for the majority of LP's products is subject to cyclical fluctuations over which LP has no control. The level of residential construction activity heavily influences demand for LP's building products, which is subject to fluctuations due to changes in economic conditions, interest rates, population growth and other factors. These cyclical fluctuations in demand are unpredictable and may have a substantial influence on LP's results of operations.

SELECTED SEGMENT DATA



(Dollars in millions)	Quarter Ended September 30,			Nine Months Ended September 30,		
	2000	1999	% change	2000	1999	% change
<b>Sales:</b>						
Structural products	\$ 396.6	\$ 492.5	(19)	\$ 1,374.1	\$ 1,342.4	2
Exterior products	89.7	78.6	14	245.9	195.5	26
Industrial panel products	62.5	70.2	(11)	203.4	197.1	3
Other products	74.1	125.4	(41)	276.4	350.5	(21)
Pulp	29.5	30.7	(4)	107.6	80.5	34
<b>Total sales</b>	<b>\$ 652.4</b>	<b>\$ 797.4</b>	<b>(18)</b>	<b>\$ 2,207.4</b>	<b>\$ 2,166.0</b>	<b>2</b>
<b>Operating profit (loss):</b>						
Structural products	\$ 4.0	\$ 151.0	(97)	\$ 206.4	\$ 375.8	(45)
Exterior products	4.8	17.4	(72)	26.8	41.4	(35)
Industrial panel products	0.3	2.6	(88)	6.3	8.4	(25)
Other products	(9.0)	(3.5)	(157)	(9.1)	(16.2)	44
Pulp	4.7	(3.9)	221	15.0	(14.7)	202
Unusual credits and charges, net	(1.0)	(18.7)	95	(37.4)	(13.5)	(177)
General corporate and other expenses, net	(22.6)	(27.0)	16	(75.3)	(78.2)	4
Interest income (expense), net	(12.7)	(2.7)	(370)	(29.8)	(3.6)	(728)
<b>Income before taxes and minority interest</b>	<b>\$ (31.5)</b>	<b>\$ 115.2</b>	<b>(127)</b>	<b>\$ 102.9</b>	<b>\$ 299.4</b>	<b>(66)</b>

#### STRUCTURAL PRODUCTS

The structural products segment consists of OSB, plywood, lumber and engineered wood products (EWP). The decline in sales for the third quarter of 2000 compared to the third quarter of 1999 was primarily due to lower OSB, plywood and lumber prices, which were partially offset by higher sales volumes resulting from the acquisitions of Forex in September 1999 and selected assets of Evans in November 1999. For the nine-month period, sales were flat with lower sales prices offset by additional volumes resulting from the acquisitions of Forex and Evans.

The largest part of this segment is OSB. Average prices for the industry were over 40% lower this quarter compared to the same quarter in 1999 and 17% lower for the comparable nine month period. The Company's sales volume in the quarter was up 35% compared to last year and 24% for the comparable nine-month period, primarily due to the addition of the Forex operations. Based upon recently posted industry pricing, OSB prices are currently about 5% lower than the average price in the third quarter. LP has announced plans to take a two week curtailment at all of its North American OSB mills in December, a reduction of 15% of its capacity for the quarter.

Plywood was also affected by the slow down in building activity. While the Company's volumes were flat, industry prices dropped 30% from the third quarter of 1999 and 15% for the comparable nine-month period. Given the weakness in the plywood markets and the continued penetration of OSB into traditional plywood markets, the Company is investigating several options with respect to its plywood mills, including reduced operating schedules, temporary curtailments and permanent shutdowns.

Engineered wood showed a slight decline from third quarter 1999 driven by weakened demand, however for the year sales results are flat to slightly ahead. Pricing for both LVL and I-Joists remained relatively constant.

Lumber markets showed a significant decline in the third quarter of 2000 compared to the same quarter last year. Pricing was down approximately 30% from the same quarter last year and about 17% lower for the comparable nine-month period last year. In recent weeks, further price erosion has been seen. Current prices are 7% below the average in third quarter 2000.

Overall compared to both the third quarter of 1999 and comparable nine-month results, profitability in this segment was significantly impacted by falling commodity prices as well as cost increases in resin and electricity. Log cost associated with these products declined by 6% for the quarter and 1% of the nine-month period.

#### EXTERIOR PRODUCTS

The exterior product segment consists of siding, both wood composite and vinyl, specialty OSB products and related products such as soffit, fascia and trim. Sales volumes of these products increased 42% in the third quarter of 2000 compared to the third quarter of 1999 and 54% for the nine-month period primarily due to the conversion of a commodity OSB mill into a specialty OSB mill during first quarter 2000. Sales prices declined by 24% for the quarter and 15% for the nine-month period, primarily as a result of price decreases for OSB specialty products. Additionally, this segment was negatively affected by a significant increase in resin costs associated with both the wood-based siding and vinyl operations.

#### INDUSTRIAL PANEL PRODUCTS

The industrial panels segment consists of particleboard, medium density fiberboard (MDF), hardboard and interior hardboard products. Sales prices increased 3% for the third quarter 2000 as compared to 1999 while sales volumes increased 11%. For the nine-month period, sales prices were constant with an increase in sales volume of 9%. These increases were from the interior hardboard products as both particleboard and MDF showed significant declines in volumes with pricing remaining constant. The decline in MDF sales volumes resulted from the permanent shutdown of one of the MDF plants due to weaker customer demand. The decline in particleboard sales volumes is due to increasing customer consolidation that negatively impacts product demand. Additionally, this segment was negatively impacted by significant increases in energy costs due to high summer demand. Wood costs associated with these businesses decreased by 2% for the quarter and 1% for the nine-month period.

#### OTHER PRODUCTS

The other products segment includes wood chips, cellulose insulation, Ireland operations, Alaska operations, moldings and other products. In the third quarter of 2000, sales for this segment declined significantly compared to the third quarter of 1999, primarily due to the sale of the assets of Associated Chemists Inc. in December 1999 and certain assets associated with the Alaskan operations in October 1999, which were partially offset by the increased sales of ABT molding products. Additional declines in sales and operating profits in this segment were primarily related to weaker commodity pricing in the distribution business due to weaker commodity pricing. The same factors contributed to the decline in sales and operating results in the first nine months of 2000 compared to the same period in 1999.

#### PULP

Pulp segment operations for the third quarter of 2000 improved significantly from the third quarter of 1999, with a 59% increase in sales prices offsetting a 39% decrease in sales volumes. Although the increase in sales prices were partially offset by increases in raw material, production costs and weaker demand, significant improvement in operating profit was realized. For the nine-month period ended September 30, 2000, sales volumes decreased 17% and sales prices increased 60% over the comparable period in 1999. See "Assets Held for Sale" below for additional information related to the pulp segment.

#### UNUSUAL CREDITS AND CHARGES, NET

Information regarding unusual credits and charges recorded in the quarter and nine months ended September 30, 2000 is set forth in the following table.

(Dollars in millions)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Additions to contingency reserves	\$ (6.6)	\$ (20.0)	\$ (6.6)	\$ (20.0)
Long-lived asset impairment charges	(6.3)	(7.6)	(53.9)	(7.6)
Gain on asset sales	6.1		6.1	5.2
Mark to market adjustment on interest rate hedge	(4.8)		(11.3)	
Gain on insurance recovery	10.6		28.3	
Gain on contract settlements		7.0		7.0
Severance and other		1.9		1.9
Total unusual credits and charges, net	\$ (1.0)	\$ (18.7)	\$ (37.4)	\$ (13.5)

In the third quarter of 2000, the Company recorded a gain on an insurance recovery of \$10.6 million related to the 1999 fire at the Athens, Georgia OSB facility. LP also recorded gains on the sale of the Mellen, Wisconsin veneer facilities and a former plant site in California that totaled \$6.1 million. In addition, LP recorded charges relating to the settlement of an interest rate hedge, additional environmental reserves for sites in Quebec that were acquired in 1999, additional reserves for non-product litigation and impairment charges relating to several facilities which will be permanently closed totaling \$17.7 million.

In the third quarter of 1999, LP Ketchikan Pulp Company subsidiary recorded a net charge of \$18.7 million primarily related to reducing the carrying value of the assets to be sold to the expected sales value, a settlement with the US Forest Service and an increase in estimated environmental remediation and monitoring liabilities.

For the nine months ended September 30, 2000, in addition to the items recorded above, the Company recorded a \$17.7 million gain on an insurance recovery for siding related matters, impairment charges of \$47.6 million to reduce the carrying value of several manufacturing facilities to their estimated net realizable value including the Samoa pulp and Oroville MDF mills and a \$6.5 mark to market charge on an interest rate hedge.

For the nine month period ended September 30, 1999, in addition to the items noted above, the Company recorded a gain on sale of timberland of \$5.2 million.

#### GENERAL CORPORATE AND OTHER EXPENSE

For the quarter, general corporate and other expenses declined to 16% from the same period in 1999 and declined 4% for the nine-month period. During this quarter, due to lower than expected annual operating results, the Company reversed the bulk of the accruals related to management incentive bonuses for 2000 and certain other benefit programs contingent on operating results.

#### INTEREST INCOME (EXPENSE)

Interest expense increased significantly in the third quarter of 2000 and the nine month period ended September 30, 2000 as compared to the same periods in the prior year as a result of borrowings to finance the acquisitions of ABT, Forex and Evans.

#### LEGAL AND ENVIRONMENTAL MATTERS

For a discussion of legal and environmental matters involving LP and the potential impact thereof on LP financial position, results of operations and cash flows, see Item 1, Legal Proceedings, in Part II of this report.

## OSB SIDING LITIGATION UPDATE

The following discussion updates, and should be read in conjunction with, the discussion of LP's OSB siding litigation set forth in Item 7 of LP's annual report on Form 10-K for the year ended December 31, 1999, Management's Discussion and Analysis of Financial Condition and Results of Operations, under the subheading "Legal Matters."

Through the first nine months of 2000, claimants continued to file claims under both the National Settlement and the Florida Settlement; however, the rate of claim filings has decreased. The claim filing period associated with the Florida Settlement ended October 4, 2000. In the third quarter of 2000, LP paid approximately \$0.2 million from the second settlement fund to approximately 100 claimants in satisfaction of approximately \$0.7 million in claims. These payments were made to claimants who had timely elected to participate in the Second Settlement Fund, but whose claims had not yet been fully processed by the end of the second quarter. See "OSB Siding Matters" in Item 1, Legal Proceedings, in Part II of this report.

As of September 30, 2000, (i) approximately 296,000 requests had been received for claim forms for the National Settlement and the Florida Settlement, compared to 273,000 at December 31, 1999 and 288,000 as of June 30, 2000, and (ii) approximately 188,000 completed claim forms for the National Settlement and the Florida Settlement had been received, compared to 172,000 at December 31, 1999 and 184,000 at June 30, 2000. The average payment amount for settled claims as of December 31, 1999, June 30, 2000 and September 30, 2000 was approximately \$5,100, 5,100 and \$3,700, respectively. Excluding claims satisfied pursuant to the second settlement fund, the average payment amount for settled claims as of September 30, 2000 was \$5,000. The total number of completed claim forms pending (not settled) as of September 30, 2000 was approximately 19,000 (approximately 67,000 at December 31, 1999 and 17,000 at June 30, 2000) with approximately 136,000 claims settled (approximately 76,000 at December 31, 1999 and 135,000 at June 30, 2000) and approximately 33,000 claims dismissed (approximately 29,000 at December 31, 1999 and 32,000 at June 30, 2000). Dismissal of claims is typically the result of claims for product not produced by LP or claims that lack sufficient information or documentation after repeated efforts to correct those deficiencies.

## FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operations was \$85.0 million in the first nine months of 2000 compared to \$348.8 million in the same period in 1999. The decrease in cash provided by operations resulted primarily from lower net income and increased payments related to contingencies.

Net cash used in investing activities was \$199.5 million in the first nine months of 2000 compared to \$688.8 million in the comparable period of 1999. LP used \$54.7 million of funds to acquire the assets of Sawyer Lumber Company and the assets of Hoff Companies Inc. in second quarter of 2000 and \$612.1 million of funds to acquire ABT in February 1999 and Forex in September 1999. Capital expenditures for property, plant, equipment and timber increased in the first nine months of 2000 compared to the same period in 1999, primarily due to acquisitions of equipment to improve the efficiency of existing mills. LP estimates that for the full year ended December 31, 2000, it will make capital expenditures of approximately \$150 million to, among other things, begin construction on an OSB mill, continue construction of a veneer mill and complete construction of a composite decking plant.

In the nine month period ended September 30, 2000, LP borrowed \$622.9 million and repaid \$464.9 million, primarily associated with the public debt offering which was used to pay off bridge loans associated with 1999 acquisitions. The public debt offering consisted of \$200,000,000 million of 8.875% senior notes due 2010 and \$190,000,000 million of 8.50% senior notes due 2005. This debt was issued on August 18, 2000. Additional debt was incurred to finance the acquisitions of the assets of the Sawyer Lumber Company and Hoff Companies, Inc. and payments from the second settlement fund described above. In the same period of 1999, LP borrowed \$535.3 million, primarily to finance the acquisitions of ABT and Forex.

LP expects to be able to meet its cash requirements through cash from operations, existing cash balances, existing credit facilities and access to the capital markets. Cash and cash equivalents totaled \$101.6 million at September 30, 2000 compared to \$116 million at December 31, 1999. LP has a \$300 million revolving credit facility under which

\$227 million was outstanding at September 30, 2000. This facility is available until 2002. LP also has a \$50 million (Canadian) revolving credit facility under which no borrowings were outstanding at September 30, 2000. This facility is available until March 2001. LP plans to issue under a syndicated bank loan \$200 million in additional debt. This debt will be used to pay off current outstanding debt associated with the remaining bridge loans.

Changes in LP's balance sheet from December 31, 1999 to September 30, 2000, include increases of \$20.6 million in accounts receivable and \$4.7 million in inventories. These increases are primarily due to seasonal fluctuations in operations. Additionally, other assets increased by \$49.5 million primarily due to a contribution of the majority of the previously consolidated assets and liabilities of LP's Greenstone subsidiary into a 50% owned, non-consolidated joint venture with Casella Waste Systems.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (primarily payments for siding litigation settlements), totaled \$173.7 million at September 30, 2000, of which \$55 million is estimated to be payable within one year. As with all accounting estimates, there is inherent uncertainty concerning the reliability and precision of these estimates. The amounts ultimately paid in resolving these contingencies could exceed the current reserves by a material amount. Litigation-related payments totaled \$141.1 million for the first nine months of 2000.

#### STOCK REPURCHASE PLAN

As of September 30, 2000, LP had reacquired approximately 7.9 million shares for \$125 million under an authorization to reacquire up to 20 million shares from time to time in the open market. LP reacquired 850,000 shares for \$11.2 million in the first nine months of 2000. LP had approximately 104 million shares outstanding at quarter end.

#### ASSETS HELD FOR SALE

LP is seeking to sell its Chetwynd, British Columbia pulp mill, which is presently managed by an unrelated party pursuant to a management agreement having a term of 24 months that expires in April 2001. LP currently believes it has adequate support for the carrying value of the affected assets. However upon the sale, it is possible that LP will be required to record an additional impairment charge based upon actual sales price.

During the second quarter of 2000, L-P recorded a \$40 million charge to unusual items for a reduction in the carrying value of its Samoa, California pulp mill in anticipation of the sale of this mill. L-P currently believes it has adequate support for the remaining carrying value of the affected assets if L-P continued to operate the facility, however management has determined that the intent is to sell the mill, and therefore the carrying values were reduced to reflect the estimated net fair value.

Due to the current market slowdown, LP is currently reviewing several mills for additional possible impairments. LP currently believes it has adequate support for the carrying value of each of these mills based upon the current demand and pricing assumptions. However, should the markets for the company's products continue to deteriorate, it is possible that LP will be required to record further impairment charges.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES  
SUMMARY OF PRODUCTION VOLUMES

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Oriented strand board, million square feet 3/8" basis	1,305	1,069	3,933	3,164
Softwood plywood, million square feet 3/8" basis	287	255	802	702
Lumber, million board feet	240	264	755	793
Wood-based siding, million square feet 3/8" basis	230	184	746	498
Industrial panel products (particleboard, medium density fiberboard and hardboard), million square feet 3/4" basis	144	157	465	649
Engineered I-Joist, million lineal feet	13	19	56	64
Laminated veneer lumber (LVL), thousand cubic feet	1,400	1,500	5,700	5,000
Pulp, thousand short tons	93	94	282	279

INDUSTRY PRODUCT TRENDS

The amounts shown below are dollars per 1,000 square feet or, in the case of lumber, 1,000 board feet.

	OSB N. Central 7/16" Basis 24/16 Span Rating	Plywood Southern Pine 1/2" Basis Cdx 3-Ply	Lumber Framing Lumber Composite Prices	Particleboard Inland Industrial 3/4" Basis
Annual Average				
1993	\$ 236	\$ 282	\$ 394	\$ 258
1994	265	302	405	295
1995	245	303	337	290
1996	184	258	398	276
1997	142	265	417	262
1998	205	284	349	259
1999	260	326	401	273
1999 3rd Qtr. Avg.	301	362	421	288
2000 2nd Qtr. Avg.	237	274	337	299
2000 3rd Qtr. Avg.	171	256	294	280

Source: RANDOM LENGTHS

## PART II -OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

Certain environmental matters and legal proceedings involving LP are discussed below.

#### ENVIRONMENTAL MATTERS

In March 1995, LP's subsidiary Ketchikan Pulp Company ("KPC") entered into agreements with the federal government to resolve violations of the Clean Water Act and the Clean Air Act that occurred at KPC's former pulp mill during the late 1980s and early 1990s. These agreements were subsequently approved by the U.S. District Court for the District of Alaska. Although KPC sold the mill site and related facilities in 1999, it remains obligated under these agreements to undertake certain projects relating to the investigation and remediation of Ward Cove, a body of water adjacent to the mill site. KPC has finalized a consent decree with the federal government to complete cleanup activities at the mill site and Ward Cove. This consent decree supersedes the earlier agreements. Total costs for the investigation and cleanup of Ward Cove are estimated to cost approximately \$6.7 million (of which approximately \$2.2 million had been spent at September 30, 2000).

In connection with the clean-up of KPC's former log transfer facilities, the United States Forest Service (the "USFS") has asserted that KPC is obligated to adhere to more stringent clean-up standards than those imposed by the Alaska Department of Environmental Conservation. The USFS has also asserted that previously closed-out facilities may need to be re-evaluated. LP disputes the authority of the USFS to require KPC to adhere to the more stringent standards, or to re-evaluate closed-out facilities. Adherence to the more stringent standards and/or re-evaluation of closed-out facilities, if ultimately required, could substantially increase the cost of the clean-up.

LP is involved in a number of other environmental proceedings and activities, and may be wholly or partially responsible for known or unknown contamination existing at a number of other sites at which it has conducted operations or disposed of wastes. Based on the information currently available, management believes that any fines, penalties or other costs or losses in excess of amounts currently accrued resulting from these matters will not have a material adverse effect on the financial position, results of operations, cash flows or liquidity of LP.

#### COLORADO CRIMINAL PROCEEDINGS

In June 1995, a federal grand jury returned an indictment in the U.S. District Court for the District of Colorado against LP in connection with alleged environmental violations, as well as alleged fraud in connection with the submission of unrepresentative OSB product samples to an industry product certification agency, by LP's Montrose (Olathe), Colorado OSB plant. Pursuant to a guilty plea to certain criminal violations entered in May 1998, (i) LP paid penalties of \$37 million (of which \$12 million was paid in 1998 and the balance was paid in the second quarter of 1999), and was sentenced to five years of probation ending in May 2003 and (ii) all remaining charges against LP were dismissed. The terms of LP's probation require, among other things, that LP not violate any federal, state or local law.

In December 1995, LP received a notice of suspension from the EPA stating that, because of the criminal proceedings pending against LP in Colorado, the Montrose facility would be prohibited from purchasing timber directly from the USFS. In April 1998, LP signed a Settlement and Compliance Agreement with the EPA. This agreement formally lifted the 1995 suspension imposed on the Montrose facility. The agreement has a term of five years ending in April 2003 and obligates LP to (i) develop and implement certain corporate policies and programs, including a policy of cooperation with the EPA, an employee disclosure program and a policy of nonretaliation against employees, (ii) conduct its business to the best of its ability in accordance with federal laws and regulations and local and state environmental laws, (iii) report significant violations of law to the EPA, and (iv) conduct at least two audits of its compliance with the agreement.

## OSB SIDING MATTERS

In 1994 and 1995, LP was named as a defendant in numerous class action and nonclass action proceedings brought on behalf of various persons or purported classes of persons (including nationwide classes in the United States and Canada) who own or purchased or used OSB siding manufactured by LP. In general, the plaintiffs in these actions 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.

In June 1996, the U.S. District Court for the District of Oregon approved a settlement between LP and a nationwide class composed of all persons who own, have owned, or acquire property on which LP's OSB siding was installed prior to January 1, 1996, excluding persons who timely opted out of the settlement and persons who are members of the settlement class in the Florida litigation described below. 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 is entitled to receive from the settlement fund established under the agreement a payment equal to the replacement cost (determined by a third-party construction cost estimator and currently estimated to be in the range of \$2.20 to \$6.40 per square foot depending on the type of product and geographic location) of damaged siding, reduced by a specific adjustment (of up to 65%) based on the age of the siding. Class members who previously submitted or resolved claims under any other warranty or claims program of LP may be entitled to receive the difference between the amount payable under the settlement agreement and the amount previously paid. The extent of damage to OSB siding at each claimant's property is determined by an independent adjuster in accordance with a specified protocol. Settlement payments are not subject to adjustment for improper maintenance or installation.

A claimant who is dissatisfied with the amount to be paid under the settlement may elect to pursue claims against LP in a binding arbitration seeking compensatory damages without regard to the amount of payment calculated under the settlement protocol. A claimant who elects to pursue an arbitration claim must prove his entitlement to damages under any available legal theory, and LP may assert any available defense, including defenses that otherwise had been waived under the settlement agreement.

The settlement requires LP to contribute \$275 million to the settlement fund. Approximately \$271 million of that obligation had been satisfied at September 30, 2000 through cash payments of approximately \$261 million on a discounted basis. LP's remaining mandatory contributions to the settlement fund are due in June 2001 (approximately \$2 million) and June 2002 (approximately \$2 million). In addition to its mandatory contributions, at September 30, 2000, LP had paid, on a discounted basis, approximately \$97 million of its two \$50 million funding options, at a cost to LP of approximately \$66 million. LP was entitled to pay its mandatory and optional contributions to the settlement fund on a discounted basis as a result of early payments pursuant to a court-approved early payment program.

In the second quarter of 2000, LP paid approximately \$112 million from a court-approved second settlement fund in satisfaction of approximately \$313 million in claims. In the third quarter of 2000, LP paid approximately \$200,000 from the second settlement fund in satisfaction of approximately \$700,000 in claims. Payments from the second settlement fund have now been substantially completed. Claimants who accepted payment from the second settlement fund may not file additional claims under the settlement. Claimants who elected not to participate in the second settlement fund remain bound by the terms of the original settlement.

At September 30, 2000, the estimated amount of approved but unpaid claims under the settlement agreement exceeded the sum of the then-current balance of the settlement fund and LP's remaining mandatory contributions to the settlement fund by approximately \$84 million. Approximately 3,600 new claims were filed during the third quarter of 2000.

Based upon the payments that LP has made and committed to make, the settlement will continue in effect until at least August 2003. Within 60 days after June 7, 2003, the Claims Administrator shall notify LP of the dollar value of all remaining unfunded and approved claims. LP shall then have 60 days to notify the Claims Administrator whether LP elects to fund all such remaining claims. If LP elects to fund those claims, then LP will pay by the end of the next 12-month period (2004) the greater of: (i) 50% of the aggregate sum of those claims (with the remaining 50% to be paid by 12 months thereafter in 2005); or (ii) 100% of the aggregate sum of those claims, up to a maximum of \$50 million (with all remaining claims paid 12 months thereafter in 2005). If LP elects not to pay the unpaid claims pursuant to the settlement, the settlement will terminate with respect to such unpaid claims and all unpaid claimants will be free to pursue their individual remedies from and after the date of LP's election.



If LP makes all contributions to the original settlement fund required under the settlement agreement, including all additional optional contributions as specified above, class members will be deemed to have released LP from all claims for damaged OSB siding, except for claims arising under their existing 25-year limited warranty after termination of the settlement agreement. The settlement agreement does not cover consequential damages resulting from damage to OSB Inner-Seal siding or damage to utility grade OSB siding (sold without any express warranty), either of which could create additional claims. In addition to payments to the settlement fund, LP was required to pay fees of class counsel in the amount of \$26.25 million, as well as expenses of administering the settlement fund and inspecting properties for damage and certain other costs.

A settlement of a related class action in Florida was approved by the Circuit Court for Lake County, Florida, on October 4, 1995. Under the settlement, LP has established a claims procedure pursuant to which members of the settlement class may report problems with LP'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 is \$3.40 per square foot for lap siding and \$2.82 per square foot for panel siding, subject to reduction by 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. LP has agreed that the deduction from the payment to a member of the Florida class will be not greater than the deduction computed for a similar claimant under the national settlement agreement described above. The period during which class members were entitled to make claims ended October 4, 2000.

#### ABT HARDBOARD SIDING MATTERS

ABT, ABTco, Inc., a wholly owned subsidiary of ABT ("ABTco" and, together with ABT, the "ABT Entities"), Abitibi-Price Corporation ("Abitibi"), a predecessor of ABT, and certain affiliates of Abitibi (the "Abitibi Affiliates" and, together with Abitibi, the "Abitibi Entities") have been named as defendants in a conditionally certified class action filed in the Circuit Court of Choctaw County, Alabama, on December 21, 1995 and in nine other putative class action proceedings filed in the following courts on the following dates: the Court of Common Pleas of Allegheny County, Pennsylvania on August 8, 1995; the Superior Court of Forsyth County, North Carolina on December 27, 1996; the Superior Court of Onslow County, North Carolina on January 21, 1997; the Court of Common Pleas of Berkeley County, South Carolina on September 25, 1997; the Circuit Court of Bay County, Florida on March 11, 1998; and the Superior Court of Dekalb County, Georgia on September 25, 1998. ABT and Abitibi have also been named as defendants in a putative class action proceeding filed in the Circuit Court of Jasper County, Texas on October 5, 1999. These actions were brought on behalf of various persons or purported classes of persons (including nationwide classes) who own or have purchased or installed hardboard siding manufactured or sold by the defendants. In general, the plaintiffs in these actions have claimed unfair business practices, breach of warranty, fraud, misrepresentation, negligence, and other theories related to alleged defects, deterioration, or other failure of such hardboard siding, and seek unspecified compensatory, punitive, and other damages (including consequential damage to the structures on which the siding was installed), attorneys' fees and other relief. In addition, Abitibi has been named in certain other actions, which may result in liability to ABT under the allocation agreement between ABT and Abitibi described below.

LP, the ABT Entities and the Abitibi Entities have also been named as defendants in a putative class action proceeding filed in the Circuit Court of Jackson County, Missouri on April 22, 1999, and LP, the ABT Entities and Abitibi have been named as defendants in a putative class action proceeding filed in the District Court of Johnson County, Kansas on July 14, 1999. These actions were brought on behalf of purported classes of persons in Missouri and Kansas, respectively, who own or have purchased hardboard siding manufactured by the defendants. In general, the plaintiffs in these proceedings have claimed breaches of warranty, fraud, misrepresentation, negligence, strict liability and other theories related to alleged defects, deterioration or other failure of such hardboard siding, and seek unspecified compensatory, punitive and other damages (including consequential damage to the structures on which the siding was installed), attorneys' fees and other relief.

On May 8, 2000, the Circuit Court of Choctaw County, Alabama, under the caption FOSTER, ET AL. V. ABTco, INC., ABT BUILDING PRODUCTS CORPORATION, ABITIBI-PRICE, INC. AND ABITIBI-PRICE CORPORATION (No. CV95-151-M), preliminarily approved a settlement agreement among the defendants and attorneys representing a nationwide class

composed of all persons who own or formerly owned homes or, subject to limited exceptions, other buildings or structures on which hardboard siding manufactured by the defendants was installed between May 15, 1975 and May 15, 2000, excluding persons who timely opt out of the settlement and certain other persons. On September 27, 2000, following a fairness hearing held on September 21, 2000, the Court entered its order and judgment granting approval to the settlement. Except for claims of persons who timely opted out, the settlement provides for the resolution of all claims that have been asserted by class members in the various proceedings described above. Under the settlement agreement, class members who have previously made a warranty claim or have already repaired or replaced their siding will have until May 15, 2001 to file a claim; class members whose siding was installed between May 15, 1975 and May 15, 1976 will have at least nine months following the date on which the settlement becomes final and nonappealable to file their claims; and all other class members will have twenty-five years after their siding was installed to file a claim.

Under the settlement agreement, the defendants will be entitled to elect to make an offer of settlement to an eligible claimant based on the information set forth in the claim submitted by such claimant, and such claimant will be entitled to accept or reject the offer. If an eligible claimant declines the offer, or if no offer is made, such claimant will be entitled to a payment based on an independent inspection. Such payments will be based on a specified dollar amount (calculated on the basis of statewide averages and ranging from \$2.65 to \$6.21, depending upon state) per square foot of covered siding that has experienced specified types of damage, subject to reduction based on the age of the damaged siding and any failure to paint the damaged siding within stated intervals (except in the case of damaged siding installed on mobile homes, as to which a uniform 50% reduction will apply in all circumstances). If applicable, payments under the settlement will also be subject to reduction to reflect any warranty payments or certain other payments previously recovered by a claimant on account of the damaged siding. Under the settlement agreement, LP will be required to pay fees of class counsel in the amount of \$7 million, as well as expenses of administering the settlement and certain other costs.

The foregoing description of the settlement agreement does not purport to be complete, and is qualified in its entirety by reference to the full text thereof, which is filed as Exhibit 10.1 to LP's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 and incorporated herein by reference.

ABT and Abitibi have agreed to an allocation of liability with respect to claims relating to (1) siding sold by the ABT Entities after October 22, 1992 ("ABT Board") and (2) siding sold by the Abitibi Entities on or before, or held as finished goods inventory by the Abitibi Entities on, October 22, 1992 ("Abitibi Board"). In general, ABT and Abitibi have agreed that all amounts paid in settlement or judgment (other than any punitive damages assessed individually against either the ABT Entities or the Abitibi Entities) following the completion of any claims process resolving any class action claim (including consolidated cases involving more than 125 homes owned by named plaintiffs) shall be paid (a) 100% by ABT insofar as they relate to ABT Board, (b) 65% by Abitibi and 35% by ABT insofar as they relate to Abitibi Board, and (c) 50% by ABT and 50% by Abitibi insofar as they cannot be allocated to ABT Board or Abitibi Board. In general, amounts paid in connection with class action claims for joint local counsel and other joint expenses, and for plaintiffs' attorneys' fees and expenses, are to be allocated in a similar manner, except that joint costs of defending and disposing of class action claims incurred prior to the final determination of what portion of claims relate to ABT Board and what portion relate to Abitibi Board are to be paid 50% by ABT and 50% by Abitibi (subject to adjustment in certain circumstances). ABT and Abitibi have also agreed to certain allocations (generally on a 50/50 basis) of amounts paid for settlements, judgments and associated fees and expenses in respect of non-class action claims relating to Abitibi Board. ABT is solely responsible for such amounts in respect of claims relating to ABT Board.

Based on the information currently available, management believes that the resolution of the foregoing ABT hardboard siding matters will not have a material adverse effect on the financial position, results of operations, cash flows or liquidity of LP.

FIBREFORM WOOD PRODUCTS, INC. PROCEEDINGS

LP has been named as a defendant in an action filed by FibreForm Wood Products, Inc. ("FibreForm") in the Superior Court of Los Angeles County, California on July 13, 1999. The action was subsequently removed by LP and the other named defendants to the United States District Court for the Central District of California. FibreForm has alleged, in connection with failed negotiations between FibreForm and LP regarding a possible joint venture, that LP and the other defendants engaged in a fraudulent scheme to gain control over FibreForm's proprietary manufacturing processes under the guise of such negotiations. FibreForm has alleged causes of action based on fraudulent misrepresentation, negligent misrepresentation, misappropriation of trade secrets, unfair competition, breach of contract and breach of a confidentiality agreement by LP and the other defendants. FibreForm seeks general, special and consequential damages of at least \$250 million, punitive damages, restitution, injunctive and other relief and attorneys' fees. LP filed a counterclaim against FibreForm for failing to pay amounts due under a \$500,000 promissory note, as well as for attorneys' fees related to LP's effort to collect amounts due under that note.

In a series of orders commencing with one issued on June 7, 2000, the United States District Court for the Central District of California: (1) dismissed FibreForm's alleged causes of action based on fraudulent misrepresentation, negligent misrepresentation and breach of contract; and (2) ordered FibreForm to pay LP approximately \$800,000, which represents the total of the amount due under the promissory note, interest on that amount, and the attorneys' fees and costs that LP incurred while attempting to collect under the promissory note. FibreForm has appealed the Court's actions with respect to these matters. The parties have stipulated to the dismissal with prejudice of FibreForm's other alleged causes of action in order to expedite FibreForm's appeal.

LP believes that FibreForm's allegations are without merit and intends to continue to defend this action vigorously. Based upon the information currently available, management believes that the resolution of this matter will not have a material adverse effect on the financial position, results of operations, cash flows or liquidity of LP.

OTHER PROCEEDINGS

LP and its subsidiaries are parties to other legal proceedings. Based on the information currently available, management believes that the resolution of such proceedings will not have a material adverse effect on the financial position, results of operations, cash flows or liquidity of LP.

CONTINGENCY RESERVES

LP maintains reserves for the estimated cost of the legal and environmental matters referred to above. However, as with any estimate, there is uncertainty of predicting the outcomes of claims and litigation and environmental investigations and remediation efforts, that could cause actual costs to vary materially from current estimates. Due to various uncertainties, LP cannot predict to what degree actual payments (including payments under the OSB siding litigation settlements or any alternative strategies adopted by LP with respect to OSB siding claims) will materially exceed the recorded liabilities related to these matters. However, it is possible that, in either the near term or the longer term, revised estimates or actual payments will significantly exceed the recorded liabilities.

For information regarding LP's financial statement reserves for the estimated costs of the environmental and legal matters referred to above, see Note 8 of the Notes to financial statements included in Item 8, Financial Statements and Supplementary Data, in LP's annual report on Form 10-K for the year ended December 31, 1999.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits  
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- 4.1 First Supplemental Indenture dated August 18, 2000 between LP and Bank One Trust Company, NA, as Trustee.
- 4.2 Second Supplemental Indenture dated August 18, 2000 between LP and Bank One Trust Company, NA, as Trustee.

10.1 Directors' Deferred Compensation Plan, amended and restated as of August 1, 2000

10.2 Executive Deferred Compensation Plan, amended and restated as of September 1, 2000

27.1 Financial Data Schedule.

(b) Reports on Form 8-K  
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On August 8, 2000, LP filed a Current Report on Form 8-K reporting matters under Item 5 thereof.

On August 17, 2000, LP filed a Current Report on Form 8-K reporting matters under Item 5 thereof.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOUISIANA-PACIFIC CORPORATION

Date: November 7, 2000

By: /s/ Gary C. Wilkerson

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Gary C. Wilkerson  
Vice President and General Counsel

Date: November 7, 2000

By: /s/ Curtis M. Stevens

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Curtis M. Stevens  
Vice President, Chief Financial  
Officer and Treasurer  
(Principal Financial Officer)

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LOUISIANA-PACIFIC CORPORATION

and

BANK ONE TRUST COMPANY, N.A.

TRUSTEE

FIRST SUPPLEMENTAL TRUST INDENTURE

DATED AS OF AUGUST 18, 2000

Supplementing that certain

INDENTURE

DATED AS OF APRIL 2, 1999

Authorizing the Issuance and Delivery of

Senior Notes

consisting of \$190,000,000 aggregate principal amount of

8.500% Senior Notes Due 2005  
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FIRST SUPPLEMENTAL INDENTURE, dated as of August 18, 2000, between Louisiana-Pacific Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "COMPANY"), and Bank One Trust Company, N.A. (as successor in interest to The First National Bank of Chicago), a national banking association duly incorporated under the laws of the United States of America, as Trustee (the "TRUSTEE"), supplementing that certain Indenture, dated as of April 2, 1999, between the Company and the Trustee (the "INDENTURE").

#### RECITALS

A. The Company has duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of its unsecured debentures, notes, or other evidences of indebtedness (the "SECURITIES") to be issued in one or more series as provided for in the Indenture.

B. The Indenture provides that the Securities of each series shall be in substantially the form set forth in the Indenture, or in such other form as may be established by or pursuant to a Board Resolution or in one or more indentures supplemental thereto, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture, and may have such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof.

C. The Company and the Trustee have agreed that the Company shall issue and deliver, and the Trustee shall authenticate, Securities denominated "8.500% Senior Notes Due 2005" (the "SENIOR NOTES") pursuant to the terms of this Supplemental Indenture and substantially in the form set forth below, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Senior Notes, as evidenced by their execution of such Senior Notes.



[Form of Face of Security]

This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee thereof. This Security may not be transferred to, or registered or exchanged for Securities registered in the name of, any Person other than the Depository or a nominee thereof, and no such transfer may be registered, except in the limited circumstances described in the Indenture. Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, this Security shall be a Global Security subject to the foregoing, except in such limited circumstances.

LOUISIANA-PACIFIC CORPORATION

8.500% SENIOR NOTE DUE 2005

No. \_ \$ -----

Cusip No. 546347 AA 3

LOUISIANA-PACIFIC CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "COMPANY," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \$\_\_\_ on August 15, 2005 and to pay interest thereon from August 18, 2000 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 15 and August 15 of each year, commencing on February 15, 2001, at the rate of 8.500% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date shall, as provided in said Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 1 or August 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Subject, in the case of any Global Security, to any applicable requirements of the Depository, payment of the principal of and interest on this Security shall be made at the office or agency of the Company maintained for the purpose in New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS SET FORTH ON THE REVERSE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication herein has been signed manually by the Trustee under said Indenture.

IN WITNESS WHEREOF, this instrument has been duly executed in accordance with the Indenture.

LOUISIANA-PACIFIC CORPORATION

Date Issued: By: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

[Form of Reverse of Security]

LOUISIANA-PACIFIC CORPORATION

This Security is one of a duly authorized issue of securities of the Company (herein called the "SECURITIES") issued and to be issued in one or more series under an Indenture, dated as of April 2, 1999 (herein called the "INDENTURE"), between the Company and Bank One Trust Company, N.A. (as successor in interest to The First National Bank of Chicago) as Trustee (herein called the "TRUSTEE," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to \$190,000,000.

Upon the occurrence of a Change of Control, the Company is required to offer to purchase the Securities at a purchase price equal to 101% of the principal amount thereof, together with accrued and unpaid interest to the Change of Control Payment Date, but interest installments with a Stated Maturity on or prior to such Change of Control Payment Date shall be payable to the Holders of such Securities of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.

In the event of the repurchase of this Security in part only, a new Security or Securities of this series and of like tenor for the portion hereof not so repurchased shall be issued in the name of the Holder hereof upon the cancellation hereof.

The Securities are redeemable in whole or in part, at the option of the Company at any time and from time to time, on not less than 30 or more than 60 days' prior notice mailed to the Holders of the Securities, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Securities to be redeemed and (ii) as determined by a Quotation Agent, the sum of the present values of the Remaining Scheduled Payments thereon discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 20 basis points, together in either case with accrued interest on the principal amount being redeemed to the Redemption Date.

"ADJUSTED TREASURY RATE" means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity (computed as of the second business day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

"COMPARABLE TREASURY ISSUE" means the United States Treasury security selected by a Quotation Agent as having a maturity comparable to the remaining term of the Securities that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities.

"COMPARABLE TREASURY PRICE" means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Quotations.

"QUOTATION AGENT" means the Reference Treasury Dealer appointed by the Trustee after consultation with the Company.

"REFERENCE TREASURY DEALER" means (i) Goldman, Sachs & Co. and its successors; PROVIDED, HOWEVER, that if the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "PRIMARY TREASURY DEALER"), the Company shall designate as a substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Trustee after consultation with the Company.

"REFERENCE TREASURY DEALER QUOTATIONS" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"REMAINING SCHEDULED PAYMENTS" means, with respect to each Security to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related Redemption Date but for such redemption, except that, if such Redemption Date is not an interest payment date with respect to such Security, the amount of the next succeeding scheduled interest payment thereon shall be reduced by the amount of interest accrued thereon to such Redemption Date.

On and after any Redemption Date, interest will cease to accrue on the Securities or any portion thereof called for redemption. Prior to any Redemption Date, the Company shall deposit with a paying agent money sufficient to pay the Redemption Price of and accrued interest on the Securities to be redeemed on such date. If less than all the Securities are to be redeemed, the Securities to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate in accordance with methods generally used at the time of selection by fiduciaries in similar circumstances.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of this Security or (b) certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be effected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request and shall have failed to institute such proceeding for 60 calendar days after receipt of such notice, request, and offer of

indemnity. The foregoing shall apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registerable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, shall be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee, and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security shall be overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary.

Unless this Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange, or payment, and any Security issued upon registration of transfer of, or in exchange for or in lieu of, this Security is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL because the registered owner hereof, Cede & Co., has an interest herein.

All terms used in this Security that are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

D. The Trustee's certificate of authentication shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

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BANK ONE TRUST COMPANY, N.A.,  
as Trustee

By:

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AUTHORIZED OFFICER

E. All acts and things necessary to make the Senior Notes, when the Senior Notes have been executed by the Company and authenticated by the Trustee and delivered as provided in the Indenture and this Supplemental Indenture, the valid, binding, and legal obligations of the Company and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution and delivery by the Company of the Indenture and this Supplemental Indenture and the issue hereunder of the Senior Notes have in all respects been duly authorized; and the Company, in the exercise of legal right and power in it vested, has executed and delivered the Indenture and is executing and delivering this Supplemental Indenture and proposes to make, execute, issue, and deliver the Senior Notes.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

In order to declare the terms and conditions upon which the Senior Notes are authenticated, issued, and delivered, and in consideration of the premises and of the purchase and acceptance of the Senior Notes by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of the respective Holders from time to time of the Senior Notes, as follows:

ARTICLE I. ISSUANCE OF SENIOR NOTES.

SECTION I.1. ISSUANCE OF SENIOR NOTES; PRINCIPAL AMOUNT; MATURITY.

(a) On August 18, 2000 the Company shall issue and deliver to the Trustee, and the Trustee shall authenticate, Senior Notes substantially in the form set forth above, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Senior Notes, as evidenced by their execution of such Senior Notes.

(b) The Senior Notes shall be issued in the aggregate principal amount of \$190,000,000 and shall mature on August 15, 2005.

#### SECTION I.2. INTEREST ON THE SENIOR NOTES; PAYMENT OF INTEREST.

(a) The Senior Notes shall bear interest at the rate of 8.500% per annum from August 18, 2000, except in the case of Senior Notes delivered pursuant to Sections 2.05 or 2.07 of the Indenture, which shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is paid or made available for payment. Such interest shall be payable semiannually on February 15 and August 15 of each year, commencing February 15, 2001.

(b) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date shall, as provided in such Indenture, be paid to the Person in whose name a Senior Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 1 or August 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name the Senior Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Senior Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

(c) Subject, in the case of any Global Security, to any applicable requirements of the Depository, payment of the principal of and interest on the Senior Notes shall be made at the office or agency of the Company maintained for the purpose in New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register.

#### SECTION I.3. EXECUTION, AUTHENTICATION AND DELIVERY OF SECURITIES.

The Senior Notes shall be executed on behalf of the Company by the Chairman or any Vice Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President of the Company and attested by the Treasurer, the Secretary, any Assistant Treasurer, or any Assistant Secretary of the Company, in each case by either manual or facsimile signature.

### ARTICLE II. CERTAIN DEFINITIONS.

#### SECTION II.1. CERTAIN DEFINITIONS.



The terms defined in this Section 2.1 (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires) for all purposes of this Supplemental Indenture and of any indenture supplemental hereto have the respective meanings specified in this Section 2.1. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP. All other terms used in this Supplemental Indenture that are defined in the Indenture or the Trust Indenture Act, either directly or by reference therein (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires), have the respective meanings assigned to such terms in the Indenture or the Trust Indenture Act, as the case may be, as in force at the date of this Supplemental Indenture as originally executed.

"CAPITAL STOCK" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock or equity interests (including without limitation, with respect to partnerships, limited liability companies or business trusts, ownership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnerships, limited liability companies or business trusts) and any rights (other than debt securities convertible into such capital stock or equity interests), warrants or options exchangeable for or convertible into such capital stock or equity interests.

"CHANGE OF CONTROL" means the occurrence of any of the following events: (a) any "PERSON" or "GROUP" (as such terms are used in Section 13(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under Exchange Act), directly or indirectly, of more than 50% of the total Voting Stock of the Company; (b) the Company consolidates with, or merges with or into, another Person, or another Person consolidates with, or merges with or into, the Company, in either case pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities, or other property, other than any such transaction where (i) immediately after such transaction no "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total Voting Stock of the Person created by or surviving such transaction and (ii) the holders of a majority of the total Voting Stock of the Company immediately prior to such transaction hold, immediately following such transaction, a majority of the total Voting Stock (or comparable equity securities) of the Person created by or surviving such transaction; (c) the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act), (d) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; or (e) the dissolution or liquidation of the Company. Notwithstanding the foregoing, a transaction effected to create a holding company of the Company will not be deemed to involve a Change of Control if (1) pursuant to such transaction the Company becomes a wholly owned Subsidiary of such holding company and (2) the holders of the Voting Stock of such holding company immediately following such transaction

are substantially the same as the holders of Voting Stock of the Company immediately prior to such transaction.

"CONSOLIDATED NET TANGIBLE ASSETS" means total assets (less accumulated depreciation and valuation reserves and other reserves and items deductible from gross book value of specific asset accounts under GAAP) after deducting therefrom (i) all current liabilities and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount, organization expenses, and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with GAAP.

"DEBT" means (i) all indebtedness, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed and (ii) all guaranties, endorsements, assumptions and other contractual obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others.

"FUNDED DEBT" means any Debt which by its terms matures more than one year after, or which is renewable or extendible at the option of the obligor for a period ending more than one year after, the date as of which Funded Debt is being determined, and shall include (i) any Debt that so matures or that is so renewable or extendible incurred, assumed or guaranteed by the Company or any Restricted Subsidiary, either directly or indirectly, (ii) any deferred indebtedness of the Company or any Restricted Subsidiary for the payment of the purchase price of property or assets purchased that so matures or that is so renewable or extendible, and (iii) any indebtedness secured by a mortgage, lien, security interest, pledge, assignment or transfer on, in or of any property of the Company or any Restricted Subsidiary and upon which the Company or any Restricted Subsidiary customarily pays the interest, that so matures or that is so renewable or extendible.

"PRINCIPAL PROPERTY" means any mill, converting plant or manufacturing facility (including, in each case, the equipment therein) and any timberland, in each case located within the continental United States of America (other than any of the foregoing acquired principally for the control or abatement of atmospheric pollutants or contaminants or water, noise, odor or other pollution, or any facility financed from the proceeds of pollution control or revenue bonds), whether owned on the date hereof or hereafter acquired, having a gross book value (without deduction of any applicable accumulated depreciation) on the date as of which the determination is being made of more than 5% of Consolidated Net Tangible Assets, but shall not include any minerals or mineral rights, or any timberland designated by the Board of Directors of the Company or of a Restricted Subsidiary, as the case may be, as being held primarily for investment, development and/or sale.

"RESTRICTED SUBSIDIARY" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"SALE AND LEASE-BACK TRANSACTION" means, with respect to any Person, an arrangement with any bank, insurance company or other lender or investor or to which such lender or investor is a party providing for the leasing pursuant to a Capital Lease to such Person or any Subsidiary of such Person of any property or asset of such Person or such Subsidiary which has been or is being sold or transferred by such Person or such Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset, other than (a) leases for a term, including renewals at the option of the lessee, of not more than three years, by the end of which term it is intended that the use of such property or asset by such Person will be discontinued, (b) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, provided that any Restricted Subsidiary that is a lessee under any such lease continues to be a Restricted Subsidiary for the term of such lease, and (c) leases entered into within 120 days after the later of the acquisition or the completion of construction or improvement of the property to be leased.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary of the Company that accounts for (a) 10.0% or more of the total consolidated assets of the Company and its Subsidiaries as of any date of determination or (b) 10.0% or more of the total consolidated revenues of the Company and its Subsidiaries for the most recently concluded fiscal quarter.

"UNRESTRICTED SUBSIDIARY" means (a) L-P SPV, Inc. and L-P SPV2, LLC, (b) any Subsidiary of the Company the primary business of which consists of, and is restricted by the charter, partnership agreement, or similar organizational document of such Subsidiary to, financing operations on behalf of the Company and its Subsidiaries, and/or purchasing accounts receivable or direct or indirect interests therein and/or making loans secured by accounts receivable or direct or indirect interests therein (and business related to the foregoing), or which is otherwise primarily engaged in, and restricted by its charter, partnership agreement, or similar organizational document to, the business of a finance company (and business related thereto), which, in accordance with the provisions of this Supplemental Indenture, has been designated by Board Resolution as an Unrestricted Subsidiary, in each case unless and until any of the Subsidiaries of the Company referred to in the foregoing clauses (a) and (b) is, in accordance with the provisions of this Supplemental Indenture, designated by a Board Resolution as a Restricted Subsidiary, and (c) any Subsidiary of the Company of which, in the case of a corporation, more than 50% of the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation has or might have voting power upon the occurrence of any contingency), or, in the case of any partnership or other legal entity, more than 50% of the ordinary equity capital interests, is at the time directly or indirectly owned or controlled by one or more Unrestricted Subsidiaries and the primary business of which consists of, and is restricted by the charter, partnership agreement, or similar organizational document of such Subsidiary to, financing operations on behalf of the Company and its Subsidiaries, and/or purchasing accounts receivable or direct or indirect interests therein, and/or making loans secured by accounts receivable or direct or indirect interests therein (and business related to the foregoing), or which is otherwise primarily engaged in, and restricted by its charter, partnership agreement, or similar organizational document to, the business of a finance company (and business related thereto).

"VALUE" means with respect to a Sale and Lease-Back Transaction, as of any particular time, an amount equal to (1) the greater of (a) the fair value of the property leased pursuant to such Sale and Lease-Back Transaction (as determined by the Board of Directors of Louisiana-Pacific or a Person designated by such Board of Directors) and (b) the net proceeds from the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction divided by (2) the number of full years of the term of the lease (determined without regard to any renewal or extension options contained in the lease) and multiplied by (3) the number of full years of such term remaining at the time of determination (determined without regard to any renewal or extension options contained in the lease).

"VOTING STOCK" means any class or classes of Capital Stock (however designated) conferring upon the holders thereof the ordinary voting power to elect or remove at least a majority of the board of directors, general or managing partners, managers or trustees of any Person, determined without regard to any voting power that has been or may be conferred by any class or classes of Capital Stock (however designated) by reason of the occurrence of any contingency.

#### ARTICLE III. CERTAIN COVENANTS.

The following covenants shall be applicable to the Company for so long as any of the Senior Notes are Outstanding. Nothing in this paragraph will, however, affect the Company's rights or obligations under any other provision of the Indenture or this Supplemental Indenture.

##### SECTION III.1. LIENS.

(a) The Company shall not and shall not permit any Restricted Subsidiary to, (i) incur, assume or guarantee any Debt secured by any mortgage, lien, security interest, pledge, assignment or transfer (hereinafter called "mortgage" or "mortgages") on, in or of any Principal Property of the Company or of a Restricted Subsidiary or on, in or of any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness is now owned or hereafter acquired), or (ii) directly or indirectly secure any outstanding Debt of the Company or any Restricted Subsidiary by any mortgage on, in or of any Principal Property of the Company or of a Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness is now owned or hereafter acquired), without in any such case concurrently and effectively securing, the Senior Notes (together with, if the Company shall so determine, any other indebtedness of or guaranteed by the Company or such Restricted Subsidiary ranking equally with the Senior Notes and then existing or thereafter created) with the same property equally and ratably with such Debt; provided, however, that the foregoing restrictions shall not apply to

(i) any mortgage on, in or of any property acquired, constructed or improved by the Company or any Restricted Subsidiary after the date of this Supplemental Indenture which is created, incurred or assumed within 120 days after such acquisition or the completion of such construction or improvement, or within six months thereafter pursuant to a firm commitment for financing arranged with a lender or investor within such 120-day period, to secure or provide for the payment

of all or any part of the purchase price of such property (including the purchase price of any Person that owns such property) or the cost of such construction or improvement incurred after the date of this Supplemental Indenture, PROVIDED that such mortgage does not extend to or cover any property of the Company or of any Restricted Subsidiary other than the property so acquired, constructed or improved;

(ii) mortgages existing or in effect with respect to any property, shares of stock or indebtedness at the time the same is acquired by the Company or a Restricted Subsidiary by merger or otherwise;

(iii) mortgages existing or in effect with respect to any property (including shares of stock and indebtedness) of any Person existing at the time such Person becomes a Restricted Subsidiary;

(iv) mortgages existing or in effect on the date of this Supplemental Indenture;

(v) mortgages securing Debt of a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(vi) mortgages in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such mortgages;

(vii) any mortgage on, in or of timberlands in connection with an arrangement under which the Company or a Restricted Subsidiary is obligated to cut or pay for timber in order to provide the secured party with a specified amount of money, however determined, PROVIDED that such mortgage does not extend to or cover any property of the Company or of any Restricted Subsidiary other than such timberlands;

(viii) mortgages created, incurred or assumed in connection with the issuance of revenue bonds the interest of which is exempt from federal income taxation pursuant to Section 103(a) and related provisions (including any successor provisions thereto) of the Internal Revenue Code of 1986, as amended; or

(ix) mortgages created, extended or renewed in connection with any extension, renewal, refinancing, replacement or refunding (including successive extensions, renewals, refinancings, replacements or refundings), in whole or in part, of Debt secured by any mortgage referred to in the foregoing clauses (i) to (viii); provided, however, that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal, refinancing, replacement or refunding, and that such extension, renewal,

refinancing, replacement or refunding shall be limited to all or a part of the property which secured the Debt so extended, renewed, refinanced, replaced or refunded (plus improvements on such property).

(b) The provisions of Section 3.1(a) shall not apply to the incurrence, assumption or guarantee by the Company or any Restricted Subsidiary of Debt secured by, or the securing of any outstanding Debt of the Company or any Restricted Subsidiary by, one or more mortgages (other than mortgages permitted by Section 3.1(a)) that would otherwise be subject to the foregoing restrictions up to an aggregate amount which, together with (i) all other Debt of the Company and the Restricted Subsidiaries secured by mortgages (other than mortgages permitted by Section 3.1(a)) that would otherwise be subject to the foregoing restrictions and (ii) the Value of all Sale and Lease-Back Transactions involving Principal Properties in existence at such time (other than any Sale and Lease-Back Transaction described in Section 3.2(b)) does not at the time exceed 15% of Consolidated Net Tangible Assets.

#### SECTION III.2. SALE AND LEASE-BACK TRANSACTIONS.

The Company shall not and shall not permit any Restricted Subsidiary to, enter into any Sale and Lease-Back Transaction involving any Principal Property unless:

(a) the Company or such Restricted Subsidiary would be permitted, pursuant to the provisions of Section 3.1(b), to incur Debt in a principal amount at least equal to the Value of the Sale and Lease-Back Transaction and to secure such Debt with a mortgage on the Principal Property to be leased, without equally and ratably securing the Senior Notes; or

(b) the Company, within 120 days of the effective date of such Sale and Lease-Back Transaction (or in the case of (ii) below, within six months thereafter pursuant to a firm purchase commitment entered into within such 120-day period), causes to be applied an amount equal to the Value of such Sale and Lease-Back Transaction (i) to the payment or other retirement of Senior Notes or Funded Debt incurred or assumed by the Company which ranks senior to or pari passu with the Senior Notes or of Funded Debt incurred or assumed by any Restricted Subsidiary (other than, in either case, Senior Notes or Funded Debt owned by the Company or any Restricted Subsidiary), or (ii) to the purchase of a Principal Property (other than the Principal Property involved in such sale);

and the consideration paid or payable to Louisiana-Pacific or a Restricted Subsidiary in connection with the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction is at least equal to the fair value of such property (as determined by the Board of Directors of Louisiana-Pacific or a Person designated by such Board of Directors).

#### SECTION III.3. OFFER TO REPURCHASE UPON CHANGE OF CONTROL.

(a) Following the occurrence of a Change of Control, the Company shall make an offer (a "Change of Control Offer") to each Holder of Senior Notes to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Senior Notes at a

price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase (the "Change of Control Payment"). The Change of Control Offer shall be made by mailing, within 30 days following the Change of Control, a notice to the Trustee and each Holder at the address appearing in the Security Register, by first class mail, postage prepaid, by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company, describing the transaction or transactions that constitute the Change of Control and offering to repurchase Senior Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"). The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations under the Exchange Act to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control.

(b) On the Change of Control Payment Date, the Company shall, to the extent lawful, (i) accept for payment all Senior Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Notes or portions thereof so accepted, and (iii) deliver or cause to be delivered to the Trustee the Senior Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Senior Notes or portions thereof being purchased by the Company. The Paying Agent shall promptly mail to each Holder of Senior Notes so accepted the Change of Control Payment for such Senior Notes. In the event that any Senior Note is so accepted in part only, the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to the Holder thereof a new Senior Note equal in principal amount to the unpurchased portion of such Senior Note; provided that each such new Senior Note will be in a principal amount of \$1,000 or an integral multiple thereof.

Acceptance of the Change of Control Offer by a Holder shall be irrevocable (unless otherwise provided by law). The payment of accrued interest as part of any repurchase price on any Change of Control Payment Date shall be subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on an Interest Payment Date that is on or prior to such Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 3.3, the Company shall not be required to make a Change of Control Offer upon a Change of Control if (i) the Company has effected Defeasance or Covenant Defeasance of the Senior Notes as provided in Article V of the Indenture prior to the occurrence of the Change of Control or (ii) if a third party makes the Change of Control Offer in the manner, at the time and otherwise in compliance with the requirements set forth in this Section 3.3 and purchases all Senior Notes validly tendered pursuant to such Change of Control Offer.

#### SECTION III.4. PERMITTING UNRESTRICTED SUBSIDIARIES TO BECOME RESTRICTED SUBSIDIARIES.

The Company shall not permit any Unrestricted Subsidiary to be designated as a Restricted Subsidiary unless such Subsidiary is otherwise in compliance with all provisions of the Indenture and this Supplemental Indenture that apply to Restricted Subsidiaries.

SECTION III.5. PAYMENT OFFICE.

The Company shall cause a Payment Office for the Senior Notes to be maintained at all times in New York, New York.

ARTICLE IV. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.

SECTION IV.1. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.

In addition to the Events of Default set forth in the Indenture (other than the Event of Default set forth in clause (v) of Section 8.01(a) of the Indenture, which is superseded in its entirety by the provisions of clause (b) of this Section IV.1), the term "EVENT OF DEFAULT," whenever used in the Indenture or this Supplemental Indenture with respect to the Senior Notes, means any one of the following events (whatever the reason for such Event of Default and whether it may be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

(a) the failure to redeem any Senior Note when required pursuant to the terms and conditions thereof or to pay the purchase price for any Senior Note to be purchased in accordance with Section 3.3 of this Supplemental Indenture;

(b) any nonpayment at maturity or other default under any agreement or instrument relating to any other Indebtedness of the Company or any Restricted Subsidiary (the unpaid principal amount of which is not less than \$50.0 million), and, in any such case, such default (i) continues beyond any period of grace provided with respect thereto and (ii) results in such Indebtedness becoming due prior to its stated maturity or occurs at the final maturity of such Indebtedness; PROVIDED, HOWEVER, that, subject to the provisions of Section 9.01 and 8.08 of the Indenture, the Trustee shall not be deemed to have knowledge of such nonpayment or other default unless either (1) a Responsible Officer of the Trustee has actual knowledge of nonpayment or other default or (2) the Trustee has received written notice thereof from the Company, from any Holder, from the holder of any such Indebtedness or from the trustee under the agreement or instrument, relating to such Indebtedness;

(c) the entry of one or more final judgments or orders for the payment of money against the Company or any Restricted Subsidiary, which judgments and orders create a liability of \$50.0 million or more in excess of insured amounts and have not been stayed (by appeal or otherwise), vacated, discharged, or otherwise satisfied within 60 calendar days of the entry of such judgments and orders; and

(d) Events of Default of the type and subject to the conditions set forth in clauses (vi) and (vii) of Section 8.01(a) of the Indenture in respect of the Company or any Restricted Subsidiary that is a Significant Subsidiary or, in related events, any group of Restricted



Subsidiaries of the Company that if considered in the aggregate, would be a Significant Subsidiary of the Company.

ARTICLE V. DEFEASANCE.

SECTION V.1. APPLICABILITY OF ARTICLE V OF THE INDENTURE.

(a) The Senior Notes shall be subject to Defeasance and Covenant Defeasance as provided in Article V of the Indenture; PROVIDED, HOWEVER, that no Defeasance or Covenant Defeasance shall be effective unless and until:

(i) there shall have been delivered to the Trustee the opinion of a nationally recognized independent public accounting firm certifying the sufficiency of the amount of the moneys, U.S. Government Obligations, or a combination thereof, placed on deposit to pay, without regard to any reinvestment, the principal of and any premium and interest on the Senior Notes on the Stated Maturity thereof or on any earlier date on which the Senior Notes shall be subject to redemption;

(ii) there shall have been delivered to the Trustee the certificate of a Responsible Officer of the Company certifying, on behalf of the Company, to the effect that (A) such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any agreement to which the Company is a party or violate any law to which the Company is subject and (B) no Event of Default or event that (after notice or lapse of time or both) would become an Event of Default has occurred and is continuing at the time of such deposit; and

(iii) no Event of Default specified in Sections 8.01(a)(vi) and (vii) of the Indenture or event that (after notice or lapse of time or both) would become an Event of Default specified in Sections 8.01(a)(vi) and (vii) of the Indenture shall have occurred and be continuing at any time on or prior to the 124th calendar day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 124th calendar day).

(b) Upon the exercise of the option provided in Section 5.01 of the Indenture to have Section 5.03 of the Indenture applied to the Outstanding Senior Notes, in addition to the obligations from which the Company shall be released specified in the Indenture, the Company shall be released from its obligations under Article III hereof.

ARTICLE VI. REDEMPTION OF SENIOR NOTES.

SECTION VI.1. RIGHT OF REDEMPTION.

The Senior Notes may be redeemed by the Company in accordance with the provisions of the form of Securities set forth herein.

ARTICLE VII. MISCELLANEOUS.

SECTION VII.1. REFERENCE TO AND EFFECT ON THE INDENTURE.

This Supplemental Indenture shall be construed as supplemental to the Indenture and all the terms and conditions of this Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture. Except as set forth herein, the Indenture heretofore executed and delivered is hereby (i) incorporated by reference in this Supplemental Indenture and (ii) ratified, approved, and confirmed.

SECTION VII.2. WAIVER OF CERTAIN COVENANTS.

The Company may omit in any particular instance to comply with any term, provision, or condition set forth in Article III hereof if the Holders of a majority in principal amount of the Outstanding Senior Notes shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision, or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision, or condition shall remain in full force and effect.

SECTION VII.3. SUPPLEMENTAL INDENTURE MAY BE EXECUTED IN COUNTERPARTS.

This instrument may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION VII.4. EFFECT OF HEADINGS.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

[Seal]

LOUISIANA-PACIFIC CORPORATION

By: /s/ Gary C. Wilkerson  
Gary C. Wilkerson, Vice President

Attest:

/s/ Anton C. Kirchhof  
Title: Secretary

BANK ONE TRUST COMPANY, N.A.,  
as Trustee

By: /s/ Diane Swanson  
Title: Assistant Vice President

Attest:

Name: /s/ Janice Ott Rotunno  
Title: Vice-President

-----  
LOUISIANA-PACIFIC CORPORATION

and

BANK ONE TRUST COMPANY, N.A.

TRUSTEE

SECOND SUPPLEMENTAL TRUST INDENTURE

DATED AS OF AUGUST 18, 2000

Supplementing that certain

INDENTURE

DATED AS OF APRIL 2, 1999

Authorizing the Issuance and Delivery of

Senior Notes

consisting of \$200,000,000 aggregate principal amount of

8.875% Senior Notes Due 2010  
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SECOND SUPPLEMENTAL INDENTURE, dated as of August 18, 2000, between Louisiana-Pacific Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "COMPANY"), and Bank One Trust Company, N.A. (as successor in interest to The First National Bank of Chicago), a national banking association duly incorporated under the laws of the United States of America, as Trustee (the "TRUSTEE"), supplementing that certain Indenture, dated as of April 2, 1999, between the Company and the Trustee (the "INDENTURE").

#### RECITALS

A. The Company has duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of its unsecured debentures, notes, or other evidences of indebtedness (the "SECURITIES") to be issued in one or more series as provided for in the Indenture.

B. The Indenture provides that the Securities of each series shall be in substantially the form set forth in the Indenture, or in such other form as may be established by or pursuant to a Board Resolution or in one or more indentures supplemental thereto, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture, and may have such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof.

C. The Company and the Trustee have agreed that the Company shall issue and deliver, and the Trustee shall authenticate, Securities denominated "8.875% Senior Notes Due 2010" (the "SENIOR NOTES") pursuant to the terms of this Supplemental Indenture and substantially in the form set forth below, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Senior Notes, as evidenced by their execution of such Senior Notes.

[Form of Face of Security]

This Security is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depository or a nominee thereof. This Security may not be transferred to, or registered or exchanged for Securities registered in the name of, any Person other than the Depository or a nominee thereof, and no such transfer may be registered, except in the limited circumstances described in the Indenture. Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, this Security shall be a Global Security subject to the foregoing, except in such limited circumstances.

LOUISIANA-PACIFIC CORPORATION

8.875% SENIOR NOTE DUE 2010

No. \_\_\_\_  
Cusip No. 546347 AB 1

\$ \_\_\_\_\_

LOUISIANA-PACIFIC CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the "COMPANY," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \$\_\_\_\_\_ on August 15, 2010 and to pay interest thereon from August 18, 2000 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on February 15 and August 15 of each year, commencing on February 15, 2001, at the rate of 8.875% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date shall, as provided in said Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 1 or August 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Subject, in the case of any Global Security, to any applicable requirements of the Depository, payment of the principal of and interest on this Security shall be made at the office or agency of the Company maintained for the purpose in New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS SET FORTH ON THE REVERSE HEREOF. SUCH PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

This Security shall not be valid or become obligatory for any purpose until the certificate of authentication herein has been signed manually by the Trustee under said Indenture.

IN WITNESS WHEREOF, this instrument has been duly executed in accordance with the Indenture.

LOUISIANA-PACIFIC CORPORATION

Date Issued: By: -----

Attest:

By: -----

[Form of Reverse of Security]

LOUISIANA-PACIFIC CORPORATION

This Security is one of a duly authorized issue of securities of the Company (herein called the "SECURITIES") issued and to be issued in one or more series under an Indenture, dated as of April 2, 1999 (herein called the "INDENTURE"), between the Company and Bank One Trust Company, N.A. (as successor in interest to The First National Bank of Chicago) as Trustee (herein called the "TRUSTEE," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties, and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to \$200,000,000.

Upon the occurrence of a Change of Control, the Company is required to offer to purchase the Securities at a purchase price equal to 101% of the principal amount thereof, together with accrued and unpaid interest to the Change of Control Payment Date, but interest installments with a Stated Maturity on or prior to such Change of Control Payment Date shall be payable to the Holders of such Securities of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.



In the event of the repurchase of this Security in part only, a new Security or Securities of this series and of like tenor for the portion hereof not so repurchased shall be issued in the name of the Holder hereof upon the cancellation hereof.

The Securities are redeemable in whole or in part, at the option of the Company at any time and from time to time, on not less than 30 or more than 60 days' prior notice mailed to the Holders of the Securities, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Securities to be redeemed and (ii) as determined by a Quotation Agent, the sum of the present values of the Remaining Scheduled Payments thereon discounted to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 25 basis points, together in either case with accrued interest on the principal amount being redeemed to the Redemption Date.

"ADJUSTED TREASURY RATE" means, with respect to any Redemption Date, the rate per annum equal to the semiannual equivalent yield to maturity (computed as of the second business day immediately preceding such Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

"COMPARABLE TREASURY ISSUE" means the United States Treasury security selected by a Quotation Agent as having a maturity comparable to the remaining term of the Securities that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities.

"COMPARABLE TREASURY PRICE" means, with respect to any Redemption Date, (i) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such Quotations.

"QUOTATION AGENT" means the Reference Treasury Dealer appointed by the Trustee after consultation with the Company.

"REFERENCE TREASURY DEALER" means (i) Goldman, Sachs & Co. and its successors; PROVIDED, HOWEVER, that if the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "PRIMARY TREASURY DEALER"), the Company shall designate as a substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer selected by the Trustee after consultation with the Company.

"REFERENCE TREASURY DEALER QUOTATIONS" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

"REMAINING SCHEDULED PAYMENTS" means, with respect to each Security to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related Redemption Date but for such redemption, except that, if such Redemption Date is not an interest payment date with respect to such Security, the amount of the next succeeding scheduled interest payment thereon shall be reduced by the amount of interest accrued thereon to such Redemption Date.

On and after any Redemption Date, interest will cease to accrue on the Securities or any portion thereof called for redemption. Prior to any Redemption Date, the Company shall deposit with a paying agent money sufficient to pay the Redemption Price of and accrued interest on the Securities to be redeemed on such date. If less than all the Securities are to be redeemed, the Securities to be redeemed shall be selected by the Trustee by such method as the Trustee shall deem fair and appropriate in accordance with methods generally used at the time of selection by fiduciaries in similar circumstances.

The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness of this Security or (b) certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be effected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request and shall have failed to institute such proceeding for 60 calendar days after receipt of such notice, request, and offer of

indemnity. The foregoing shall apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place, and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registerable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, shall be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and integral multiples thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee, and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security shall be overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary.

Unless this Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Company or its agent for registration of transfer, exchange, or payment, and any Security issued upon registration of transfer of, or in exchange for or in lieu of, this Security is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL because the registered owner hereof, Cede & Co., has an interest herein.

All terms used in this Security that are defined in the Indenture shall have the respective meanings assigned to them in the Indenture.

D. The Trustee's certificate of authentication shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

-----

BANK ONE TRUST COMPANY, N.A.,  
as Trustee

By:

-----

AUTHORIZED OFFICER

E. All acts and things necessary to make the Senior Notes, when the Senior Notes have been executed by the Company and authenticated by the Trustee and delivered as provided in the Indenture and this Supplemental Indenture, the valid, binding, and legal obligations of the Company and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution and delivery by the Company of the Indenture and this Supplemental Indenture and the issue hereunder of the Senior Notes have in all respects been duly authorized; and the Company, in the exercise of legal right and power in it vested, has executed and delivered the Indenture and is executing and delivering this Supplemental Indenture and proposes to make, execute, issue, and deliver the Senior Notes.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

In order to declare the terms and conditions upon which the Senior Notes are authenticated, issued, and delivered, and in consideration of the premises and of the purchase and acceptance of the Senior Notes by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of the respective Holders from time to time of the Senior Notes, as follows:

ARTICLE I. ISSUANCE OF SENIOR NOTES.

SECTION I.1. ISSUANCE OF SENIOR NOTES; PRINCIPAL AMOUNT; MATURITY.

(a) On August 18, 2000 the Company shall issue and deliver to the Trustee, and the Trustee shall authenticate, Senior Notes substantially in the form set forth above, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Senior Notes, as evidenced by their execution of such Senior Notes.

(b) The Senior Notes shall be issued in the aggregate principal amount of \$200,000,000 and shall mature on August 15, 2010.

SECTION I.2. INTEREST ON THE SENIOR NOTES; PAYMENT OF INTEREST.

(a) The Senior Notes shall bear interest at the rate of 8.875% per annum from August 18, 2000, except in the case of Senior Notes delivered pursuant to Sections 2.05 or 2.07 of the Indenture, which shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal thereof is paid or made available for payment. Such interest shall be payable semiannually on February 15 and August 15 of each year, commencing February 15, 2001.

(b) The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date shall, as provided in such Indenture, be paid to the Person in whose name a Senior Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the February 1 or August 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name the Senior Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Senior Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

(c) Subject, in the case of any Global Security, to any applicable requirements of the Depositary, payment of the principal of and interest on the Senior Notes shall be made at the office or agency of the Company maintained for the purpose in New York, New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register.

SECTION I.3. EXECUTION, AUTHENTICATION AND DELIVERY OF SECURITIES.

The Senior Notes shall be executed on behalf of the Company by the Chairman or any Vice Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President of the Company and attested by the Treasurer, the Secretary, any Assistant Treasurer, or any Assistant Secretary of the Company, in each case by either manual or facsimile signature.

ARTICLE II. CERTAIN DEFINITIONS.

SECTION II.1. CERTAIN DEFINITIONS.

The terms defined in this Section 2.1 (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires) for all purposes of this Supplemental Indenture and of any indenture supplemental hereto have the respective meanings specified in this Section 2.1. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP. All other terms used in this Supplemental Indenture that are defined in the Indenture or the Trust Indenture Act, either directly or by reference therein (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires), have the respective meanings assigned to such terms in the Indenture or the Trust Indenture Act, as the case may be, as in force at the date of this Supplemental Indenture as originally executed.

"CAPITAL STOCK" means, with respect to any Person, any and all shares, interests, participations, rights in or other equivalents (however designated) of such Person's capital stock or equity interests (including without limitation, with respect to partnerships, limited liability companies or business trusts, ownership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnerships, limited liability companies or business trusts) and any rights (other than debt securities convertible into such capital stock or equity interests), warrants or options exchangeable for or convertible into such capital stock or equity interests.

"CHANGE OF CONTROL" means the occurrence of any of the following events: (a) any "PERSON" or "GROUP" (as such terms are used in Section 13(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under Exchange Act), directly or indirectly, of more than 50% of the total Voting Stock of the Company; (b) the Company consolidates with, or merges with or into, another Person, or another Person consolidates with, or merges with or into, the Company, in either case pursuant to a transaction in which the outstanding Voting Stock of the Company is converted into or exchanged for cash, securities, or other property, other than any such transaction where (i) immediately after such transaction no "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act) is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the total Voting Stock of the Person created by or surviving such transaction and (ii) the holders of a majority of the total Voting Stock of the Company immediately prior to such transaction hold, immediately following such transaction, a majority of the total Voting Stock (or comparable equity securities) of the Person created by or surviving such transaction; (c) the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries as a whole to any "person" or "group" (as such terms are used in Section 13(d) of the Exchange Act), (d) during any consecutive two-year period, individuals who at the beginning of such period constituted the Board of Directors (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of the Company was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board of Directors then in office; or (e) the dissolution or liquidation of the Company. Notwithstanding the foregoing, a transaction effected to create a holding company of the Company will not be deemed to involve a Change of Control if (1) pursuant to such transaction the Company becomes a wholly owned Subsidiary of such holding company and (2) the holders of the Voting Stock of such holding company immediately following such transaction

are substantially the same as the holders of Voting Stock of the Company immediately prior to such transaction.

"CONSOLIDATED NET TANGIBLE ASSETS" means total assets (less accumulated depreciation and valuation reserves and other reserves and items deductible from gross book value of specific asset accounts under GAAP) after deducting therefrom (i) all current liabilities and (ii) all goodwill, trade names, trademarks, patents, unamortized debt discount, organization expenses, and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with GAAP.

"DEBT" means (i) all indebtedness, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed and (ii) all guaranties, endorsements, assumptions and other contractual obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others.

"FUNDED DEBT" means any Debt which by its terms matures more than one year after, or which is renewable or extendible at the option of the obligor for a period ending more than one year after, the date as of which Funded Debt is being determined, and shall include (i) any Debt that so matures or that is so renewable or extendible incurred, assumed or guaranteed by the Company or any Restricted Subsidiary, either directly or indirectly, (ii) any deferred indebtedness of the Company or any Restricted Subsidiary for the payment of the purchase price of property or assets purchased that so matures or that is so renewable or extendible, and (iii) any indebtedness secured by a mortgage, lien, security interest, pledge, assignment or transfer on, in or of any property of the Company or any Restricted Subsidiary and upon which the Company or any Restricted Subsidiary customarily pays the interest, that so matures or that is so renewable or extendible.

"PRINCIPAL PROPERTY" means any mill, converting plant or manufacturing facility (including, in each case, the equipment therein) and any timberland, in each case located within the continental United States of America (other than any of the foregoing acquired principally for the control or abatement of atmospheric pollutants or contaminants or water, noise, odor or other pollution, or any facility financed from the proceeds of pollution control or revenue bonds), whether owned on the date hereof or hereafter acquired, having a gross book value (without deduction of any applicable accumulated depreciation) on the date as of which the determination is being made of more than 5% of Consolidated Net Tangible Assets, but shall not include any minerals or mineral rights, or any timberland designated by the Board of Directors of the Company or of a Restricted Subsidiary, as the case may be, as being held primarily for investment, development and/or sale.

"RESTRICTED SUBSIDIARY" means any Subsidiary of the Company other than an Unrestricted Subsidiary.



"SALE AND LEASE-BACK TRANSACTION" means, with respect to any Person, an arrangement with any bank, insurance company or other lender or investor or to which such lender or investor is a party providing for the leasing pursuant to a Capital Lease to such Person or any Subsidiary of such Person of any property or asset of such Person or such Subsidiary which has been or is being sold or transferred by such Person or such Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset, other than (a) leases for a term, including renewals at the option of the lessee, of not more than three years, by the end of which term it is intended that the use of such property or asset by such Person will be discontinued, (b) leases between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, provided that any Restricted Subsidiary that is a lessee under any such lease continues to be a Restricted Subsidiary for the term of such lease, and (c) leases entered into within 120 days after the later of the acquisition or the completion of construction or improvement of the property to be leased.

"SIGNIFICANT SUBSIDIARY" means any Subsidiary of the Company that accounts for (a) 10.0% or more of the total consolidated assets of the Company and its Subsidiaries as of any date of determination or (b) 10.0% or more of the total consolidated revenues of the Company and its Subsidiaries for the most recently concluded fiscal quarter.

"UNRESTRICTED SUBSIDIARY" means (a) L-P SPV, Inc. and L-P SPV2, LLC, (b) any Subsidiary of the Company the primary business of which consists of, and is restricted by the charter, partnership agreement, or similar organizational document of such Subsidiary to, financing operations on behalf of the Company and its Subsidiaries, and/or purchasing accounts receivable or direct or indirect interests therein and/or making loans secured by accounts receivable or direct or indirect interests therein (and business related to the foregoing), or which is otherwise primarily engaged in, and restricted by its charter, partnership agreement, or similar organizational document to, the business of a finance company (and business related thereto), which, in accordance with the provisions of this Supplemental Indenture, has been designated by Board Resolution as an Unrestricted Subsidiary, in each case unless and until any of the Subsidiaries of the Company referred to in the foregoing clauses (a) and (b) is, in accordance with the provisions of this Supplemental Indenture, designated by a Board Resolution as a Restricted Subsidiary, and (c) any Subsidiary of the Company of which, in the case of a corporation, more than 50% of the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation has or might have voting power upon the occurrence of any contingency), or, in the case of any partnership or other legal entity, more than 50% of the ordinary equity capital interests, is at the time directly or indirectly owned or controlled by one or more Unrestricted Subsidiaries and the primary business of which consists of, and is restricted by the charter, partnership agreement, or similar organizational document of such Subsidiary to, financing operations on behalf of the Company and its Subsidiaries, and/or purchasing accounts receivable or direct or indirect interests therein, and/or making loans secured by accounts receivable or direct or indirect interests therein (and business related to the foregoing), or which is otherwise primarily engaged in, and restricted by its charter, partnership agreement, or similar organizational document to, the business of a finance company (and business related thereto).

"VALUE" means with respect to a Sale and Lease-Back Transaction, as of any particular time, an amount equal to (1) the greater of (a) the fair value of the property leased pursuant to such Sale and Lease-Back Transaction (as determined by the Board of Directors of Louisiana-Pacific or a Person designated by such Board of Directors) and (b) the net proceeds from the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction divided by (2) the number of full years of the term of the lease (determined without regard to any renewal or extension options contained in the lease) and multiplied by (3) the number of full years of such term remaining at the time of determination (determined without regard to any renewal or extension options contained in the lease).

"VOTING STOCK" means any class or classes of Capital Stock (however designated) conferring upon the holders thereof the ordinary voting power to elect or remove at least a majority of the board of directors, general or managing partners, managers or trustees of any Person, determined without regard to any voting power that has been or may be conferred by any class or classes of Capital Stock (however designated) by reason of the occurrence of any contingency.

#### ARTICLE III. CERTAIN COVENANTS.

The following covenants shall be applicable to the Company for so long as any of the Senior Notes are Outstanding. Nothing in this paragraph will, however, affect the Company's rights or obligations under any other provision of the Indenture or this Supplemental Indenture.

##### SECTION III.1. LIENS.

(a) The Company shall not and shall not permit any Restricted Subsidiary to, (i) incur, assume or guarantee any Debt secured by any mortgage, lien, security interest, pledge, assignment or transfer (hereinafter called "mortgage" or "mortgages") on, in or of any Principal Property of the Company or of a Restricted Subsidiary or on, in or of any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness is now owned or hereafter acquired), or (ii) directly or indirectly secure any outstanding Debt of the Company or any Restricted Subsidiary by any mortgage on, in or of any Principal Property of the Company or of a Restricted Subsidiary or upon any shares of stock or indebtedness of any Restricted Subsidiary (whether such Principal Property, shares of stock or indebtedness is now owned or hereafter acquired), without in any such case concurrently and effectively securing, the Senior Notes (together with, if the Company shall so determine, any other indebtedness of or guaranteed by the Company or such Restricted Subsidiary ranking equally with the Senior Notes and then existing or thereafter created) with the same property equally and ratably with such Debt; provided, however, that the foregoing restrictions shall not apply to

(i) any mortgage on, in or of any property acquired, constructed or improved by the Company or any Restricted Subsidiary after the date of this Supplemental Indenture which is created, incurred or assumed within 120 days after such acquisition or the completion of such construction or improvement, or within six months thereafter pursuant to a firm commitment for financing arranged with a lender or investor within such 120-day period, to secure or provide for the payment

of all or any part of the purchase price of such property (including the purchase price of any Person that owns such property) or the cost of such construction or improvement incurred after the date of this Supplemental Indenture, PROVIDED that such mortgage does not extend to or cover any property of the Company or of any Restricted Subsidiary other than the property so acquired, constructed or improved;

(ii) mortgages existing or in effect with respect to any property, shares of stock or indebtedness at the time the same is acquired by the Company or a Restricted Subsidiary by merger or otherwise;

(iii) mortgages existing or in effect with respect to any property (including shares of stock and indebtedness) of any Person existing at the time such Person becomes a Restricted Subsidiary;

(iv) mortgages existing or in effect on the date of this Supplemental Indenture;

(v) mortgages securing Debt of a Restricted Subsidiary to the Company or to another Restricted Subsidiary;

(vi) mortgages in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial progress, advance or other payments pursuant to any contract or statute or to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of constructing or improving the property subject to such mortgages;

(vii) any mortgage on, in or of timberlands in connection with an arrangement under which the Company or a Restricted Subsidiary is obligated to cut or pay for timber in order to provide the secured party with a specified amount of money, however determined, PROVIDED that such mortgage does not extend to or cover any property of the Company or of any Restricted Subsidiary other than such timberlands;

(viii) mortgages created, incurred or assumed in connection with the issuance of revenue bonds the interest of which is exempt from federal income taxation pursuant to Section 103(a) and related provisions (including any successor provisions thereto) of the Internal Revenue Code of 1986, as amended; or

(ix) mortgages created, extended or renewed in connection with any extension, renewal, refinancing, replacement or refunding (including successive extensions, renewals, refinancings, replacements or refundings), in whole or in part, of Debt secured by any mortgage referred to in the foregoing clauses (i) to (viii); provided, however, that the principal amount of Debt secured thereby shall not exceed the principal amount of Debt so secured at the time of such extension, renewal,

refinancing, replacement or refunding, and that such extension, renewal, refinancing, replacement or refunding shall be limited to all or a part of the property which secured the Debt so extended, renewed, refinanced, replaced or refunded (plus improvements on such property).

(b) The provisions of Section 3.1(a) shall not apply to the incurrence, assumption or guarantee by the Company or any Restricted Subsidiary of Debt secured by, or the securing of any outstanding Debt of the Company or any Restricted Subsidiary by, one or more mortgages (other than mortgages permitted by Section 3.1(a)) that would otherwise be subject to the foregoing restrictions up to an aggregate amount which, together with (i) all other Debt of the Company and the Restricted Subsidiaries secured by mortgages (other than mortgages permitted by Section 3.1(a)) that would otherwise be subject to the foregoing restrictions and (ii) the Value of all Sale and Lease-Back Transactions involving Principal Properties in existence at such time (other than any Sale and Lease-Back Transaction described in Section 3.2(b)) does not at the time exceed 15% of Consolidated Net Tangible Assets.

#### SECTION III.2. SALE AND LEASE-BACK TRANSACTIONS.

The Company shall not and shall not permit any Restricted Subsidiary to, enter into any Sale and Lease-Back Transaction involving any Principal Property unless:

(a) the Company or such Restricted Subsidiary would be permitted, pursuant to the provisions of Section 3.1(b), to incur Debt in a principal amount at least equal to the Value of the Sale and Lease-Back Transaction and to secure such Debt with a mortgage on the Principal Property to be leased, without equally and ratably securing the Senior Notes; or

(b) the Company, within 120 days of the effective date of such Sale and Lease-Back Transaction (or in the case of (ii) below, within six months thereafter pursuant to a firm purchase commitment entered into within such 120-day period), causes to be applied an amount equal to the Value of such Sale and Lease-Back Transaction (i) to the payment or other retirement of Senior Notes or Funded Debt incurred or assumed by the Company which ranks senior to or pari passu with the Senior Notes or of Funded Debt incurred or assumed by any Restricted Subsidiary (other than, in either case, Senior Notes or Funded Debt owned by the Company or any Restricted Subsidiary), or (ii) to the purchase of a Principal Property (other than the Principal Property involved in such sale);

and the consideration paid or payable to Louisiana-Pacific or a Restricted Subsidiary in connection with the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction is at least equal to the fair value of such property (as determined by the Board of Directors of Louisiana-Pacific or a Person designated by such Board of Directors).

#### SECTION III.3. OFFER TO REPURCHASE UPON CHANGE OF CONTROL.

(a) Following the occurrence of a Change of Control, the Company shall make an offer (a "Change of Control Offer") to each Holder of Senior Notes to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Senior Notes at a

price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase (the "Change of Control Payment"). The Change of Control Offer shall be made by mailing, within 30 days following the Change of Control, a notice to the Trustee and each Holder at the address appearing in the Security Register, by first class mail, postage prepaid, by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company, describing the transaction or transactions that constitute the Change of Control and offering to repurchase Senior Notes on the date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"). The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations under the Exchange Act to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control.

(b) On the Change of Control Payment Date, the Company shall, to the extent lawful, (i) accept for payment all Senior Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Notes or portions thereof so accepted, and (iii) deliver or cause to be delivered to the Trustee the Senior Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Senior Notes or portions thereof being purchased by the Company. The Paying Agent shall promptly mail to each Holder of Senior Notes so accepted the Change of Control Payment for such Senior Notes. In the event that any Senior Note is so accepted in part only, the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to the Holder thereof a new Senior Note equal in principal amount to the unpurchased portion of such Senior Note; provided that each such new Senior Note will be in a principal amount of \$1,000 or an integral multiple thereof.

Acceptance of the Change of Control Offer by a Holder shall be irrevocable (unless otherwise provided by law). The payment of accrued interest as part of any repurchase price on any Change of Control Payment Date shall be subject to the right of Holders of record on the relevant Regular Record Date to receive interest due on an Interest Payment Date that is on or prior to such Change of Control Payment Date.

(c) Notwithstanding anything to the contrary in this Section 3.3, the Company shall not be required to make a Change of Control Offer upon a Change of Control if (i) the Company has effected Defeasance or Covenant Defeasance of the Senior Notes as provided in Article V of the Indenture prior to the occurrence of the Change of Control or (ii) if a third party makes the Change of Control Offer in the manner, at the time and otherwise in compliance with the requirements set forth in this Section 3.3 and purchases all Senior Notes validly tendered pursuant to such Change of Control Offer.

#### SECTION III.4. PERMITTING UNRESTRICTED SUBSIDIARIES TO BECOME RESTRICTED SUBSIDIARIES.

The Company shall not permit any Unrestricted Subsidiary to be designated as a Restricted Subsidiary unless such Subsidiary is otherwise in compliance with all provisions of the Indenture and this Supplemental Indenture that apply to Restricted Subsidiaries.

SECTION III.5. PAYMENT OFFICE.

The Company shall cause a Payment Office for the Senior Notes to be maintained at all times in New York, New York.

ARTICLE IV. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.

SECTION IV.1. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.

In addition to the Events of Default set forth in the Indenture (other than the Event of Default set forth in clause (v) of Section 8.01(a) of the Indenture, which is superseded in its entirety by the provisions of clause (b) of this Section IV.1), the term "EVENT OF DEFAULT," whenever used in the Indenture or this Supplemental Indenture with respect to the Senior Notes, means any one of the following events (whatever the reason for such Event of Default and whether it may be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, or order of any court or any order, rule, or regulation of any administrative or governmental body):

- (a) the failure to redeem any Senior Note when required pursuant to the terms and conditions thereof or to pay the purchase price for any Senior Note to be purchased in accordance with Section 3.3 of this Supplemental Indenture;
- (b) any nonpayment at maturity or other default under any agreement or instrument relating to any other Indebtedness of the Company or any Restricted Subsidiary (the unpaid principal amount of which is not less than \$25.0 million), and, in any such case, such default (i) continues beyond any period of grace provided with respect thereto and (ii) results in such Indebtedness becoming due prior to its stated maturity or occurs at the final maturity of such Indebtedness; PROVIDED, HOWEVER, that, subject to the provisions of Section 9.01 and 8.08 of the Indenture, the Trustee shall not be deemed to have knowledge of such nonpayment or other default unless either (1) a Responsible Officer of the Trustee has actual knowledge of nonpayment or other default or (2) the Trustee has received written notice thereof from the Company, from any Holder, from the holder of any such Indebtedness or from the trustee under the agreement or instrument, relating to such Indebtedness;
- (c) the entry of one or more final judgments or orders for the payment of money against the Company or any Restricted Subsidiary, which judgments and orders create a liability of \$50.0 million or more in excess of insured amounts and have not been stayed (by appeal or otherwise), vacated, discharged, or otherwise satisfied within 60 calendar days of the entry of such judgments and orders; and
- (d) Events of Default of the type and subject to the conditions set forth in clauses (vi) and (vii) of Section 8.01(a) of the Indenture in respect of the Company or any Restricted Subsidiary that is a Significant Subsidiary or, in related events, any group of Restricted

Subsidiaries of the Company that if considered in the aggregate, would be a Significant Subsidiary of the Company.

ARTICLE V. DEFEASANCE.

SECTION V.1. APPLICABILITY OF ARTICLE V OF THE INDENTURE.

(a) The Senior Notes shall be subject to Defeasance and Covenant Defeasance as provided in Article V of the Indenture; PROVIDED, HOWEVER, that no Defeasance or Covenant Defeasance shall be effective unless and until:

(i) there shall have been delivered to the Trustee the opinion of a nationally recognized independent public accounting firm certifying the sufficiency of the amount of the moneys, U.S. Government Obligations, or a combination thereof, placed on deposit to pay, without regard to any reinvestment, the principal of and any premium and interest on the Senior Notes on the Stated Maturity thereof or on any earlier date on which the Senior Notes shall be subject to redemption;

(ii) there shall have been delivered to the Trustee the certificate of a Responsible Officer of the Company certifying, on behalf of the Company, to the effect that (A) such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any agreement to which the Company is a party or violate any law to which the Company is subject and (B) no Event of Default or event that (after notice or lapse of time or both) would become an Event of Default has occurred and is continuing at the time of such deposit; and

(iii) no Event of Default specified in Sections 8.01(a)(vi) and (vii) of the Indenture or event that (after notice or lapse of time or both) would become an Event of Default specified in Sections 8.01(a)(vi) and (vii) of the Indenture shall have occurred and be continuing at any time on or prior to the 124th calendar day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 124th calendar day).

(b) Upon the exercise of the option provided in Section 5.01 of the Indenture to have Section 5.03 of the Indenture applied to the Outstanding Senior Notes, in addition to the obligations from which the Company shall be released specified in the Indenture, the Company shall be released from its obligations under Article III hereof.

ARTICLE VI. REDEMPTION OF SENIOR NOTES.

SECTION VI.1. RIGHT OF REDEMPTION.

The Senior Notes may be redeemed by the Company in accordance with the provisions of the form of Securities set forth herein.

ARTICLE VII. MISCELLANEOUS.

SECTION VII.1. REFERENCE TO AND EFFECT ON THE INDENTURE.

This Supplemental Indenture shall be construed as supplemental to the Indenture and all the terms and conditions of this Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture. Except as set forth herein, the Indenture heretofore executed and delivered is hereby (i) incorporated by reference in this Supplemental Indenture and (ii) ratified, approved, and confirmed.

SECTION VII.2. WAIVER OF CERTAIN COVENANTS.

The Company may omit in any particular instance to comply with any term, provision, or condition set forth in Article III hereof if the Holders of a majority in principal amount of the Outstanding Senior Notes shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision, or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision, or condition shall remain in full force and effect.

SECTION VII.3. SUPPLEMENTAL INDENTURE MAY BE EXECUTED IN COUNTERPARTS.

This instrument may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION VII.4. EFFECT OF HEADINGS.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.



IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

[Seal]

LOUISIANA-PACIFIC CORPORATION

By: /s/ Gary C. Wilkerson  
Gary C. Wilkerson, Vice President

Attest:

/s/ Anton C. Kirchhof  
Title: Secretary

BANK ONE TRUST COMPANY, N.A.,  
as Trustee

By: /s/ Diane Swanson  
Title: Assistant Vice President

Attest:

Name: /s/ Janice Ott Rotunno  
Title: Vice-President

LOUISIANA-PACIFIC CORPORATION

DIRECTORS' DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED

AUGUST 1, 2000

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LOUISIANA-PACIFIC CORPORATION  
DIRECTORS' DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED  
EFFECTIVE AUGUST 1, 2000

Article 1 --PURPOSE; EFFECTIVE DATE

The purpose of this Directors' Deferred Compensation Plan (the "Plan") is to provide current tax planning opportunities as well as supplemental funds for retirement or death for non-employee directors of Louisiana-Pacific Corporation ("Corporation"). It is intended that the Plan will aid in attracting and retaining directors of exceptional ability by providing them with these benefits. The Plan became effective as of July 1, 1997, and is amended and restated effective August 1, 2000, as set forth in this Plan. The terms of this Plan superseded and replaced the terms of the Louisiana-Pacific Corporation Director's Deferred Compensation Plan dated August 1, 1985 (the "Prior Plan") and, effective on and after July 1, 1997, the amount of any director's deferred account under the Prior Plan, computed as of June 30, 1997, are subject to and governed by the terms of this Plan.

Article 2--DEFINITIONS

For the purposes of this Plan, the following terms have the meanings indicated unless the context clearly indicates otherwise:

"ACCOUNT" means a bookkeeping account maintained by Corporation in accordance with Article 4 with respect to any Deferred Compensation pursuant to the Plan.

"ACQUIRING PERSON" means any person or related person or related persons which constitute a "group" for purposes of Section 13(d) and Rule 13d-5 under the Securities Exchange Act of 1934 as amended (the "Exchange Act"); provided, however, that the term Acquiring Person does not include:

- (a) Corporation or any of its Subsidiaries;
- (b) Any employee benefit plan or related trust of Corporation or any of its Subsidiaries;
- (c) Any entity holding voting capital stock of Corporation for or pursuant to the terms of any such employee benefit plan; or
- (d) Any person or group solely because such person or group has voting power with respect to capital stock of Corporation arising from a revocable proxy or consent given in response to a public proxy or consent solicitation made pursuant to the Exchange Act.

"ACTUARIAL EQUIVALENT" means equivalence in value between two or more forms and/or times of payment based on a determination by an actuary chosen by Corporation, using sound actuarial assumptions at the time of such determination.

"BENEFICIARY" means the person, persons or entity entitled under Article 4 to receive any Plan Benefits payable after a Participant's death.

"BOARD" means the Board of Directors of Corporation.

"CHANGE IN CONTROL" means any of the following events:

(a) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of 20 percent or more of the combined voting power of the then outstanding Voting Securities; provided, however, that for purposes of this paragraph (a), the following acquisitions will not constitute a Change in Control:

(i) Any acquisition directly from Corporation;

(ii) Any acquisition by Corporation;

(iii) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Corporation or any corporation controlled by Corporation; or

(iv) Any acquisition by any corporation pursuant to a transaction that complies with clauses (i), (ii), and (iii) of paragraph (c) of this definition of Change in Control; or

(b) During any period of 12 consecutive calendar months, individuals who at the beginning of such period constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director during the period whose election, or nomination for election, by Corporation's shareholders was approved by a vote of at least a majority of the directors then constituting the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, or consolidation or sale or other disposition of all or substantially all of the assets of Corporation (a "Business Combination") in each case, unless, following such Business Combination:

(i) All or substantially all of the individuals and entities who were the beneficial owners of the Voting Securities outstanding immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50 percent of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of Corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns Corporation or all or substantially all of Corporation's assets either directly or through one (1) or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Voting Securities;

(ii) No Person (excluding any employee benefit plan, or related trust, of Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20 percent or more of, respectively, the then outstanding shares of common stock of Corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and

(iii) At least a majority of the members of the board of directors of Corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of Corporation of any plan or proposal for the liquidation or dissolution of Corporation.

"COMMITTEE" means the Committee appointed by the Chief Executive Officer to administer the Plan pursuant to Article 7.

"COMPENSATION" means all directors' fees, including Board and committee meeting fees, payable to a Participant (before reduction for amounts deferred under the Plan). Compensation does not include expense reimbursements or any form of noncash compensation or benefits.

"CORPORATION" means Louisiana-Pacific Corporation, a Delaware corporation, or any successor to its business.

"DEFERRAL ELECTION" means an election made by a Participant pursuant to a Participation Agreement as described in Article 3.

"DEFERRAL PERIOD" means a period over which a Participant has elected to defer a portion of his or her Compensation. For all periods prior to August 1, 2000, Deferral Periods were calendar years (or, for the initial Deferral Period the portion of calendar year 1997 beginning July 1, 1997). Effective August 1, 2000, each calendar quarter will be a Deferral Period.



"DEFERRED COMPENSATION" means the amount of Compensation that a Participant elects to defer pursuant to a Deferral Election.

"DETERMINATION DATE" means the last day of each calendar month.

"DIRECTOR" means a member of the Board who is not an employee of Corporation or of any subsidiary of Corporation.

"FINANCIAL HARDSHIP" means severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Internal Revenue Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but in any case, payment may not be made to the extent that such hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise;

(b) By liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship;

(c) By cessation of deferrals under the Plan;

(d) By borrowing from commercial sources on reasonable commercial terms.

"FIXED RETURN RATE" means (as of each Determination Date) the monthly equivalent of the annual yield plus two percentage points of the Moody's Average Corporate Bond Yield Index for the preceding calendar month as published by Moody's Investor Service, Inc. (or any successor service) or, if such index is no longer published, a substantially similar index selected by the Board.

"PARTICIPANT" means any Director who is participating or has participated in the Plan as provided in Article 3.

"PARTICIPATION AGREEMENT" means an agreement submitted by a Participant to the Committee prior to the beginning of a Deferral Period, with respect to a Deferral Election covering one or more Deferral Periods.

"PLAN BENEFIT" means the benefit payable to a Participant under the Plan.

"SETTLEMENT DATE" means the date elected by a Participant pursuant to Section 5.1 for payment, or commencement of installment payments, of a Plan Benefit.

"SHARE" or "SHARES" means a share (or shares) of Corporation's Common Stock.

"SHARE UNIT" means a bookkeeping unit with a value, as of any measurement date (such as the date amounts are credited or transferred to or from an L-P Stock Return Subaccount) equal

to the value of a Share. Share Units will be determined on the basis of whole and fractional Shares (with fractional Share Units expressed as a decimal fraction rounded to the nearest one-hundredth).

"SUBACCOUNT" means an L-P Stock Return Subaccount or a Fixed Return Subaccount as described in Section 4.3.

"TERMINATION DATE" means the date a Participant ceases to be a Director for any reason.

#### ARTICLE 3--PARTICIPATION AND DEFERRAL ELECTIONS

##### 3.1 ELIGIBILITY AND PARTICIPATION

3.1.1 ELIGIBILITY. The persons eligible to participate in the Plan are Directors.

3.1.2 PARTICIPATION. Except as provided in Section 3.1.3, a Director who elects to participate in the Plan with respect to any Deferral Period must submit a Participation Agreement to the Committee prior to the beginning of the Deferral Period.

3.1.3 PART-PERIOD PARTICIPATION. In the event that a Director first becomes eligible to participate during a Deferral Period, a Participation Agreement must be submitted to the Committee no later than 30 days following notification of the Director of eligibility to participate. Such Participation Agreement will be effective only with regard to Compensation earned following the submission of the Participation Agreement to the Committee.

3.2 DEFERRAL ELECTION. A Participant makes a Deferral Election for a Deferral Period by signing and delivering to the Committee a Participation Agreement prior to the beginning of the Deferral Period. A Deferral Election may cover:

(a) A single specified Deferral Period (i.e., a specified calendar quarter);

(b) Two or more consecutive specified Deferral Periods; or

(c) All Deferral Periods commencing with a designated calendar quarter and continuing until the Participant either revokes or modifies the Deferral Election.

3.3 AMOUNT OF DEFERRAL; MINIMUM DEFERRAL. A Participant may elect to defer any portion of his or her compensation for a Deferral Period. The amount to be deferred may be stated as either a percentage of Compensation or a dollar amount and may not be less than \$600 for any Deferral Period.

3.4 LIMITATION ON DEFERRAL. A Participant may defer up to 100 percent of the Participant's Compensation. However, the Committee may impose a maximum deferral amount or increase the minimum deferral amount under Section 3.3 from time to time by giving written notice to all Participants, provided, however, that no such changes will affect a Deferral Election made prior to the Committee's action.

### 3.5 REVOCATION OR MODIFICATION OF DEFERRAL ELECTIONS.

3.5.1 GENERAL. A Deferral Election for a Deferral Period may not be revoked or modified after the beginning of the Deferral Period except as provided in Section 3.5.2. Any Deferral Election covering Deferral Periods that have not yet begun may be revoked or modified by delivery to the Committee (prior to the beginning of the applicable Deferral Period) of a new Participation Agreement.

3.5.2 EXCEPTION. The Committee may permit a Participant to reduce the amount to be deferred, or waive the remainder of a Deferral Election for a Deferral Period, upon a finding that the Participant has suffered a Financial Hardship. If a Participant ceases receiving Compensation during a Deferral Period due to disability, the Deferral Election for such Deferral Period will cease at that time.

### ARTICLE 4--DEFERRED COMPENSATION ACCOUNT

4.1 ACCOUNTS. Corporation will maintain a bookkeeping account ("Account") for each Participant as described in this Article 4. A Participant's Account will be utilized solely as a device for the determination and measurement of the amounts to be paid to the Participant pursuant to the Plan. A Participant's Account will not constitute or be treated as a trust fund of any kind.

4.2 INITIAL ACCOUNT BALANCE. Each Participant who was a Director on June 30, 1997, was credited with an initial balance in his or her Account equal to the balance (if any) in the Prior Plan as of June 30, 1997.

#### 4.3 SEPARATE SUBACCOUNTS.

4.3.1 GENERAL. Effective August 1, 2000, each Participant will have two Subaccounts in his or her Account:

(a) An L-P Stock Return Subaccount; and

(b) A Fixed Return Subaccount.

The balance in each Participant's Account as of July 31, 2000, will be credited to such participant's Fixed Return Subaccount.

4.3.2 NEW CONTRIBUTIONS. A Participant may direct that new Deferred Compensation amounts be allocated to either Subaccount or between both Subaccounts in such proportions as the Participant directs in a Participation Agreement. A Participant's direction as to the allocation of new Deferred Compensation amounts between the Subaccounts may be made and/or modified only on a calendar quarter by calendar quarter basis and must be made (pursuant to a new or modified Participation Agreement) and delivered to the Committee before the beginning of the applicable calendar quarter. Subsequent transfers between Subaccounts may be made only as provided in Section 4.3.3.

4.3.3 TRANSFERS. A Participant may transfer all or any portion of the balance of one Subaccount to the Participant's other Subaccount effective as of January 1 or July 1 of each calendar year beginning in 2001. Such transfer may be made by written notice to the Committee prior to the January 1 or July 1 effective date of such transfer.

4.4 DEFERRED COMPENSATION. A Participant's Deferred Compensation will be credited to the Participant's Account and Subaccounts as the corresponding nondeferred portion of the Compensation becomes or would have become payable. Any withholding of taxes or other amounts with respect to Deferred Compensation that is required by state, federal, or local law will be withheld from the Participant's nondeferred Compensation to the maximum extent possible and the Participant will make arrangements with Corporation for the payment of any excess.

#### 4.5 ADDITIONAL AMOUNTS CREDITED AS GROWTH FACTOR.

4.5.1 GENERAL. For all periods beginning August 1, 2000, each Subaccount will be credited with an additional amount as described in this Section ("Growth Factor") from the date Deferred Compensation amounts are credited to a Subaccount (or amounts are transferred to a Subaccount as provided in Section 4.3.3). Each Subaccount will be adjusted effective as of each Determination Date to reflect the Growth Factor for such Subaccount accrued during the calendar month ending on such Determination Date.

4.5.2 FIXED RETURN SUBACCOUNT. For each Fixed Return Subaccount the Growth Factor will be an additional amount (accrued in the same manner as interest compounded monthly). The rate of such accrual will be the Fixed Return Rate.

4.5.3 L-P STOCK RETURN SUBACCOUNT. For each L-P Stock Return Subaccount the Growth Factor will be the total investment income (or loss), including dividends and appreciation (or depreciation) in the value of the Stock Units credited to the L-P Stock Return Subaccount.

#### 4.6 MAINTENANCE OF SUBACCOUNTS.

4.6.1 FIXED RETURN SUBACCOUNT. Each Fixed Return Subaccount will be maintained as follows:

(a) All Deferred Compensation amounts allocated to a Fixed Return Subaccount pursuant to Section 4.3.3 will be credited to the Fixed Return Subaccount as of the date of such contribution or transfer.

(b) As of each Determination Date, each Fixed Return Account will be credited with an amount equal to the interest that would accrue during the one-month period ending on such Determination Date on a principal amount equal to the daily average balance of the Fixed Return Subaccount during such period with an interest rate equal to the Fixed Return Rate.

4.6.2 L-P STOCK RETURN SUBACCOUNT. Each L-P Stock Return Subaccount will be maintained as follows:

(a) As of each date any Deferred Compensation is credited to, and as of such date any amount is transferred pursuant to Section 4.3.3 to, a Participant's L-P Stock Return Subaccount, the L-P Stock Return Subaccount will be credited with a number of Stock Units equal to the total dollar amount of such credit or transfer divided by the market value of a Share as of the date of such credit or transfer;

(b) Each L-P Stock Return Subaccount will be credited, as of the payment date of each dividend paid with respect to Corporation's Common Stock, with:

(i) A number of Stock Units equivalent to the per-Share number of Shares distributed as a stock dividend multiplied by the number of Stock Units in such L-P Stock Return Account as of the record date for such stock dividend; and

(ii) A number of Stock Units equal to (A) the per-Share dollar amount of any cash dividend multiplied by the number of Stock Units in such L-P Stock Return Subaccount on the record date for such cash dividend divided by (B) the market value of a Share as of the payment date of such cash dividend;

(c) Each L-P Stock Return Subaccount will be similarly adjusted to reflect any stock splits, extraordinary distributions on Corporation's Common Stock, etc., to reflect the same investment result as if the Stock Units held in an L-P Stock Return Subaccount were actual Shares;

(d) Each L-P Stock Return Subaccount will be debited (reduced) as of the date of any distribution or transfer to another subaccount pursuant to Section 4.3.3 by a number of Share Units equal to the dollar amount of such distribution or transfer divided by the market value of a Share as of the date of such distribution or transfer; and

(e) The value of an L-P Stock Return Account as of any date will be equal to the product of the number of Stock Units credited to the L-P Stock Return Subaccount multiplied by the market value of a Share on such date.

4.7 RESTRICTED STOCK PLAN CREDIT. A Participant who makes a deferral election under Corporation's 2000 Non-Employee Director Restricted Stock Plan (the "Restricted Stock Plan") will receive a credit to the Participant's L-P Stock Return Subaccount equal to the Fair Market Value (as defined in the Restricted Stock Plan) as of the vesting date for a restricted stock award (an "Award") under the Restricted Stock Plan, of the shares covered by the Award pursuant to such deferral election. Amounts credited to a Participant's L-P Stock Return Subaccount pursuant to this Section 4.7 will be subject to all the provisions of this Plan as if such amounts had been Deferred Compensation amounts under the Plan.

4.8 DETERMINATION OF ACCOUNTS. Each Participant's Account as of each Determination Date will consist of the balance of the Participant's Accounts as of the immediately preceding

Determination Date, plus the Participant's Deferred Compensation credited, any amounts credited pursuant to Section 4.7, and the appropriate Growth Factor accrued, minus the amount of any withdrawals or distributions made since the immediately preceding Determination Date. As of any Determination Date, the balance of a Participant's Account equals the sum of the balances of his or her Subaccounts.

4.9 VESTING OF ACCOUNTS. Each Participant will be 100 percent vested at all times in his or her entire Account and Subaccounts.

4.10 STATEMENT OF ACCOUNTS. The Committee will submit to each Participant, within 120 days after the close of each calendar year and at such other time as determined by the Committee, a statement setting forth the balance to the credit of each Account and Subaccount maintained for a Participant.

#### ARTICLE 5 --PLAN BENEFITS

5.1 PLAN BENEFIT; SETTLEMENT DATE. Upon termination of a Participant's service as a Director for any reason (including death) the Participant will be entitled to a Plan Benefit equal to the balance of his or her Account. The Plan Benefit will be paid or commenced as of the Settlement Date elected by the Participant in the manner described in Section 5.3, which may be either 65 days after the Termination Date or January 10 of the calendar year following the Termination Date.

5.2 PAYMENT METHODS. A Participant may elect, in the manner described in Section 5.3, one of the following payment methods:

(a) A lump-sum payment;

(b) Annual installment payments over any period selected by the Participant computed as follows (the computation uses as an illustrative example an election for installment payments over ten years):

(i) The Account and Subaccounts will continue to accrue Growth Factor as described in Article 4 during the installment period;

(ii) The first installment will be one-tenth of the total Account Balance as of the Settlement Date and will be payable within 5 days after the Settlement Date;

(iii) The second installment will be one-ninth of the total Account balance as of the first anniversary of the Settlement Date and will be payable within 5 days of such anniversary; and

(iv) Subsequent installments will be computed in the same manner; or

(c) Any other method acceptable to the Committee that is the Actuarial Equivalent of a lump-sum payment of the Participant's Account balance.

5.3 ELECTION OF SETTLEMENT DATE AND PAYMENT METHOD. A Participant must elect a Settlement Date and form of payment method as of the first Participation Agreement submitted by the Participant after August 1, 2000. Effective August 1, 2000, any payment method previously elected for the last Deferral Period will be the payment method for the Participant's entire Account unless the Participant subsequently modifies such election as provided in Section 5.4. If no Settlement Date is selected, the Settlement Date will be 65 days after the Termination Date. If no payment method is elected or if a Participant's Account Balance is less than \$20,000, the Participant will be deemed to have elected payment in a lump sum.

5.4 MODIFICATION OF SETTLEMENT DATE AND PAYMENT METHOD. A Participant may modify the Settlement Date or the form of payment method at any time so long as such modification is made in writing to the Committee before the end of the calendar year that is two calendar years prior to the date when the Participant's benefit payments were scheduled to be made or commenced if no modification had been made.

5.5 IN-SERVICE WITHDRAWALS. Participants will be permitted to elect to withdraw amounts from their Account subject to the following restrictions:

5.5.1 ELECTION TO WITHDRAW. An election to make an in-service withdrawal must be made at the same time the Participant enters into a Participation Agreement for a Deferral Election. The date of the in-service withdrawal cannot be earlier than five (5) years after the first day of the first Deferral Period covered by the Deferral Election. Such election may be modified no later than the end of the calendar year two calendar years prior to the calendar year the Participant was scheduled to receive the benefits.

5.5.2 AMOUNT OF WITHDRAWAL. The amount which a Participant can elect to withdraw with respect to any Deferral Election will be limited to 100 percent of the amount of such Deferral Election plus Growth Factor accrued with respect to the Deferred Compensation pursuant to that Deferral Election through the withdrawal date.

5.5.3 FORM OF IN-SERVICE WITHDRAWAL PAYMENT. The amount elected to be withdrawn will be paid in a lump sum unless the Committee approves an alternative form of payment at the time elected by the Participant in the Participation Agreement in which he or she elected the in-service withdrawal.

5.6 HARDSHIP DISTRIBUTIONS. Upon a finding that a Participant has suffered a Financial Hardship or a Disability, the Committee may, in its sole discretion, make distributions from the Participant's Account prior to the time specified for payment of Plan Benefits under the Plan. The amount of such distribution will be limited to the amount reasonably necessary to meet the Participant's requirements during the Financial Hardship or Disability.

5.7 ACCELERATED DISTRIBUTION. Notwithstanding any other provision of the Plan, at any time, a Participant will be entitled to receive, upon written request to the Committee, a lump-sum

distribution equal to 90 percent of the vested Account balance as of the Determination Date immediately preceding the date on which the Committee receives the written request. The remaining balance will be forfeited by the Participant and the Participant will not be allowed to participate in the Plan in the future. The amount payable under this section will be paid in a lump sum within 30 days following the receipt of the notice by the Committee from the Participant.

5.8 PAYMENT TO GUARDIAN. If a Plan Benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of his or her property, the Committee may direct payment of such Plan Benefit to the guardian, legal representative, or person having the care and custody of such minor, incompetent, or person. The Committee may require proof of incompetency, minority, incapacity or guardianship, as it may deem appropriate prior to distribution of the Plan Benefit. Such distribution will completely discharge the Committee from all liability with respect to such benefit.

#### ARTICLE 6--BENEFICIARY DESIGNATION

6.1 BENEFICIARY DESIGNATION. Subject to Section 6.3, each Participant has the right, at any time, to designate one or more persons or an entity as Beneficiary or Beneficiaries (both primary as well as secondary) to whom Plan Benefits will be paid in the event of Participant's death prior to complete distribution of the Participant's Account. Each Beneficiary designation must be in a written form prescribed by the Committee and will be effective only when filed with the Committee during the Participant's lifetime.

6.2 CHANGING BENEFICIARY. Subject to Section 6.3, any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new designation with the Committee. The filing of a new designation will cancel all designations previously filed. If a Participant's Compensation or Account is community property, any Beneficiary designation will be valid or effective only as permitted by applicable law.

6.3 COMMUNITY PROPERTY. If the Participant resides in a community property state, the following rules will apply:

(a) Designation by a married Participant of a Beneficiary other than the Participant's spouse will not be effective unless the spouse executes a written consent that acknowledges the effect of the designation, or it is established the consent cannot be obtained because the spouse cannot be located;

(b) A married Participant's Beneficiary designation may be changed by a Participant with the consent of the Participant's spouse as provided for in Section 6.3(a) by the filing of a new designation with the Committee;

(c) If the Participant's marital status changes after the Participant has designated a Beneficiary, the following will apply:



(i) If the Participant is married at the time of death but was unmarried when the designation was made, the designation will be void unless the spouse has consented to it in the manner prescribed in Section 6.3(a);

(ii) If the Participant is unmarried at the time of death but was married when the designation was made:

(1) The designation will be void if the spouse was named as Beneficiary unless Participant had submitted a change of beneficiary listing the former spouse as the beneficiary; and

(2) The designation will remain valid if a nonspouse Beneficiary was named.

(iii) If the Participant was married when the designation was made and is married to a different spouse at death, the designation will be void unless the new spouse has consented to it in the manner prescribed above.

6.4 NO BENEFICIARY DESIGNATION. In the absence of an effective Beneficiary Designation, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary will be deemed to be the person in the first of the following classes in which there is a survivor:

(a) The surviving spouse;

(b) The Participant's children, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue will take by right of representation the share the parent would have taken if living; and

(c) The Participant's estate.

6.5 EFFECT OF PAYMENT. The payment to the designated or deemed Beneficiary will completely discharge Corporation's obligations under the Plan.

#### ARTICLE 7--ADMINISTRATION

7.1 COMMITTEE; DUTIES. The Plan will be administered by the Committee, which will consist of not less than two persons appointed by the Chief Executive Officer and which may include the CEO as a member. The Committee will have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in connection with the Plan. A majority vote of the Committee members will control any decision. Members of the Committee may be Participants under the Plan.

7.2 AGENTS. The Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to Corporation.

7.3 BINDING EFFECT OF DECISIONS. The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated under the Plan will be final, conclusive and binding upon all persons having any interest in the Plan.

7.4 INDEMNITY OF COMMITTEE. Corporation will indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct.

#### ARTICLE 8--AMENDMENT AND TERMINATION OF PLAN

8.1 AMENDMENT. Corporation may at any time amend the Plan in whole or in part; provided, however, that any such amendment that would materially increase the benefits provided under the Plan will be subject to the prior approval of the Board. Provided, further, that no amendment will be effective to decrease or restrict the amount accrued to the date of Amendment in any Account maintained under the Plan. Changes in the definition of "Rate of Return" are subject to the following restrictions:

(a) NOTICE. A change will not become effective before the first day of the calendar year which follows the adoption of the amendment and at least 30 days written notice of the amendment to the Participant.

(b) CHANGE IN CONTROL. Any change in the definition of Rate of Return after a Change in Control will apply only to those amounts credited to the Participant's Account as a result of Deferral Elections made after the Change in Control.

8.2 CORPORATION'S RIGHT TO TERMINATE. Corporation may at any time partially or completely terminate the Plan if, in its judgment, the tax, accounting or other effects of the continuance of the Plan, or potential payments thereunder would not be in the best interests of Corporation.

(a) PARTIAL TERMINATION. Corporation may partially terminate the Plan by instructing the Committee not to accept any additional Deferral Elections. In the event of such a Partial Termination, the Plan will continue to operate and be effective with regard to Deferral Elections entered into prior to the effective date of such Partial Termination.

(b) COMPLETE TERMINATION. Corporation may completely terminate the Plan by instructing the Committee not to accept any additional Deferral Elections, and by terminating all ongoing Deferral Elections. In the event of Complete Termination, the Plan will cease to operate and Corporation will pay out to each Participant his or her Account as if the Participant had terminated service as of the effective date of the

Complete Termination. Payments will be made in equal annual installments over the period listed below, based on the Account balance:

RETIREMENT ACCOUNT BALANCE	PAYOUT PERIOD
Less than \$10,000	1 Year
\$10,000 but less than \$50,000	3 Years
More than \$50,000	5 Years

ARTICLE 9--MISCELLANEOUS

9.1 UNFUNDED PLAN. The Plan is intended to be an unfunded plan maintained solely for Directors and is not an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and as such is not intended to be covered by ERISA.

9.2 UNSECURED GENERAL CREDITOR. The Plan and the Plan Benefits will be unfunded and will be payable only from the general assets of Corporation. Corporation does not represent that any specific assets or portion of its assets will be used to provide Plan Benefits. Participants and their Beneficiaries will not have any vested interest in any assets of Corporation and will have no legal or equitable rights, interest or claims in any property or assets of Corporation, nor will such Participants or their Beneficiaries be beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by Corporation. Any and all of Corporation's assets and policies will be, and remain, the general, unpledged, unrestricted assets of Corporation. Corporation's obligation under the Plan are that of an unfunded and unsecured promise of Corporation to pay money in the future.

9.3 TRUST FUND. Corporation will be responsible for the payment of all Plan Benefits. At its discretion, Corporation may establish one or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of Plan Benefits. Such trust or trusts may be irrevocable, but the assets of such trust or trusts will be subject to the claims of Corporation's creditors. To the extent any Plan Benefits Plan are actually paid from any such trust, Corporation will have no further obligation with respect to such Plan Benefits, but to the extent not so paid, such Plan Benefits will remain the obligation of, and will be paid by, Corporation.

9.4 NONASSIGNABILITY. Neither a Participant nor any other person will have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable under this Plan, or any part of such amounts, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable will, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, nor be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

9.5 NOT A CONTRACT OF FUTURE SERVICE ON BOARD. The terms and conditions of the Plan may not be deemed to constitute a contract of future service between Corporation and the Participant, and the Participant (or his or her Beneficiary) will have no rights against Corporation except as may otherwise be specifically provided in the Plan.

9.6 PROTECTIVE PROVISIONS. A Participant will cooperate with Corporation by furnishing any and all information requested by Corporation, in order to facilitate the payment of Plan Benefits, and by taking such physical examinations as Corporation may deem necessary and taking such other action as may be requested by Corporation.

9.7 TERMS. Whenever any words are used herein in the masculine, they will be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they will be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

9.8 CAPTIONS. The captions of the articles, sections and paragraphs of the Plan are for convenience only and will not control or affect the meaning or construction of any of its provisions.

9.9 GOVERNING LAW; ARBITRATION. The provisions of the Plan will be construed and interpreted according to the laws of the State of Oregon. Any dispute or claim that arises out of or that relates to the Plan or to the interpretation, breach, or enforcement of the Plan, must be resolved by mandatory arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc., and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

9.10 VALIDITY. In case any provision of the Plan is held illegal or invalid for any reason, said illegality or invalidity will not affect the remaining parts of the Plan, but the Plan will be construed and enforced as if such illegal and invalid provision had never been inserted in the Plan.

9.11 NOTICE. Any notice or filing required or permitted to be given to the Committee under the Plan will be sufficient if in writing and hand delivered, or sent by registered or certified mail, to any member of the Committee or the Secretary of Corporation. Such notice will be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

9.12 SUCCESSORS. The provisions of the Plan will bind and inure to the benefit of Corporation and its successors and assigns. The term successors as used in the Plan include any corporate or other business entity which, whether by merger, consolidation, purchase or otherwise, acquires all or substantially all of the business and assets of Corporation, and successors of any such corporation or other business entity.

The foregoing Plan has been adopted by the Board of Directors of Louisiana-Pacific Corporation effective as of August 1, 2000.

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Officer

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Officer

LOUISIANA-PACIFIC CORPORATION  
EXECUTIVE DEFERRED COMPENSATION PLAN

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LOUISIANA-PACIFIC CORPORATION

EXECUTIVE DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED SEPTEMBER 1, 2000

ARTICLE I--PURPOSE; EFFECTIVE DATE

The purpose of this Executive Deferred Compensation Plan (the "Plan") is to provide current tax planning opportunities as well as supplemental funds for retirement or death for selected employees of Louisiana-Pacific Corporation (the "Corporation"). It is intended that the Plan will aid in attracting and retaining employees of exceptional ability by providing them with these benefits. The Plan became effective as of May 1, 1997 and has been amended as of October 1, 1999 and December 31, 1999 and amended and restated as of January 1, 2000. The Plan is further amended and restated as of September 1, 2000 as set forth herein.

ARTICLE II--DEFINITIONS

For the purposes of the Plan, the following terms shall have the meanings indicated unless the context clearly indicates otherwise:

2.1 ACCOUNT

"Account" means a balance as maintained by the Employer in accordance with Article IV with respect to any deferral of Compensation pursuant to the Plan. A Participant's Account shall be utilized solely as a device for the determination and measurement of the amounts to be paid to the Participant pursuant to the Plan. A Participant's Account shall not constitute or be treated as a trust fund of any kind.

2.2 ACQUIRING PERSON

"Acquiring Person" means any person or related person or related persons which constitute a "group" for purposes of Section 13(d) and Rule 13d-5 under the Securities Exchange Act of 1934 (the "Exchange Act"); provided, however, that the term Acquiring Person shall not include:

- (a) Corporation or any of its Subsidiaries;
- (b) Any employee benefit plan or related trust of Corporation or any of its Subsidiaries;
- (c) Any entity holding voting capital stock of Corporation for or pursuant to the terms of any such employee benefit plan; or

(d) Any person or group solely because such person or group has voting power with respect to capital stock of Corporation arising from a revocable proxy or consent given in response to a public proxy or consent solicitation made pursuant to the Exchange Act.

### 2.3 BENEFICIARY

"Beneficiary" means the person, persons or entity entitled under Article VI to receive any Plan benefits payable after a Participant's death.

### 2.4 BOARD

"Board" means the Board of Directors of the Corporation.

### 2.5 CHANGE IN CONTROL

A "Change in Control" shall occur upon:

(a) The acquisition by any Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of twenty percent (20%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that for purposes of this paragraph (a), the following acquisitions will not constitute a Change in Control:

(i) Any acquisition directly from Corporation;

(ii) Any acquisition by Corporation;

(iii) Any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Corporation or any corporation controlled by Corporation; or

(iv) Any acquisition by any corporation pursuant to a transaction that complies with clauses (i), (ii), and (iii) of paragraph (c) of this definition of Change in Control; or

(b) During any period of twelve (12) consecutive calendar months, individuals who at the beginning of such period constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual who becomes a director during the period whose election, or nomination for election, by Corporation's shareholders was approved by a vote of at least a majority of the directors then constituting the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger, or consolidation or sale or other disposition of all or substantially all of the assets of Corporation (a "Business Combination") in each case, unless, following such Business Combination:

(i) All or substantially all of the individuals and entities who were the beneficial owners of the Voting Securities outstanding immediately prior to such Business Combination beneficially own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns Corporation or all or substantially all of Corporation's assets either directly or through one (1) or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Voting Securities;

(ii) No Person (excluding any employee benefit plan, or related trust, of Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, twenty percent (20%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and

(iii) At least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of Corporation of any plan or proposal for the liquidation or dissolution of Corporation.

## 2.6 COMMITTEE

"Committee" means the Committee appointed by the Chief Executive Officer of the Corporation to administer the Plan pursuant to Article VII.

## COMPENSATION

"Compensation" means cash compensation paid by the Employer as base salary, bonuses and severance pay paid on account of involuntary termination of Employment by the Employer without cause, before reduction for amounts deferred under the Plan and before reduction for amounts deferred under any other plan of the Employer, tax-qualified or otherwise. Compensation does not include amounts in connection with any employee stock option plan, compensation paid in stock of the Employer, sign-on bonuses, severance pay other than that described in this Section 2.7 above (except for

accrued vacation), noncash compensation attributable to fringe benefits or similar items, or compensation for any period during which the employee is not within the class of employees eligible to participate in the Plan as determined by the Committee under Article III.

#### 2.8 CORPORATION

"Corporation" means Louisiana-Pacific Corporation, a Delaware corporation, or any successor to the business thereof.

#### 2.9 DEFERRAL COMMITMENT

"Deferral Commitment" means a Salary Deferral Commitment, a Bonus Deferral Commitment or a Severance Deferral Commitment made by a Participant pursuant to Article III and for which a Participation Agreement has been submitted by the Participant to the Committee.

#### 2.10 DEFERRAL PERIOD

"Deferral Period" means the period over which a Participant has elected to defer a portion of his or her Compensation. Prior to January 1, 2001, the Deferral Period shall be one (1) calendar year for all Deferral Commitments, except that the Committee may, from time to time, designate a Deferral Period of less than one (1) full calendar year. On and after January 1, 2001, the Deferral Period shall be one (1) calendar quarter for Salary Deferral, Bonus Deferral and Severance Deferral Commitments. The Deferral Period may be modified pursuant to Section 3.5.

#### 2.11 DETERMINATION DATE

"Determination Date" means the last day of each calendar month.

#### 2.12 DISABILITY

"Disability" means a physical or mental condition which, in the opinion of the Committee, prevents an Employee from satisfactorily performing Employee's usual duties for Employer. The Committee's decision as to Disability will be based upon medical reports and/or other evidence satisfactory to the Committee.

#### 2.13 EARLY RETIREMENT DATE

"Early Retirement Date" means the date prior to a Participant's Normal Retirement Date on which the Participant actually terminates Employment following the attainment of age fifty-five (55) and completion of five (5) Years of Service.

#### 2.14 EARNINGS INDEX

"Earnings Index" means a portfolio or fund selected by the Committee from time to time to be used as an index in calculating Rate of Return. In addition to portfolios or

funds selected by the Committee, the Moody's Plus Index shall be available to Participants as an Earnings Index.

#### 2.15 ELECTIVE DEFERRED COMPENSATION

"Elective Deferred Compensation" means the amount of Compensation that a Participant elects to defer pursuant to a Deferral Commitment.

#### 2.16 EMPLOYEE

"Employee" shall mean a person, other than an independent contractor, who is receiving remuneration for services rendered to, or labor performed for, the Employer (or who would be receiving such remuneration except for an authorized leave of absence).

#### 2.17 EMPLOYER

"Employer" means the Corporation and any affiliated or subsidiary corporation of the Corporation which is incorporated under the laws of any state of the United States.

#### 2.18 EMPLOYER PLANS

"Employer Plans" shall mean any employee benefit plan or contract from which benefits may be payable to the Participant.

#### 2.19 EMPLOYMENT

"Employment" means a Participant's service with the Employer as an Employee.

#### 2.20 FINANCIAL HARDSHIP

"Financial Hardship" means severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in Section 152(a) of the Internal Revenue Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case, but in any case, payment may not be made to the extent that such hardship is or may be relieved:

(a) Through reimbursement or compensation by insurance or otherwise;

(b) By liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship;

(c) By cessation of deferrals under the Plan.

(d) By borrowing from commercial sources on reasonable commercial terms.

2.21 MOODY'S PLUS INDEX

"Moody's Plus Index" means the sum of the Moody's Return and the Plus Rate Return.

2.22 MOODY'S RETURN

"Moody's Return" means a rate of return equal to the monthly equivalent of the annual yield of the Moody's Average Corporate Bond Yield Index for the preceding calendar month as published by Moody's Investor Service, Inc. (or any successor thereto) or, if such index is no longer published, a substantially similar index selected by the Committee.

2.23 NORMAL RETIREMENT DATE

"Normal Retirement Date" means the first day of the month coinciding with or next following the date on which the Participant attains age sixty-five (65).

2.24 PARTICIPANT

"Participant" means any individual who is participating or has participated in the Plan as provided in Article III or has a Qualified Plan Makeup Credit under Section 4.3.

2.25 PARTICIPATION AGREEMENT

"Participation Agreement" means the agreement submitted by a Participant to the Committee prior to the beginning of the Deferral Period, with respect to one or more Deferral Commitments made for such Deferral Period.

2.26 PLAN BENEFIT

"Plan Benefit" means the benefit payable to a Participant as calculated in Article V.

2.27 PLUS RATE RETURN

"Plus Rate Return" means the monthly equivalent of an annual yield of two percent (2%).

2.28 QUALIFIED PLAN

"Qualified Plan" means the Louisiana-Pacific Corporation Salaried Employees' Stock Ownership Trust and any successor thereof. On and after January 1, 2000, "Qualified Plan" shall mean the Louisiana-Pacific Corporation Retirement Account Plan and the profit-sharing component of the Louisiana-Pacific Salaried 401(k) and Profit-Sharing Plan. The term "Qualified Plan" shall also include, for purposes of this Plan and effective as of May 1, 1997, the Louisiana-Pacific Supplemental Benefits Plan.

## 2.29 RATE OF RETURN

"Rate of Return" means the amount credited monthly to a Participant's Account under Article IV. Such rate shall be determined by the Committee based upon the net performance of the Earnings Indices selected by the Participant pursuant to Section 4.4.

## 2.30 RETIREMENT

"Retirement" means severance of Employment on or after the Participant's Normal Retirement Date or Early Retirement Date.

## 2.31 YEARS OF SERVICE

"Years of Service" shall have the meaning provided for such term for vesting purposes under the Qualified Plan, whether or not the Participant participates in that Plan.

# ARTICLE III--PARTICIPATION AND DEFERRAL COMMITMENTS

## 3.1 ELIGIBILITY AND PARTICIPATION

(a) ELIGIBILITY. Employees eligible to participate in the Plan shall be those key management employees of the Employer who are designated, from time to time, by the Committee as eligible to participate in the Plan.

(b) PARTICIPATION. An eligible Employee who elects to participate in the Plan with respect to any Deferral Period must submit a Participation Agreement to the Committee prior to the beginning of such Deferral Period.

## 3.2 FORM OF DEFERRAL; MINIMUM DEFERRAL

A Participant may elect in the Participation Agreement any of the following Deferral Commitments:

(a) SALARY DEFERRAL COMMITMENT. A Participant may elect to defer any portion of his or her base salary Compensation earned during a Deferral Period. The amount to be deferred shall be stated as a percentage of base salary and may not be less than six hundred dollars (\$600) for a Deferral Period.

(b) BONUS DEFERRAL COMMITMENT. A Participant may elect to defer all or a portion of his or her bonus Compensation amounts to be paid by the Employer in a Deferral Period. The amount to be deferred shall be stated as an even percentage of such bonus and must not be less than six hundred dollars (\$600) for a Deferral Period, unless the Participant also elects to make a Salary Deferral Commitment for that Deferral Period, in which case there shall be no minimum Bonus Deferral Commitment.



(c) SEVERANCE DEFERRAL COMMITMENT. A Participant may elect to defer all or a portion of his or her severance Compensation amounts that may be paid by the Employer in a Deferral Period. The amount to be deferred shall be stated as an even percentage of such severance amount and must not be less than six hundred dollars (\$600).

### 3.3 DEFERRAL COMMITMENT; PERIODS OF DEFERRAL

A Participant makes a Deferral Commitment by signing and delivering to the Committee a Participation Agreement prior to the beginning of the applicable Deferral Period. Effective for Deferral Periods commencing on and after January 1, 2001, a Deferral Commitment may cover:

(a) A single specified Deferral Period (i.e., a specified calendar quarter);

(b) Two or more consecutive specified Deferral Periods; or

(c) All Deferral Periods commencing with a designated calendar quarter and continuing until the Participant either revokes or modifies the Deferral Commitment with respect to future Deferral Periods.

### 3.4 LIMITATION ON DEFERRAL

A Participant may defer up to one hundred percent (100%) of the Participant's Compensation. However, the Committee may from time to time impose another maximum deferral amount or increase the minimum deferral amount under Section 3.2 by giving written notice to all Participants, provided that no such changes may affect a Deferral Commitment made prior to the Committee's action.

### 3.5 MODIFICATION OF DEFERRAL COMMITMENT

A Deferral Commitment shall be irrevocable with respect to any Deferral Period that has already commenced, except that the Committee may permit a Participant to reduce the amount to be deferred, or waive the remainder of the Deferral Commitment, upon a finding that the Participant has suffered a Financial Hardship. If a Participant ceases receiving Compensation during a Deferral Period due to Disability, the Deferral Commitment shall cease at that time.

### 3.6 CESSATION OF ELIGIBILITY

In the event a Participant ceases to be designated by the Committee as eligible to participate in the Plan by reason of a change in employment status or otherwise, no further amounts of his or her Compensation shall be deferred under a Deferral Commitment after the date of such cessation of eligibility.

ARTICLE IV--DEFERRED COMPENSATION ACCOUNT

4.1 ACCOUNTS

For recordkeeping purposes only, an Account shall be maintained for each Participant. Separate subaccounts shall be maintained to the extent necessary to properly reflect the Participant's selection of Earnings Indices and total vested or nonvested Account balances. The Account shall be a bookkeeping device utilized for the sole purpose of determining the benefits payable under the Plan and shall not constitute a separate fund of assets. The Account balance for all active Participants on October 1, 1999 shall be the Account credited with the Moody's Plus Index Rate of Return. However, such Participants shall not be vested in the Plus Rate Return balance until the Participant is eligible for Retirement or upon death, Disability, involuntary termination of Employment by the Employer without cause after August 31, 2000, or termination within twenty-four (24) months after a Change in Control. Such balance may be reallocated by the Participant to other Earnings Indices as of October 1, 1999; provided, however, that Participants whose employment terminated prior to such date shall not be entitled to have their Account Balances reallocated to any Earnings Index or Indices other than the aforementioned Moody's index.

4.2 ELECTIVE DEFERRED COMPENSATION

A Participant's Elective Deferred Compensation shall be credited to the Participant's Account as the corresponding nondeferred portion of the Compensation becomes or would have become payable. Any withholding of taxes or other amounts with respect to deferred Compensation that is required by state, federal, or local law shall be withheld from the Participant's nondeferred Compensation to the maximum extent possible with any excess being withheld from the Participant's Account.

4.3 QUALIFIED PLAN MAKEUP CREDIT

The Employer shall credit to each Participant's Account, as of the first day of each calendar year, a Qualified Plan Makeup Credit ("Makeup"), which shall be the difference between:

(a) The amount which would have been contributed or credited for the immediately preceding calendar year to the Qualified Plan for such Participant if no deferrals had been made under the Plan; and

(b) The amounts actually contributed or credited for such year to the Qualified Plan for such Participant.

Effective as of December 31, 1997, as to any Employee who is or thereafter becomes eligible to participate in the Plan (whether or not he or she becomes a Participant under Article III of the Plan), the amount of such Employee's account in the Louisiana-Pacific Supplemental Benefits Plan ("SBP"), if any, shall be transferred to the Plan as a Makeup, in lieu of continuing such account in the SBP, as of the close of the calendar year in which the Employee becomes so eligible. Any such Employee who on or after such date would otherwise be entitled to receive a supplemental benefit credit

under the SBP shall receive such credit in this Plan as a Makeup, in lieu of receiving such credit in the SBP. The Makeup under this Section 4.3 shall vest in accordance with Section 4.7(c).

To the extent that any distribution or withdrawal from the Plan increases the amount contributed or credited to the Qualified Plan for a Participant as a result of the addition of any amount of the distribution or withdrawal to the Compensation of such Participant covered by the Qualified Plan, an amount equal to such increase under the Qualified Plan shall be deducted from the amount of any Makeup in such Participant's Account resulting from prior deferrals under the Plan.

#### 4.4 ALLOCATION OF ELECTIVE DEFERRED COMPENSATION

(a) At the time a Participant completes a Deferral Commitment for a Deferral Period, the Participant shall also select the Earnings Index or Indices in which the Participant wishes to have his or her deferrals deemed invested. The Participant may select any combination of Earnings Indices as long as at least ten percent (10%), in whole percentages, is credited to each of the Earnings Indices selected.

(b) A Participant may change the amounts allocated to the Earnings Indices as of the first day of any month, provided that the Participant submits a notice of the change to the Committee at least ten (10) business days before the first day of the month. The change may apply to future deferrals only or may include current Account balances.

#### 4.5 DETERMINATION OF ACCOUNTS

Each Participant's Account as of each Determination Date shall consist of the balance of the Participant's Account as of the immediately preceding Determination Date, plus the Participant's Elective Deferred Compensation credited during the period, plus any Makeup or Match crediting, plus the applicable Rate of Return, minus the amount of any distributions made since the immediately preceding Determination Date.

#### 4.6 MATCH

Each deferral of base salary made by a Participant after October 1, 1999 shall be matched by the Employer at a rate equal to one hundred percent (100%) of the first seven percent (7%) of base salary deferred during the period. Match amounts shall be credited to the Participant's Account the same day the corresponding deferral amount is credited.

#### 4.7 VESTING OF ACCOUNTS

Each Participant shall be vested in the amounts credited to such Participant's Account and the earnings thereon as follows:

(a) AMOUNTS DEFERRED. A Participant shall be one hundred percent (100%) vested at all times in the amount of Compensation elected to be deferred under this Plan and the earnings thereon.

(b) EMPLOYER MATCHING CONTRIBUTIONS. Employer Matching Contributions and the earnings thereon shall be one hundred percent (100%) vested after completion of two (2) Years of Service or upon eligibility for Retirement, death, Disability, or termination of Employment within twenty-four (24) months after a Change in Control.

(c) QUALIFIED PLAN MAKEUP CREDITS. Qualified Plan Makeup Credits and the earnings thereon shall be vested at the same rate as they otherwise would have vested under the underlying Qualified Plan, except for death, Disability, or termination of Employment within twenty-four (24) months after a Change in Control, in which case Participants shall be one hundred percent (100%) vested in their Makeup balance.

(d) PLUS RATE RETURN. Notwithstanding the provisions of Section 4.7(a), (b) and (c) above, the Plus Rate Return and the earnings thereon shall vest only upon eligibility for Retirement, death, Disability, or termination of Employment within twenty-four (24) months after a Change in Control or upon involuntary termination of Employment by the Employer without cause. Upon the occurrence of any one of such events, the Plus Rate Return and the earnings thereon shall be one hundred percent (100%) vested.

#### 4.8 STATEMENT OF ACCOUNTS

The Committee shall submit to each Participant, within one hundred twenty (120) days after the close of each calendar year and at such other times as determined by the Committee, a statement setting forth the balance to the credit of each Account maintained for the Participant.

### ARTICLE V--PLAN BENEFITS

#### 5.1 RETIREMENT BENEFIT

The Employer shall pay a Plan Benefit equal to the Participant's Account balance in the form selected in Section 5.6 to a Participant who terminates Employment by reason of Retirement, Disability or within twenty-four (24) months after a Change in Control or who is terminated by the Employer involuntarily without cause.

#### 5.2 TERMINATION BENEFIT

Except as may otherwise be provided in Section 5.3, the Employer shall pay a Plan Benefit equal to the Participant's Account balance in a lump sum, or in such other forms as determined by the Committee, to a Participant who terminates Employment for any reason other than those provided for in Section 5.1.

### 5.3 DEATH BENEFIT

Upon the death of a Participant, the Employer shall pay to the Participant's Beneficiary an amount determined as follows:

(a) POST-TERMINATION. If the Participant dies after termination of Employment, the amount payable shall be equal to the remaining unpaid balance of the Participant's appropriate Account.

(b) PRE-TERMINATION. If the Participant dies prior to termination of Employment, the amount payable shall be the Participant's Account balance in the form elected.

### 5.4 IN-SERVICE WITHDRAWALS

Participants shall be permitted to elect to withdraw amounts from their Account subject to the following restrictions:

(a) ELECTION TO WITHDRAW. An election to make an in-service withdrawal must be made at the same time the Participant enters into a Participation Agreement for a Deferral Commitment. The date of the in-service withdrawal cannot be earlier than five (5) years after the date the Deferral Period begins under the Deferral Commitment. Such election may be modified no later than the end of the calendar year two (2) calendar years prior to the calendar year the Participant was scheduled to receive the benefits.

(b) AMOUNT OF WITHDRAWAL. The amount which a Participant can elect to withdraw with respect to any Deferral Commitment shall be limited to one hundred percent (100%) of the amount of such Deferral Commitment plus earnings thereon.

(c) FORM OF IN-SERVICE WITHDRAWAL PAYMENT. The amount elected to be withdrawn shall be paid in a lump sum unless the Committee approves an alternative form of payment at the time elected by the Participant in the Participation Agreement wherein he or she elected the in-service withdrawal.

### 5.5 HARDSHIP DISTRIBUTIONS

Upon a finding that a Participant has suffered a Financial Hardship or a Disability, the Committee may, in its sole discretion, make distributions from the Participant's vested Account prior to the time specified for payment of benefits under the Plan. The amount of such distribution shall be limited to the amount reasonably necessary to meet the Participant's requirements during the Financial Hardship or Disability.

### 5.6 FORM OF BENEFIT PAYMENT

(a) If a Participant terminates Employment with the Employer due to Retirement, death, Disability, involuntary termination by the Employer without cause or within twenty-four (24) months of a Change in Control, the Participant's

Account shall be paid in the form selected by the Participant under his or her Deferral Commitment or Commitments. Optional forms of payment include a lump-sum payment, substantially equal annual installments of the Account amortized over a period of up to fifteen (15) years selected by the Participant, or any other form of payment made available in the discretion of the Committee to all Participants. If installment payments are elected, the Account shall be amortized with an assumed Rate of Return of six percent (6%) unless the Participant selects, and the Committee approves, an alternative assumed Rate of Return. As of each January 1, the amount to be distributed in installment payments for that year shall be determined by amortizing the Participant's Account balance as of the preceding December 31 over the remainder of the installment period, using the assumed Rate of Return which was fixed under the preceding sentence at the time installment payments were elected.

(b) Payment shall commence as elected by the Participant, which shall be either within sixty-five (65) days of termination or in the next January following the Participant's termination.

(c) The Participant may modify the form or timing of benefit payment as long as such modification is made before the end of the calendar year two (2) calendar years prior to when the Participant's benefits were scheduled to commence had the modification not been made.

#### 5.7 SMALL ACCOUNTS

Notwithstanding Section 5.6(a), if a Participant's Account is less than twenty thousand dollars (\$20,000), the Committee shall pay the Participant in a lump sum.

#### 5.8 ACCELERATED DISTRIBUTION

Notwithstanding any other provision of the Plan, at any time, a Participant shall be entitled to receive, upon written request to the Committee, a lump-sum distribution equal to ninety percent (90%) of the vested Account balance as of the Determination Date immediately preceding the date on which the Committee receives the written request. The remaining balance shall be forfeited by the Participant and the Participant will not be allowed to participate in the Plan in the future. The amount payable under this section shall be paid in a lump sum within thirty (30) days following the receipt of the notice by the Committee from the Participant.

#### 5.9 EXCISE TAX AND LOST BENEFIT MAKEUP

If as a result of participating in the Plan the Participant is required to pay additional excise tax under Section 4999 of the Internal Revenue Code ("IRC"), or receives a smaller benefit from any other Employer Plan as a result of any IRC Section 280G Golden Parachute limitations, then a makeup amount shall be payable from the Plan. This amount shall be equal to the amount of Section 4999 excise tax payable and any lost benefit from other Employer Plans due to IRC Section 280G Golden Parachute limitation, as a result of participation in the Plan, plus any excise tax or income taxes payable due to this payment. The Corporation and Participant shall

cooperate in good faith in making such determination and in providing the necessary information for this purpose.

#### 5.10 WITHHOLDING; PAYROLL TAXES

The Employer shall withhold from payments made hereunder any taxes required to be withheld from such payments under federal, state or local law. However, a Beneficiary may elect not to have withholding for federal income tax pursuant to Section 3405(a)(2) of Internal Revenue Code, or any successor provision thereto.

#### 5.11 PAYMENT TO GUARDIAN

If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of his or her property, the Committee may direct payment of such Plan Benefit to the guardian, legal representative, or person having the care and custody of such minor, incompetent, or person. The Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan Benefit. Such distribution shall completely discharge the Committee from all liability with respect to such benefit.

### ARTICLE VI--BENEFICIARY DESIGNATION

#### 6.1 BENEFICIARY DESIGNATION

Subject to Section 6.3, each Participant shall have the right, at any time, to designate one or more persons or an entity as Beneficiary (both primary as well as secondary) to whom benefits under the Plan shall be paid in the event of Participant's death prior to complete distribution of the Participant's Account. Each Beneficiary designation shall be in a written form prescribed by the Committee and shall be effective only when filed with the Committee during the Participant's lifetime.

#### 6.2 CHANGING BENEFICIARY

Subject to Section 6.3, any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new designation with the Committee. The filing of a new designation shall cancel all designations previously filed. If a Participant's Compensation is community property, any Beneficiary designation shall be valid or effective only as permitted by applicable law.

#### 6.3 COMMUNITY PROPERTY

If the Participant resides in a community property state, the following rules shall apply:

(a) Designation by a married Participant of a Beneficiary other than the Participant's spouse shall not be effective unless the spouse executes a written

consent that acknowledges the effect of the designation, or it is established the consent cannot be obtained because the spouse cannot be located.

(b) A married Participant's Beneficiary designation may be changed by a Participant with the consent of the Participant's spouse as provided for in Section 6.3(a) by the filing of a new designation with the Committee.

(c) If the Participant's marital status changes after the Participant has designated a Beneficiary, the following shall apply:

(i) If the Participant is married at the time of death but was unmarried when the designation was made, the designation shall be void unless the spouse has consented to it in the manner prescribed in Section 6.3(a).

(ii) If the Participant is unmarried at the time of death but was married when the designation was made:

(A) The designation shall be void if the spouse was named as Beneficiary unless Participant had submitted a change of beneficiary listing the former spouse as the beneficiary.

(B) The designation shall remain valid if a nonspouse Beneficiary was named.

(iii) If the Participant was married when the designation was made and is married to a different spouse at death, the designation shall be void unless the new spouse has consented to it in the manner prescribed above.

#### 6.4 NO BENEFICIARY DESIGNATION

In the absence of an effective Beneficiary Designation, or if all designated Beneficiaries predecease the Participant or die prior to complete distribution of the Participant's benefits, then the Participant's designated Beneficiary shall be deemed to be the person in the first of the following classes in which there is a survivor:

(a) the surviving spouse;

(b) the Participant's children, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take by right of representation the share the parent would have taken if living;

(c) the Participant's estate.

#### 6.5 EFFECT OF PAYMENT

The payment to the deemed Beneficiary shall completely discharge Employer's obligations under the Plan.



ARTICLE VII--ADMINISTRATION

7.1 COMMITTEE; DUTIES

The Plan shall be administered by the Committee, which shall consist of not less than three (3) persons appointed by the Chief Executive Officer of the Corporation and which may include the CEO as a member. The Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in connection with the Plan. A majority vote of the Committee members shall control any decision. Members of the Committee may be Participants under the Plan.

7.2 AGENTS

The Committee may, from time to time, employ other agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Employer.

7.3 BINDING EFFECT OF DECISIONS

The decision or action of the Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

7.4 INDEMNITY OF COMMITTEE

The Employer shall indemnify and hold harmless the members of the Committee against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to the Plan, except in the case of gross negligence or willful misconduct.

ARTICLE VIII--CLAIMS PROCEDURE

8.1 CLAIM

Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the Committee, which shall respond in writing as soon as practicable.

8.2 DENIAL OF CLAIM

If the claim or request is denied, the written notice of denial shall state:

(a) The reasons for denial, with specific reference to the Plan provisions on which the denial is based.

(b) A description of any additional material or information required and an explanation of why it is necessary.

(c) An explanation of the Plan's claim review procedure.

### 8.3 REVIEW OF CLAIM

Any person whose claim or request is denied or who has not received a response within thirty (30) days may request review by notice given in writing to the Committee. The claim or request shall be reviewed by the Committee which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

### 8.4 FINAL DECISION

The decision on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

## ARTICLE IX--AMENDMENT AND TERMINATION OF PLAN

### 9.1 AMENDMENT

The Corporation may at any time amend the Plan in whole or in part; provided, however, that any such amendment that would materially change the benefits provided under the Plan shall be subject to the prior approval of the Compensation Committee of the Board. Provided, further, that no amendment shall be effective to decrease or restrict the amount accrued to the date of amendment in any Account maintained under the Plan.

### 9.2 EMPLOYER'S RIGHT TO TERMINATE

The Corporation may at any time partially or completely terminate the Plan if, in its judgment, the tax, accounting or other effects of the continuance of the Plan, or potential payments thereunder would not be in the best interests of the Employer.

(a) PARTIAL TERMINATION. The Corporation may partially terminate the Plan by instructing the Committee not to accept any additional Deferral Commitments. In the event of such a Partial Termination, the Plan shall continue to operate and be effective with regard to Deferral Commitments entered into prior to the effective date of such Partial Termination.

(b) COMPLETE TERMINATION. The Corporation may completely terminate the Plan by instructing the Committee not to accept any additional Deferral Commitments, and by terminating all ongoing Deferral Commitments. In the

event of Complete Termination, the Plan shall cease to operate and the Employer shall pay out to each Participant his or her Account (including any Plus Rate Return) as if the Participant had terminated service as of the effective date of the Complete Termination. Payments shall be made in equal annual installments over the period listed below, based on the Account balance:

ACCOUNT BALANCE	PAYOUT PERIOD
Less than \$10,000	1 Year
10,000 but less than \$50,000	3 Years
More than \$50,000	5 Years

ARTICLE X--MISCELLANEOUS

10.1 UNFUNDED PLAN

The Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly-compensated employees" within the meaning of Sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and therefore is exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, the Plan shall terminate and no further benefits shall accrue hereunder in the event it is determined by a court of competent jurisdiction or by an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA which is not so exempt. In the event of such termination, all ongoing Deferral Commitments shall terminate, no additional Deferral Commitments will be accepted by the Committee, and the amount of each Participant's vested Account balance shall be distributed to such Participant at such time and in such manner as the Committee, in its sole discretion, determines.

10.2 UNSECURED GENERAL CREDITOR

In the event of Employer's insolvency, Participants and their Beneficiaries, heirs, successors, and assigns shall have no legal or equitable rights, interest or claims in any property or assets of the Employer, nor shall they be Beneficiaries of, or have any rights, claims or interests in any life insurance policies, annuity contracts or the proceeds therefrom owned or which may be acquired by the Employer. In that event, any and all of the Employer's assets and policies shall be, and remain, the general, unpledged, unrestricted assets of the Employer. The Employer's obligation under the Plan shall be that of an unfunded and unsecured promise of the Employer to pay money in the future.

10.3 TRUST FUND

The Employer shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Employer may establish one or more trusts, with such trustees as it may approve, for the purpose of providing for the payment of such

benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Employer's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Employer shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Employer.

#### 10.4 NONASSIGNABILITY

Neither a Participant nor any other person shall have any right to sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, or be transferable by operation of law in the event of a Participant's or any other person's bankruptcy or insolvency.

#### 10.5 NOT A CONTRACT OF EMPLOYMENT

The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Employer and the Participant, and the Participant (or his or her Beneficiary) shall have no rights against the Employer except as may otherwise be specifically provided herein. Moreover, nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discipline or discharge the Participant at any time.

#### 10.6 PROTECTIVE PROVISIONS

A Participant will cooperate with the Employer by furnishing any and all information requested by the Employer, in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as the Employer may deem necessary and taking such other action as may be requested by the Employer.

#### 10.7 TERMS

Whenever any words are used herein in the masculine, they shall be construed as though they were used in the feminine in all cases where they would so apply; and wherever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

#### 10.8 CAPTIONS

The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

10.9 GOVERNING LAW; ARBITRATION

The provisions of the Plan shall be construed and interpreted according to the laws of the State of Oregon. Any dispute or claim that arises out of or that relates to the Plan or to the interpretation, breach, or enforcement of the Plan, must be resolved by mandatory arbitration in accordance with the then effective arbitration rules of Arbitration Service of Portland, Inc., and any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

10.10 VALIDITY

In case any provision of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein.

10.11 NOTICE

Any notice or filing required or permitted to be given to the Committee under the Plan shall be sufficient if in writing and hand delivered, or sent by registered or certified mail, to any member of the Committee or the Secretary of the Employer. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

10.12 SUCCESSORS

The provisions of the Plan shall bind and inure to the benefit of the Employer and its successors and assigns. The term successors as used herein shall include any corporate or other business entity which shall, whether by merger, consolidation, purchase or otherwise acquire all or substantially all of the business and assets of the Employer, and successors of any such corporation or other business entity.

LOUISIANA-PACIFIC CORPORATION

By: \_\_\_\_\_  
Vice President, Human Resources

By: \_\_\_\_\_  
Secretary

Dated: \_\_\_\_\_



THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED SUMMARY FINANCIAL STATEMENTS AND NOTES INCLUDED IN THIS FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS	
	DEC-31-2000
	SEP-30-2000
	40,000
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	(4,800)
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