

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, 2001
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.)

805 SW Broadway, Suite 1200, Portland, Oregon 97205-3303

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (503) 821-5100

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: 104,457,179 shares of Common Stock, \$1 par value, outstanding as of November 9, 2001.

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 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" or the "Company") 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 words like "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, completion of financing transactions and the adequacy of reserves for loss contingencies.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to the following:

- changes in general economic conditions;
- changes in the cost and availability of capital;
- changes in the level of home construction activity;
- changes in competitive conditions and prices for our products;
- changes in the relationship between supply of and demand for building products, including the effects of industry-wide increases in manufacturing capacity;

- changes in the relationship between supply of and demand for the raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies particularly the Canadian dollar;
- changes in general and industry-specific environmental laws and regulations;
- unforeseen environmental liabilities or expenditures;
- the resolution of product-related litigation and other legal proceedings; and
- acts of God or public authorities, war, civil unrest, fire, floods, earthquakes and other matters beyond our control.

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.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(AMOUNTS IN MILLIONS EXCEPT PER SHARE) (UNAUDITED)

	Three-months Ended September 30,		Nine-months Ended September 30,	
	2001	2000	2001	2000
Net sales	\$ 635.5	\$ 702.7	\$ 1,843.8	\$ 2,363.9
Operating costs and expenses:				
Cost of sales	541.1	594.8	1,631.0	1,825.1
Depreciation, amortization and depletion	56.0	63.5	151.8	184.1
Selling and administrative	37.6	57.1	129.9	177.2
Other operating charges and credits, net	(1.0)	1.0	13.2	37.4
Loss related to assets and liabilities transferred under contractual arrangement	9.4	—	21.8	—
Total operating costs and expenses	643.1	716.4	1,947.7	2,223.8
Income (loss) from operations	(7.6)	(13.7)	(103.9)	140.1
Non-operating income (expense):				
Interest expense	(24.2)	(22.6)	(68.8)	(58.2)
Interest income	8.6	10.0	24.5	28.4
Foreign exchange gains (losses)	1.6	(3.8)	(0.1)	(6.0)
Total non-operating income (expense)	(14.0)	(16.4)	(44.4)	(35.8)
Income (loss) before taxes, minority interest and equity in earnings of unconsolidated affiliate	(21.6)	(30.1)	(148.3)	104.3
Provision (benefit) for income taxes	(19.1)	9.7	(44.5)	64.4
Minority interest in net income (loss) of consolidated subsidiaries	(1.3)	1.4	(3.9)	0.7
Equity in (income) loss of unconsolidated affiliate	0.4	0.3	0.8	1.4
Net income (loss)	\$ (1.6)	\$ (40.9)	\$ (100.7)	\$ 37.8
Net income (loss) per share—basic and diluted	\$ (0.02)	\$ (0.39)	\$ (0.96)	\$ 0.36

Average shares outstanding				
Basic	104.4	104.1	104.4	104.1
Diluted	104.4	104.1	104.4	104.2

The accompanying notes are an integral part of these unaudited financial statements.

3

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(DOLLAR AMOUNTS IN MILLIONS) (UNAUDITED)

	September 30, 2001	December 31, 2000
ASSETS		
Cash and cash equivalents	\$ 88.3	\$ 38.1
Accounts receivable, net	170.2	129.6
Inventories	217.3	327.5
Prepaid expenses	24.2	22.8
Income taxes receivable	39.2	91.5
Deferred income taxes	39.6	44.6
Total current assets	578.8	654.1
Timber and timberlands	563.2	590.6
Property, plant and equipment	2,413.3	2,562.8
Accumulated depreciation	(1,230.2)	(1,254.0)
Net property, plant and equipment	1,183.1	1,308.8
Goodwill, net of amortization	305.1	326.3
Notes receivable from asset sales	403.8	403.8
Assets transferred under contractual arrangement	49.7	—
Other assets	85.2	91.1
Total assets	\$ 3,168.9	\$ 3,374.7
LIABILITIES AND EQUITY		
Current portion of long-term debt and short term borrowings	\$ 118.4	\$ 39.4
Accounts payable and accrued liabilities	261.1	303.8
Current portion of contingency reserves	20.0	35.0
Total current liabilities	399.5	378.2
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long term debt	686.2	787.3
Total long-term debt, excluding current portion	1,082.7	1,183.8
Contingency reserves, excluding current portion	131.0	126.6
Liabilities transferred under contractual arrangement	16.6	—
Deferred income taxes and other	364.9	390.9
Commitments and contingencies		
Stockholders' equity:		
Common stock	117.0	117.0
Additional paid-in capital	441.8	440.2
Retained earnings	878.4	1,004.3
Treasury stock	(233.2)	(235.1)
Accumulated comprehensive loss	(29.8)	(31.2)
Total stockholders' equity	1,174.2	1,295.2
Total liabilities and equity	\$ 3,168.9	\$ 3,374.7

The accompanying notes are an integral part of these unaudited financial statements.

4

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLAR AMOUNTS IN MILLIONS) (UNAUDITED)

	Nine-months Ended September 30,	
	2001	2000
Cash flows from operating activities:		
Net income (loss)	\$ (100.7)	\$ 37.8
Depreciation, amortization and depletion	151.8	184.1
Other operating charges and credits, net	14.2	54.3
Cash settlements of contingencies	(30.1)	(141.1)
Cash receipts on contingencies	18.8	—
Loss on assets and liabilities transferred under contractual arrangement	21.8	—
Other adjustments	(13.9)	17.4
Decrease (increase) in certain working capital components and deferred taxes	59.4	(67.5)
Net cash provided by operating activities	121.3	85.0
Cash flows from investing activities:		
Capital spending	(47.0)	(159.6)
Business asset purchases	—	(54.7)
Proceeds from assets sales and transfers	44.7	21.5
Other investing activities, net	0.7	(6.7)
Net cash used in investing activities	(1.6)	(199.5)
Cash flows from financing activities:		
New borrowings, including net increase (decrease) in revolving borrowings	155.1	622.9
Repayment of long-term debt	(172.5)	(464.9)
Cash dividends	(25.2)	(43.7)
Increase in receivables from assets and liabilities transferred under contractual arrangement	(16.5)	—
Purchase of treasury stock	(0.4)	(11.2)
Other financing activities	(10.0)	(3.0)
Net cash provided (used) in financing activities	(69.5)	100.1
Net increase (decrease) in cash and cash equivalents	50.2	(14.4)
Cash and cash equivalents at beginning of period	38.1	116.0
Cash and cash equivalents at end of period	\$ 88.3	\$ 101.6

The accompanying notes are an integral part of these unaudited financial statements.

5

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, 2000.

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 2000 amounts have been reclassified to conform to the 2001 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)	Three-months Ended September 30,	Nine-months Ended September 30,
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	2001	2000	2001	2000
Average shares outstanding used to determine basic net income per common share	104.4	104.1	104.4	104.1
Dilutive effects of stock options granted and ESPP shares	—	—	—	.01
Average shares outstanding used to determine fully diluted net income per common share	104.4	104.1	104.4	104.2

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 the estimated effective income tax rate 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. For the nine-month period ended September 30, 2001, LP's effective tax benefit rate was 30% as compared to a provision rate of 62% in the first nine-months of 2000.

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. During first quarter 2001, LP sold a controlling interest in Samoa Pacific Cellulose LLC (SPC), a company that owns a pulp mill and related assets in Samoa, California, for approximately book value. In this transaction, LP received approximately \$22 million in cash and promissory notes of SPC valued at \$29 million, and retained preferred stock of SPC valued at approximately \$9 million. The preferred stock is pledged as collateral against SPC's senior borrowing. The term of the promissory notes is longer than five years. Additionally, LP has agreed to provide SPC a \$18 million credit facility secured by working capital. At September 30, 2001, the balance owed to LP under the credit facility was \$16.5 million.

Due to its continuing financial interest in SPC, LP did not record the transaction as a sale. In compliance with Staff Accounting Bulletin No. 30—Accounting For Divestiture Of A Subsidiary Or Other Business Operation, LP has recorded the assets and the liabilities of SPC on LP's balance sheet under the captions "Assets transferred under contractual arrangement" and "Liabilities transferred under contractual arrangement." For any fiscal quarter in which SPC incurs losses, LP will record a

6

valuation allowance against its net remaining investment. If SPC is profitable in subsequent quarters of the same fiscal year, LP will reverse the valuation allowance up to the amount of the valuation allowance that was previously recorded in such fiscal year. The valuation allowance for the first nine-months of 2001 is reflected on the income statement under the caption "Loss related to assets and liabilities transferred under contractual arrangement."

7. Components of comprehensive income (loss) for the periods include:

(Dollars in millions)	Three-months Ended September 30,		Nine-months Ended September 30,	
	2001	2000	2001	2000
Net income (loss)	\$ (1.6)	\$ (40.9)	\$ (100.7)	\$ 37.8
Currency translation adjustment	0.4	(2.5)	1.3	(10.7)
Pension minimum liability adjustment	—	—	—	12.2
Other	0.1	—	0.1	0.1
Total comprehensive income (loss)	\$ (1.1)	\$ (43.4)	\$ (99.3)	\$ 39.4

8. The selected segment data set forth in Item 2 "Management's Discussion and Analysis and Results of Operations" of this report is incorporated herein by reference.

9. LP adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" as of January 1, 2001. The adoption of this standard did not have a material impact on the financial statements of LP.

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.

The description of assets held for sale concerning the Chetwynd pulp mill and the discussion of possible impairments set forth in Part I, item 2 of this report under the caption "Management Discussion and Analysis and Results of Operations" are incorporate herein by reference.

11. Investments in 50% owned joint ventures are accounted for under the equity method.

12. In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142). This new statement addresses financial accounting and reporting for goodwill and other intangible assets. Under this new standard, goodwill and other intangible assets that are deemed to have an indefinite life will no longer be amortized. However, goodwill and other intangible assets will be tested for impairment on an annual basis by applying a fair value based test. SFAS 142 will be effective for LP beginning January 1, 2002. Management is currently evaluating the impact of this statement. LP's current goodwill amortization is approximately \$7 million per quarter.

13. In June of 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (SFAS 143). This new statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. Additionally, in August of 2001, the Financial Accounting Standards Board adopted SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 143 will be effective for LP beginning January 1, 2003. SFAS 144 will be effective for LP beginning January 1, 2002. Management is currently evaluating the impact of these statements.

14. From time to time, LP enters into futures contracts to purchase commodities, such as electricity, to facilitate the operation of the Company's facilities while attempting to minimize its exposure to price fluctuations. The estimated fair value of these contracts is based upon quoted market

7

prices. If delivery is not assured, LP recognizes realized and unrealized gains and losses on these contracts in the period in which the fair value change occurs. As of September 30, 2001, LP had a futures contract to purchase electricity over the next 7 years in certain Western states mills for a net present value of \$9.4 million. The fair value of this contract, based upon quoted market prices was \$6.1 million. Reflected in the operating results of LP is a loss of \$1.8 million for the quarter ended September 30, 2001 and \$3.3 million for the nine-months period ended September 30, 2001 related to this contract. Subsequent to September 30, 2001, LP committed to delivery based upon expected needs and therefore no further market adjustments will be necessary on this contract.

15. On August 13 2001, LP completed a public offering of \$200 million of senior subordinated notes maturing in 2008 at a coupon rate of interest of 10.875 percent per annum. The net proceeds of the note offering were used to repay the Company's existing \$170 million term loan due in 2003 and to reduce borrowings outstanding under the Company's existing \$300 million revolving credit facility.

8

Item 2. Management's Discussion and Analysis and Results of Operations.

LP's net loss for the third quarter of 2001 was \$1.6 million, or \$0.02 per diluted share, on sales of \$635.5 million, compared to third quarter 2000 net loss of \$40.9 million, or \$0.39 per diluted share, on sales of \$702.7 million. Excluding other operating credits and charges of \$1.0 million (\$0.6 million after tax, or \$0.00 per diluted share), the loss for the third quarter of 2001 was \$2.2 million, or \$0.02 per diluted share, compared to third quarter 2000 loss excluding other operating credits and charges of \$40.3 million, or \$0.39 per diluted share. The results for the third quarter of 2001 and 2000 both reflect a year to date adjustment to the provision (benefit) for income taxes, a reduction of \$12 million or \$0.12 per share in 2001 and an addition of \$22 million or \$0.21 per share in 2000.

LP's net loss for the nine-months ended September 30, 2001 was \$100.7 million, or \$0.96 per diluted share, on sales of \$1.8 billion, compared to the nine month period ended September 30, 2000 net income of \$37.8 million, or \$0.36 per diluted share, on sales of \$2.4 billion. Excluding other operating charges and credits of \$13.2 million (\$8.7 million after tax, or \$0.08 per diluted share), the loss for the nine month period was \$92.0 million, or \$0.88 per diluted share, compared to the comparable period in 2000 income excluding other operating charges and credits of \$60.2 million, or \$0.58 per diluted share.

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 2001 and 2000. 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, only two of which are the cost and availability of raw materials. 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 seasonal and cyclical fluctuations over which LP has no control. The level of residential construction activity, which is subject to fluctuations due to changes in economic conditions, interest rates, population growth and other factors, heavily influences the demand for LP's building products. These cyclical fluctuations in demand are unpredictable and may have a substantial influence on LP's results of operations.

9

Selected Segment Data

	Three-months Ended September 30			Nine-months Ended September 30,		
	2001	2000	% change	2001	2000	% change
Net sales:						
Structural products	\$ 410.1	\$ 422.0	(3)	\$ 1,162.3	\$ 1,447.2	(20)
Exterior products	108.6	97.5	11	290.1	267.1	9
Industrial panel products	49.4	70.0	(29)	154.2	228.3	(32)
Other products	63.5	81.6	(22)	190.5	304.9	(38)
Pulp	3.9	31.6	(88)	46.7	116.4	(60)
	<u>\$ 635.5</u>	<u>\$ 702.7</u>	<u>(10)</u>	<u>\$ 1,843.8</u>	<u>\$ 2,363.9</u>	<u>(22)</u>
Operating profit (loss):						
Structural products	\$ 22.6	\$ 4.0	465	\$ 26.2	\$ 206.4	(87)
Exterior products	9.3	4.8	94	16.2	26.8	(40)
Industrial panel products	(5.4)	0.3	(1900)	(15.9)	6.3	(352)
Other products	0.6	(7.6)	108	(2.8)	(7.7)	64
Pulp	(5.0)	4.7	(206)	(24.0)	15.0	(260)
Other operating charges and credits, net	1.0	(1.0)	200	(13.2)	(37.4)	65
Loss related to assets and liabilities transferred under contractual arrangement	(9.4)	—	—	(21.8)	—	—
General corporate and other expenses, net	(19.7)	(22.6)	13	(68.7)	(75.3)	9
Interest expense, net	(15.6)	(12.7)	(23)	(44.3)	(29.8)	(49)

Income (loss) before taxes, minority interest and equity in earnings of unconsolidated affiliates	\$ (21.6)	\$ (30.1)	28	\$ (148.3)	\$ 104.3	(242)
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Structural Products

Three-months Ended September 30, 2001 compared to 2000

The structural products segment consists of North American oriented strand board (OSB), plywood, lumber and engineered wood products (EWP). This segment also includes timberlands. The decline in sales for the third quarter of 2001 compared to the third quarter of 2000 was primarily due to lower OSB volumes, sold or closed operations and reduced cedar production.

The most significant product in this segment is OSB. Average prices (net of freight) were approximately 4% higher this quarter compared to the same quarter in 2000. LP's sales volume in the quarter decreased about 8% compared to the same quarter last year due to market related curtailments. For the quarter, LP recognized reduced wood costs and improved recoveries, however these improvements were offset by the costs associated with the market related curtailments.

Plywood prices increased approximately 10% for the third quarter 2001 as compared to the third quarter 2000 with sales volume declining about 27%, primarily due to a mill closure by LP in the latter half of 2000. LP has focused two of its remaining plywood mills on the production of veneer to be used in laminated veneer lumber (LVL), which is intended to help reduce the impact of the volatility in plywood pricing and to increase operational efficiencies at the mills.

Lumber prices and volumes in the third quarter of 2001 were both up 7% compared to the third quarter of 2000. For the quarter, LP realized significant reductions in raw material costs and improved log recoveries.

10

EWP prices were approximately 2% lower for I-joist and 4% lower for LVL for the quarter. Pricing pressure on these products is due to increased industry capacity and lower dimensional lumber pricing. Volumes for the quarter were approximately 8% higher for I-joist and 23% higher for LVL. Although prices were down, profits for these products showed an increase as a result of reductions in raw material costs and improvements in operating efficiencies.

Overall, compared to third quarter of 2000, the primary factor in the increased profitability in this segment was improvement in sales prices discussed above. Overall, log cost and other raw materials associated with these products declined by 6% for the quarter.

Nine-months Ended September 30, 2001 compared 2000

Reduced demand for many building products and the slowing economy factored negatively into the results for the nine-months ended September 30, 2001 as compared to the comparable periods in 2000. This softening demand resulted in reduced market prices for commodity structural products (OSB, plywood, lumber and EWP). The change in commodity pricing during this period accounted for over \$200 million in reduced profitability.

Average prices (net of freight) for OSB were approximately 27% lower for the nine-month period ended September 30, 2001 compared to the same period in 2000. Lower prices were, in part, a reflection of overcapacity in OSB products versus demand. LP's sales volume declined about 2% compared to the same period last year. Partially offsetting the reduced commodity pricing were lower production costs due to improved operating efficiencies and declines in wood fiber cost.

For the first nine-months of 2001, plywood prices declined about 2% as compared to the first nine-months of 2000 with sales volume declining 19% due to a mill closure in the later part of 2000.

For the nine-month period ended September 30, 2001, lumber prices declined 8% as compared to the same period in 2000 with sales volumes declining about 3%. For the nine-month period, LP realized significant reductions in raw material costs and improved log recoveries.

EWP prices declined 5% for I-joist and 6% for LVL. Pricing pressure on these products is due to increased industry capacity and lower dimensional lumber pricing. Volumes for the nine-month period were approximately 2% higher for I-joist and 10% higher for LVL. Volume increases for these products is primarily due to increased market penetration. Profits for these products were higher than the prior year due to increased volumes, declines in raw material costs and improved operating efficiencies.

Overall, compared to the nine-month period end September 30, 2000, the primary factor that led to lower profitability in this segment was the decline in sales prices discussed above. Offsetting these lower prices, were improvements in operating efficiencies and lower wood costs. Overall, log cost and other raw materials associated with these products declined by 2% for the nine-month period.

Exterior Products

The exterior product segment consists of siding, both wood composite and vinyl and related accessories, specialty OSB and composite decking. Sales of siding products and specialty OSB showed an increase in both volume and pricing of 5% for the quarter compared to the third quarter of 2000. For the nine-month period, pricing decreased 5% with volume increasing 4%. The increase in volume was primarily due to capturing additional sales as a result of mill closures by a key competitor in hardboard siding. The changes in pricing are primarily due to the impact of specialty OSB products that are closely related to commodity pricing. Composite decking sales volume declined significantly for the three month period due to higher stocking sales in the third quarter of 2000 as initial customer orders were established. For the nine-month period, composite decking sales significantly increased due to a full nine-months of operations in 2001 versus four months in 2000.

11

Profitability of this segment improved for the quarter compared to the prior year due to the increased volumes and pricing in siding and specialty OSB. These increases were partially offset by increased losses associated with the composite decking products. For the nine-month period, profitability declined compared to

the prior year due to lower pricing for those specialty OSB products that are closely related to commodity pricing and losses associated with the composite decking operation.

Industrial Panel Products

The industrial panels segment consists of particleboard, medium density fiberboard (MDF), hardboard and decorative panels. For particleboard, sales prices declined about 12% compared to the comparable period in 2000 with sales volumes declining 6%. For the nine-month period, sales prices declined 13% and sales volumes declined about 2%. For MDF, volumes declined over 75% for the quarter ended September 30, 2001 as compared to the prior year while sales prices increased 35% for the same period. For the nine-month period, sales volumes declined 76% and sales prices increased 21% over the same period in 2000. The significant decline in MDF volume was due to plant closures, fiber supply shortages and increased competition from off shore suppliers. The increase in pricing is due to LP's focus on more on-grade products. Hardboard volumes declined 13% for the quarter as compared to the comparable period in the prior year with sales prices remaining relatively flat. For the nine-month period, hardboard volumes declined 15% from the comparable periods in the prior year with sales prices remaining relatively flat. This decline in volume was due to reduced demand due to product substitution and conversion of interior hardboard facilities to exterior hardboard siding (see discussion in exterior products).

Overall, compared to the three and the nine month periods ended September 30, 2000, the primary factor in the decreased profitability in this segment were the lower volumes in MDF, higher energy costs and significant increases in wood fiber cost.

Other Products

The other products segment includes plastic molding products, distribution and wholesale operations, wood chips, OSB operations in Ireland and Chile, and other products. For the three-month and nine-month periods ended September 30, 2001, sales for this segment declined significantly from the comparable periods of 2000, primarily due to the contribution of the assets of Greenstone, LP's cellulose insulation subsidiary, to a non-consolidated joint venture. LP's share of the income or loss of this business subsequent to its contribution to the joint venture is included on LP's income statement under the caption, "Equity in (income) loss of unconsolidated affiliate." Offsetting these declines in sales in this segment was improved margins in the distribution business. Operating profits increased for both the quarter and the year to date due to the elimination of losses from unprofitable businesses which were previously included in this segment.

Pulp

Pulp segment sales and operating profits for the three and nine-months ended September 30, 2001 declined significantly from the comparable periods of 2000. For the quarter, sales prices decreased about 47% and sales volumes decreased approximately 80%. For the nine-month period, sales prices decreased 26% and sales volumes declined 58%. The decline in pricing is due to reduced demand for pulp in the worldwide market. Volumes declined due to the transfer in mid-February of a controlling interest in pulp facilities in Samoa, California as described in Note 6 to the financial statements included in this report as well as the market related curtailment at LP's Chetwynd, British Columbia mill. In addition to the impact of lower pricing and volume, higher costs for energy negatively affected profits of this segment. See "Assets Held for Sale" below for additional information related to the pulp segment.

Other Operating Charges and Credits, Net

Information regarding other operating charges and credits recorded in the three-months and nine-months ended September 30 is set forth in the following table.

(Dollars in millions)	Three-months Ended September 30,		Nine-months Ended September 30,	
	2001	2000	2001	2000
Additions to contingency reserves	\$ —	\$ (6.6)	\$ (2.0)	\$ (6.6)
Long-lived asset impairment charges	—	(6.3)	(10.2)	(53.9)
Gain on sale of pollution credits	1.5	—	1.5	—
Gain on sale of assets	—	6.1	—	6.1
Mark to market adjustment on interest rate hedge	—	(4.8)	—	(11.3)
Severance costs	(0.5)	—	(0.5)	—
Write off of equity investment	—	—	(2.0)	—
Gain on insurance recovery	—	10.6	—	28.3
Total other operating credits and charges, net	\$ 1.0	\$ (1.0)	\$ (13.2)	\$ (37.4)

In the third quarter of 2001, LP recorded a gain of \$1.5 million (\$0.9 million after taxes, or \$0.01 per diluted share) from the sale of pollution credits associated with closed mills. LP also recorded severance charges of \$0.5 million (\$0.3 million after tax, or \$0.0 per diluted share) associated with certain corporate restructurings.

For the nine-months ended September 30, 2001, in addition to the items mentioned above, LP recorded a net charge of \$10.2 million (\$6.2 million after taxes, or \$0.06 per diluted share) associated with impairment charges related to equipment at three former manufacturing sites. The additional impairment charges resulted from changes in the planned method of disposal of the equipment. The remaining book value and operating results associated with this equipment are not material to LP's financial statements. LP also recorded a net loss of \$2 million (\$1.2 million after taxes, or \$0.01 per diluted share) for additional reserves for non-product litigation. Additionally, LP recorded a \$2.0 million (\$1.2 million after taxes, or \$0.01 per diluted share) impairment charge of an equity investment.

In the third quarter of 2000, LP recorded a gain on an insurance recovery of \$10.6 million (\$6.4 million after taxes, or \$0.06 per diluted share) related to the 1999 fire at the Athens, Georgia OSB facility. LP also recorded unusual gains on the sales of the Mellen, Wisconsin veneer facilities and a former plant site in California that totaled \$6.1 million (\$3.7 million after taxes, or \$0.03 per diluted share). In addition, LP recorded other operating 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 (\$10.7 million after taxes, or \$0.10 per diluted share).

For the nine-months ended September 30, 2000, in addition to the items mentioned 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.

General Corporate and Other Expense

For the third quarter of 2001, general corporate and other expenses declined 13% from the same period in 2000 and declined 9% for the nine-month period ended September 30, 2001 as compared to

13

the same period in 2000. This decline is due to corporate restructuring that occurred in the third and fourth quarters of 2000 as well as an increasing focus on cost containment.

Interest Income (Expense)

Interest expense increased in the third quarter of 2001 and for the nine-months ended September 30, 2001 compared to the same periods in the prior year as a result of increased borrowings to fund cash used in operating and financing activities.

Legal and Environmental Matters

For a discussion of legal and environmental matters involving LP and the potential impact thereof on LP's financial position, results of operations and cash flows, see Item 7 in LP's annual report on Form 10-K for the year ended December 31, 2000 and Item 1, Legal Proceedings, in Part II of this report.

OSB Siding Litigation Update

The following discussion updates 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, 2000, Management's Discussion and Analysis of Financial Condition and Results of Operations, under the subheading "Legal and Environmental Matters."

During the third quarter of 2001, claimants continued to file claims under the National Settlement. The claim filing period associated with the Florida Settlement ended October 4, 2000 and, as a result, no new claims under the Florida settlement were accepted after that date. See "OSB Siding Matters" in Item 1, Legal Proceedings, in Part II of this report.

As of September 30, 2001, (i) approximately 311,000 requests had been received for claim forms for the National Settlement and the Florida Settlement, compared to 306,000 at June 30, 2001, and 299,000 at December 31, 2000, and (ii) approximately 199,000 completed claim forms for the National Settlement and the Florida Settlement had been received, compared to 197,000 at June 30, 2001 and 192,000 at December 2000. The average payment amount for settled claims as of September 30, 2001, June 30, 2001 and December 31, 2000 was approximately \$3,800. Excluding claims satisfied on a discounted basis pursuant to the Second Settlement Fund, the average payment amount for settled claims as of September 30, 2001 and June 30, 2001 was \$5,100. The total number of completed claim forms pending (not settled) as of September 30, 2001 was approximately 26,000 (approximately 24,000 at June 30, 2001 and approximately 21,000 at December 31, 2000) with approximately 139,000 claims settled (approximately 139,000 at June 30, 2001 and 137,000 at December 31, 2000) and approximately 35,000 claims dismissed (approximately 34,000 at June 30, 2000 and 34,000 at December 31, 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 \$121.3 million in the first nine-months of 2001 compared to \$85.0 million in the same period of 2000. The increase in cash provided by operations resulted primarily from reduced working capital and the reduction in cash settlements of contingencies compared to the prior year. During the second quarter of 2000, LP paid \$113 million on the Second Settlement Fund associated with the OSB siding matter as discussed in "OSB Siding Matters" in Item 1, Legal Proceedings, in Part II of this report.

Net cash used in investing activities was \$1.6 million in the first nine-months of 2001 compared to net cash used by investing activities of \$199.5 million in the comparable period of 2000. LP received

14

approximately \$22 million from the sale of a controlling interest in pulp facilities in Samoa, California and another \$22.7 million from sales of other assets. Capital expenditures for property, plant, equipment and timber declined in the first nine-months of 2001 compared to the same period in 2000, primarily due to management's focus on cash outflows during the current economic slow down. Capital expenditures during the first nine-months of 2001 were primarily for completion of the Chilean OSB mill and necessary capital projects. LP estimates that for the full year ending December 31, 2001, it will make capital expenditures of approximately \$60 million associated with necessary capital projects and high-return capital projects.

In the nine month period ended September 30, 2001, LP borrowed \$155.1 million (net of borrowings and repayments on LP's line of credit) and repaid \$172.5 million in borrowings primarily from the proceeds of the public debt offering. The public debt offering consisted of \$200 million of senior subordinated notes maturing in 2008 at a coupon rate of interest of 10.875 percent per annum. The net proceeds of the public debt were used to eliminate the company's existing \$170 million term loan due in 2003 and to reduce borrowings outstanding under the Company's existing \$300 million revolving credit facility. These notes contain certain covenants that are to be applied when the securities are rated below investment grade by two rating agencies including restrictions on payments, incurrence of debt, issuance of stock, payment of dividends, limitation on liens and certain other restrictions. In the same period of 2000, LP borrowed \$622.9 million and repaid \$464.9 million primarily associated with the proceeds from a public debt offering which was used to pay off bridge loans associated with the 1999 acquisitions.

LP expects that it will be able to meet future cash requirements of the existing operations through cash generated from operations, existing cash balances, and credit facilities existing at September 30, 2001. Cash and cash equivalents totaled \$88.3 million at September 30, 2001 compared to \$38.1 million at December 31, 2000. LP has a \$300 million revolving credit facility under which \$48.3 million was outstanding at September 30, 2001. This facility is available

until January 2002, subject to covenant restrictions discussed below. Although LP intends to replace this facility, at September 30, 2001 outstanding borrowings under this facility were classified as current liabilities pending such renewal. LP also has a \$25 million (Canadian) revolving credit facility under which no borrowings were outstanding at September 30, 2001. This facility is available until November 2001, subject to the covenant ratios discussed below. LP anticipates that this facility will be replaced prior to its expiration. Borrowings under these two credit facilities are limited by a covenant that restricts the ratio of LP's funded debt to capital ratio (as those terms are defined in the relevant agreements) to a maximum of .55 to 1.

LP is pursuing a new \$190 million bank revolving credit facility. It is anticipated that this revolving credit facility will require LP to use a portion of its timberlands in Texas as well as a portion of the stock of certain of its subsidiaries to secure the new credit facility and additional restrictive covenants. In addition, LP is seeking to arrange a \$125 million trade receivable financing, which will further enhance the company's liquidity. LP anticipates that these facilities will be in place in mid-November. It is anticipated that the public debt offering and bank refinancing will increase LP's overall interest expense.

Significant changes in LP's balance sheet, net of assets transferred in connection with the sale of a controlling interest in the Samoa California pulp mill, from December 31, 2000 to September 30, 2001, include an increase of \$39.2 million in accounts receivable due to seasonal variations and decreases of \$90.9 million in inventories due to working capital management and \$52.3 in income taxes receivable. The decrease in income taxes receivable is due to refunds received with the filing of the 2000 income tax returns.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (primarily payments for siding litigation settlements), totaled \$151 million at September 30, 2001, of which \$20 million is estimated to be payable within one year. As with all accounting estimates, there is

15

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. Contingency related payments totaled \$30.1 million for the first nine-months of 2001. Additionally, LP received \$18.8 million from a third party in exchange for accepting the assignment of that party's rights and obligations under the Settlement Agreement and the Cost Sharing Agreement associated with the ABT Hardboard siding class action suit. This amount was added to the contingency reserves included on the balance sheet. This amount was added See "ABT Hardboard Siding Matters" in Item 1, Legal Proceedings, in Part II of this report.

Stock Repurchase Plan

As of September 30, 2001, LP had reacquired a total of 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. No shares were reacquired under the authorization in the first nine-months of 2001. LP had approximately 104 million shares outstanding at September 30, 2001. Effective November 3, 2001, LP's Board of Directors rescinded this authorization.

Dividend

On May 7, 2001, LP announced that its Board of Directors has reduced the quarterly dividend to \$0.05 a share from \$0.14 per share paid in the first quarter of 2001. LP's Board of Directors indicated that, despite some recent improvement, product prices have been at near-record lows since their rapid decline starting in the second quarter of 2000. The board's action to reduce the dividend, which brings the rate more in line with competitive practices, was based on a variety of factors including market conditions, an uncertain economy and a desire to increase the company's financial flexibility. Due to continued economic weakness, on November 5, 2001, LP announced that its Board of Directors has suspended the quarterly cash dividend. Combined, these dividend reductions are expected to result in an annual cash savings of approximately \$58 million. It is anticipated that LP's new revolving credit facility will prohibit the payment of dividends until the agreement expires or its earlier termination.

Assets Held for Sale

On October 17, 2001, LP announced the indefinite closure of its Chetwynd, British Columbia pulp mill. The mill, which has curtailed production since April 2001 due to prolonged weak market conditions, will remain closed until it is sold. The company will maintain, winterize and secure the mill, while actively continuing efforts to sell it. LP expects to recognize a fourth quarter cash charge of approximately \$5 to \$10 million for severance and other related closure liabilities due to the Chetwynd closure. Additionally, LP is in the process of completing a formal appraisal of the Chetwynd site and, from this appraisal, it is reasonably possible that LP will be required to record an additional non-cash impairment charge based upon the appraised value. The book value of the mill at September 30, 2001 is approximately \$35 million.

Potential Impairments

LP has a continuing financial interest in Samoa Pacific Cellulose LLC (SPC) (see discussion at footnote 6 included in Item 1 Financial Statements included in this report) in the form of various classes of preferred equity interests and secured and unsecured receivables. Due to weak pulp markets, SPC has incurred substantial losses from operations and one of its major customers is in the process of liquidation. LP's total investment in and receivables from SPC total \$33.1 million, of which \$16.5 million is secured by SPC's inventory and receivables. While LP currently believes its investment in and receivables from SPC are recoverable, LP continues to closely monitor SPC's operating results and financial condition and it is possible that LP may be required to record an impairment charge related to SPC in the future. In addition, there are several contingent liabilities (primarily

16

environmental in nature) associated with these operations that, under certain circumstances, could become liabilities of LP. LP has not recorded an accrual for these liabilities, as it does not believe it is probable that it will incur these liabilities, although it is possible that LP may be required to record such an accrual in the future.

The Company has been actively marketing its interest in a joint venture OSB operation in Ireland for several years. While there are several strategic buyers, including our joint venture partner, recent market conditions in Europe for the principal products has made the completion of a sale difficult. The Company is evaluating indications of interest as well as alternative scenarios, including an orderly liquidation and relocation of the principal equipment, to exit this business. Should a sale occur, it is reasonably possible that such sale may result in a non-cash impairment charge. As of September 30, 2001, LP investment in this venture was approximately \$17 million.

Due to the current market slowdown, LP is reviewing several mills for potential impairments. LP currently believes it has adequate support for the carrying value of each of these mills based upon the future demand and pricing assumptions. However, should the markets for the Company's products deteriorate from September 30, 2001 levels or remain at current levels for an extended period, it is possible that LP will be required to record further impairment charges.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

A portion of LP's outstanding debt bears interest at variable rates. Accordingly, LP's interest expense can fluctuate based upon changes in prevailing interest rates. See Note 4 of the Notes to financial statements included in Item 8 of LP's annual report on Form 10-K for the year ended December 31, 2000 for additional information regarding LP's variable rate debt and corresponding interest rates.

LP's international operations create exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar. LP has entered into foreign exchange contracts to address a portion of the foreign currency rate risk associated with certain of its indebtedness. See Notes 4 and 10 of the Notes to financial statements included in Item 8 of LP's annual report on Form 10-K for the year ended December 31, 2000 for a discussion of LP's foreign exchange contracts and geographic segment information, respectively.

LP historically has not entered into material product commodity futures and swaps, although it may do so in the future.

LOUISIANA-PACIFIC CORPORATION AND SUBSIDIARIES SUMMARY OF PRODUCTION VOLUMES⁽¹⁾

	Three-months Ended September 30,		Nine-months Ended September 30,	
	2001	2000	2001	2000
Oriented strand board (North America), million square feet ^{3/8"} basis	1,309	1,383	4,020	4,134
Softwood plywood, million square feet ^{3/8"} basis	214	287	615	802
Lumber, million board feet	253	240	725	755
Wood-based siding, million square feet ^{3/8"} basis	208	152	555	499
Industrial panel products (particleboard, medium density fiberboard and hardboard), million square feet ^{3/4"} basis	115	170	356	504
Engineered I-Joist, million lineal feet	21	13	58	56
Laminated veneer lumber (LVL), thousand cubic feet	1,914	1,402	5,686	5,729
Pulp, thousand short tons	—	93	62	282

(1)

Amounts shown above include production that is consumed within LP as well as production that is available for sale to outside customers.

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		Plywood		Lumber		Particleboard	
	N. Central ^{7/16"} Basis		Southern Pine ^{1/2"} Basis Cdx 3-Ply		Framing Lumber Composite Prices		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
2000 1 st Qtr. Avg.		261		284		384		291
2000 2 nd Qtr. Avg.		237		274		337		299
2000 3 rd Qtr. Avg.		171		256		294		280
2001 1 st Qtr. Avg.		132		242		284		257
2001 2 nd Qtr. Avg.		191		303		366		260
2001 3 rd Qtr. Avg.		178		280		322		253

Source: *Random Lengths*

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Certain environmental matters and legal proceedings involving LP are discussed below. Additional environmental matters and legal proceedings involving LP are discussed in Item 7, Legal Proceedings, in LP's annual report on Form 10-K for the year ended December 31, 2000.

Environmental Matters

LP is involved in a number of 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.

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 \$273 million of that obligation had been satisfied at September 30, 2001 through cash payments of approximately \$263 million on a discounted basis. LP's remaining mandatory contribution to the settlement fund, approximately \$2 million, is due in June 2002. In addition to its mandatory contribution, at September 30, 2001, LP had paid, on a discounted basis, approximately \$97 million of

its two \$50 million optional contributions, at a cost to LP of approximately \$68 million. LP's remaining optional contribution to the settlement fund, approximately \$3 million, is due in August 2002. 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.

At September 30, 2001, 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 \$113 million. This amount represents the gross amount of the claim. Approximately 2,400 new claims were filed during the third quarter of 2001.

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. The period during which class members were entitled to make claims ended October 4, 2000. At September 30, 2001, there were fewer than 10 inspections remaining in the Florida class action. The total number of claims settled was 27,000 and totaled \$76.3 million.

Throughout the period the National and Florida Settlements have been in effect, LP has recorded accruals, which represent management's best estimates of amounts to be paid based on available information. The unusual nature of the National and Florida Settlements and the various remedies available to LP makes

the process of estimating these accruals difficult. LP expects to complete payments to Florida claimants during 2001 within its established reserves. In connection with the National Settlement, the liability recorded at September 30, 2001 represents management's best estimate of the future liability related to the siding claims based upon information currently available. There can be no assurance that the ultimate liability will not significantly exceed the recorded liability.

ABT Hardboard Siding Matters

As described under the caption "ABT Hardboard Siding Matters" in Item 3 of LP's annual report on Form 10-K for the year ended December 31, 2000, (i) LP, certain subsidiaries of LP and Abitibi were named as defendants in, and are parties to a settlement agreement resolving, certain class action proceedings involving hardboard siding manufactured or sold by the defendants and (ii) a subsidiary of LP and an unrelated defendant in such proceedings are parties to an allocation agreement allocating

21

liabilities with respect to claims relating to such hardboard siding. The following updating information should be read in conjunction with the information regarding the foregoing matters contained in LP's annual report on Form 10-K for the year ended December 31, 2000.

On June 13, 2001, in exchange for a cash payment from Abitibi of approximately \$19 million, Louisiana-Pacific Canada, Ltd. (LP Canada), a wholly owned subsidiary of LP, agreed to accept an assignment of all of Abitibi's rights and obligations under the settlement agreement and the allocation agreement; and LP and LP Canada agreed to indemnify and hold harmless Abitibi from any cost of liability arising from its sale of hardboard siding in the United States. From the date of the agreement, Abitibi has no further rights, obligations or liabilities under either the class action settlement agreement or the allocation agreement, all of such rights, obligations and liabilities having been assigned to and accepted and assumed by LP Canada. LP received the cash payment in July of 2001.

Nature Guard Cement Shakes Matters

LP has been named in three punitive class action proceedings in California in the following courts on the following dates: Superior Court of California, County of Stanislaus, on January 9, 2001 captioned *Virginia L. Davis v. Louisiana-Pacific Corporation*; Superior Court of California, County of San Francisco, on July 30, 2001 captioned *Mahleon R. Oyster and George Sousa v. Louisiana-Pacific Corporation*; and Superior Court of California, County of Stanislaus, on September 7, 2001, captioned *Angel H. Jasso and Angela Jasso v. Louisiana-Pacific Corporation*. The actions were filed on behalf of a purported class of persons nationwide owning structures on which LP's Nature Guard Cement Shakes were installed as roofing. Plaintiffs generally allege product liability, negligence, breach of warranties, unfair business practices, false advertising, fraud, deceit and other theories related to alleged defects, and failure of such cement shakes as well as consequential damages to other components of the structures where the cement shakes were installed. Plaintiffs seek general, compensatory, special and punitive damages as well as disgorgement of profits and the establishment of a fund to provide restitution to the purported class members.

LP has also been named on June 13, 2001 as defendant in a putative class action filed in Superior Court for the State of Washington, Snohomish County, captioned *Nick P. Marassi, M.D. and Debra Marassi v. Louisiana-Pacific Corporation*. The action was filed on behalf of a purported class of persons owning structures on which LP's Nature Guard Cement Shakes were installed as roofing. Plaintiffs generally allege nondisclosure, fraudulent concealment and violation of Washington's Consumer Protection Act arising from alleged product defects. Plaintiffs seek compensatory, exemplary and statutory damages; an injunction against marketing or selling the product and a declaration that LP is financially responsible for the costs and expenses of repair and replacement of all roofs containing the product.

LP no longer manufactures or sells cement shakes, but established and maintains a claims program for the Nature Guard shakes previously sold by it. LP believes that it has substantial defenses to the foregoing actions and intends to defend them vigorously. At the present time, LP cannot predict the potential financial impact of the above actions.

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

22

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, 2000.

23

Item 6. Exhibits and Reports on Form 8-K.

- (a)
Exhibits

LOUISIANA-PACIFIC CORPORATION

and

BANK ONE TRUST COMPANY, N.A.

Trustee

THIRD SUPPLEMENTAL TRUST INDENTURE

Dated as of August 13, 2001

Supplementing that certain

INDENTURE

Dated as of April 2, 1999

Authorizing the issuance and delivery of

Senior Subordinated Notes

Consisting of up to \$300,000,000 aggregate principal amount of

10.875% Senior Subordinated Notes due 2008

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

10.875% Senior Subordinated Notes due 2008

Being issued and delivered on the date hereof

Table of Contents

	Page
RECITALS	1
[Form of Face of Security]	2
[Form of Reverse of Security]	3
ARTICLE I. ISSUANCE OF SENIOR SUBORDINATED NOTES.	7
Section 1.1. Issuance of Senior Subordinated Notes; Principal Amount; Maturity.	8
Section 1.2. Interest on the Senior Subordinated Notes; Payment of Interest.	8
Section 1.3. Execution, Authentication and Delivery of Securities.	8
Section 1.4. Depository.	8
ARTICLE II. CERTAIN DEFINITIONS.	8
Section 2.1. Certain Definitions.	8
ARTICLE III. CERTAIN COVENANTS.	25
Section 3.1. Limitation on Liens.	25
Section 3.2. Limitation on Sale and Lease-Back Transactions.	25
Section 3.3. Offer to Repurchase upon Change of Control.	26
Section 3.4. Asset Sale.	27
Section 3.5. Limitation on Layering.	30
Section 3.6. Reports.	30
Section 3.7. Stay, Extension and Usury Laws.	30
Section 3.8. Payment Office.	31
Section 3.9. Restricted Payments.	31
Section 3.10. Incurrence of Indebtedness and Issuance of Preferred Stock.	33
Section 3.11. Dividend and Other Payment Restrictions Affecting Subsidiaries.	36
Section 3.12. Designation of Restricted and Unrestricted Subsidiaries.	38

Section 3.13. Limitation on Issuances and Sales of Equity Interests in Restricted Subsidiaries	38
Section 3.14. Transactions with Affiliates	39
Section 3.15. Payments for Consent.	40
Section 3.16. Compliance Certificate.	40
ARTICLE IV. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.	40
Section 4.1. Additional and Modified Events of Default.	40
ARTICLE V. DEFEASANCE.	43
Section 5.1. Applicability of Article V of the Indenture.	43
ARTICLE VI. REDEMPTION OF SENIOR SUBORDINATED NOTES.	44
Section 6.1. Right of Redemption.	44

ARTICLE VII. SUBORDINATION	45
Section 7.1. Agreement to Subordinate.	45
Section 7.2. Liquidation; Dissolution; Bankruptcy.	45
Section 7.3. Default on Designated Senior Debt.	45
Section 7.4. Acceleration of Notes.	46
Section 7.5. When Distribution Must Be Paid Over.	47
Section 7.6. Notice by Company.	47
Section 7.7. Subrogation.	47
Section 7.8. Relative Rights.	47
Section 7.9. Subordination May Not Be Impaired by Company.	48
Section 7.10. Distribution or Notice to Representative.	48
Section 7.11. Rights of Trustee and Paying Agent.	48
Section 7.12. Trust Moneys Not Subordinated.	49
Section 7.13. Authorization to Effect Subordination.	49
ARTICLE VIII. AMENDMENT AND RESTATEMENT OF ARTICLE XI OF THE INDENTURE	49
Section 8.1. Amendment and Restatement.	49
ARTICLE IX. MISCELLANEOUS.	50
Section 9.1. Reference to and Effect on the Indenture.	50
Section 9.2. Supplemental Indentures and Certain Actions.	50
Section 9.3. Waiver of Certain Covenants.	51
Section 9.4. No Personal Liability of Directors, Officers, Employees and Stockholders.	51
Section 9.5. Duties of Trustee.	51
Section 9.6. Supplemental Indenture May be Executed In Counterparts.	51
Section 9.7. Effect of Headings.	51

Third Supplemental Indenture, dated as of August 13, 2001 (the "*Supplemental Indenture*"), 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 "10.875% Senior Subordinated Notes due 2008" (the "*Senior Subordinated 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 Subordinated Notes, as evidenced by their execution of such Senior Subordinated Notes.

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

10.875% SENIOR SUBORDINATED NOTE DUE 2008

No. \$

Cusip No.

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 November 15, 2008 and to pay interest thereon from August 13, 2001 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually on May 15 and November 15 of each year, commencing on May 15, 2002, at the rate of 10.875% 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 May 1 or November 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 requirement of the Depository, payment of the principal of and interest and premium, if any, 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: _____

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 \$300,000,000, of which \$200,000,000 are Initial Senior Subordinated Notes and up to \$100,000,000 aggregate principal amount may be issued as Additional Senior Subordinated Notes.

Upon the occurrence of a Change of Control, the Company is required to offer to repurchase the Securities of this series 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 addition, in the event of an Asset Sale that requires the repurchase of Securities of this series pursuant to Section 3.4 of the Supplemental Indenture with respect thereto, the Company will be required to apply such Excess Proceeds to the repayment of the Securities of this series and any such other Indebtedness that is *pari passu* with the Securities of this series containing provisions similar to those set forth in the Supplemental Indenture with respect to the Securities of this series with respect to offers to purchase or redeem with the proceeds of sales of assets, in accordance with the procedures set forth 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.

At any time prior to November 15, 2005, the Securities of this series 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 of this series, at a Redemption Price equal to the greater of (i) 100% of the principal amount of the Securities of this series 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 50 basis points, together in either case with accrued and unpaid interest thereon to the Redemption Date.

3

In addition to the optional redemption right of the Company set forth above, at any time and from time to time prior to November 15, 2004, the Company may redeem in the aggregate up to 35% of the original principal amount of the Securities of this series (including Additional Senior Subordinated Notes) issued under the Indenture, at a Redemption Price of 110.875% (expressed as a percentage of principal amount), plus accrued and unpaid interest thereon to the Redemption Date, with the net cash proceeds of one or more Public Equity Offerings; *provided that*:

- (i) at least 65% of the original principal amount of the Securities of this series (including Additional Senior Subordinated Notes) issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Securities held by the Company and its Subsidiaries); and
- (ii) the redemption occurs within 45 days of the date of the closing of such Public Equity Offering.

On or after November 15, 2005, the Company shall have the option to redeem all or a part of the Securities of this series upon not less than 30 nor more than 60 days' notice, at the Redemption Prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon to the applicable Redemption Date, if redeemed during the twelve-month period beginning on November 15 of the years indicated below:

Year	Percentage
2005	105.438%
2006	102.719%
2007 and thereafter	100.000%

"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 of this series 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 of this series.

"Comparable Treasury Price" means, with respect to any Redemption Date, the (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

4

writing to the Trustee by such Reference Treasury Dealer 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 of this series 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 of this series are to be redeemed, the Securities to be redeemed shall be selected by the Trustee as follows: (i) if the Securities of this series are listed on a national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Securities of this series are listed, or (ii) if the Securities of this series are not listed on any national securities exchange, on a *pro rata* basis, by lot or 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. In the event of a redemption of this Security in part only, a new Security or Securities of this series will be issued in the name of the Holder hereof upon cancellation hereof.

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. Certain events of bankruptcy and insolvency are Events of Default which will result in the Securities of this series being due and payable immediately upon the occurrence of such Events of Default.

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

5

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.

The Securities of this series are subordinated to Senior Debt, as defined in the Indenture. To the extent provided in the Indenture, Senior Debt must be paid before the Securities of this series may be paid. Each Holder, by accepting a Security of this series, agrees to the subordination provisions contained in the Indenture and authorizes the Trustee to give them effect and appoints the Trustee as attorney-in-fact for such purpose.

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

6

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 Subordinated Notes, when the Senior Subordinated 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 present 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 Initial Senior Subordinated Notes have in all respects been duly authorized and the issue hereunder of the Additional Senior Subordinated Notes will in all respects be duly authorized on the date of the issuance thereof; 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 Initial Senior Subordinated Notes.

NOW THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

In order to declare the terms and conditions upon which the Senior Subordinated Notes are authenticated, issued, and delivered, and in consideration of the premises and of the purchase and acceptance of the Senior Subordinated 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 Subordinated Notes, as follows:

ARTICLE I. ISSUANCE OF SENIOR SUBORDINATED NOTES.

Section 1.1. Issuance of Senior Subordinated Notes; Principal Amount; Maturity.

(a) On August 13, 2001 the Company shall issue and deliver to the Trustee, and the Trustee shall authenticate, Initial Senior Subordinated 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 Subordinated Notes, as evidenced by their execution of such Senior Subordinated Notes.

(b) The Senior Subordinated Notes shall be issued in the aggregate principal amount of up to \$300,000,000, of which \$200,000,000 shall be Initial Senior Subordinated Notes and up to \$100,000,000 of which may be issued as Additional Senior Subordinated Notes. The Senior Subordinated Notes shall mature on November 15, 2008. Prior to authenticating any Additional Senior Subordinated Notes, the Company shall deliver to the Trustee an Officer's Certificate stating that such issuance is permitted by Section 3.10 hereof.

7

Section 1.2. Interest on the Senior Subordinated Notes; Payment of Interest.

(a) The Senior Subordinated Notes shall bear interest at the rate of 10.875% per annum from August 13, 2001, except in the case of Senior Subordinated 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, and except for Additional Senior Subordinated Notes, which shall bear interest from the date of their issuance, until the principal thereof is paid or made available for payment. Such interest shall be payable semiannually on May 15 and November 15 of each year, commencing May 15, 2002.

(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 Subordinated 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 May 1 or November 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 Subordinated 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 Subordinated 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 and premium, if any, on the Senior Subordinated 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 1.3. Execution, Authentication and Delivery of Securities.

The Senior Subordinated 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.

Section 1.4. Depository.

The Company initially appoints The Depository Trust Company to act as Depository with respect to the Senior Subordinated Notes.

ARTICLE II. CERTAIN DEFINITIONS.

Section 2.1. 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. Unless defined herein, all other terms used in this Supplemental Indenture that

8

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.

"*Acquired Debt*" means, with respect to any specified Person, (a) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and (b) Indebtedness secured by a Lien encumbering any assets acquired by such specified Person (*provided* that if such Indebtedness is not Indebtedness of such Person, it will constitute Acquired Debt only to the extent of the lesser amount of such Indebtedness and the aggregate value, as determined by the Board of Directors of the Company in good faith (which determination will be conclusive and binding), of the assets so acquired and subject to such Lien).

"*Additional Senior Subordinated Notes*" means up to \$100,000,000 aggregate principal amount of Senior Subordinated Notes (other than the Initial Senior Subordinated Notes) issued under the Indenture, in accordance with the terms of the Indenture and this Supplemental Indenture and subject to compliance with Section 3.10 of this Supplemental Indenture, as part of the same series as the Initial Senior Subordinated Notes.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Asset Sale*" means: (a) the sale, lease or other disposition of any assets, other than sales and other dispositions of inventory in the ordinary course of business and sales, leases or other dispositions consummated while the Rating Condition is satisfied; *provided* that the sale, lease or other disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, shall be governed by the provisions of Sections 3.3 hereof or Article XI of the Indenture (as modified hereby) and not by the provisions of Section 3.4 hereof; and (b) the issuance of Equity Interests by any of the Company's Restricted Subsidiaries or the sale of Equity Interests in any of its Subsidiaries.

Notwithstanding the preceding, the following items shall not be deemed to be Asset Sales: (i) any single transaction or series of related transactions that involves assets having an aggregate fair market value of less than \$10 million; (ii) any transaction between or among the Company and one or more of its Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary in connection with such transaction) or between or among two or more Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary in connection with such transaction); (iii) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary; (iv) any sale, lease or other disposition of equipment, accounts receivable or other assets in the ordinary course of business; (v) any sale, lease or other disposition of obsolete equipment or other assets that are no longer being used by the Company or any of its Restricted Subsidiaries that are sold, leased or disposed of in each case in the ordinary course of business; (vi) any sale or other disposition of cash or Cash Equivalents; (vii) any sale or other disposition of accounts receivable and related assets or interests therein of the type specified in the definition of "Qualified Receivables Transaction" to or by a Receivables Entity; (viii) any Restricted Payment or Permitted Investment that is permitted by

9

Section 3.9 hereof; and (ix) any sale or disposition that may be deemed to occur in connection with the creation of, or exercise of remedies in respect of, a Permitted Lien.

"*Attributable Debt*" in respect of a sale and leaseback transaction, means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

"*Board of Directors*" means, as the context may require, (a) with respect to a corporation, the board of directors of the corporation; (b) with respect to a partnership, the board of directors of the general partner of the partnership; and (c) with respect to any other Person, the board or a committee of such Person serving a similar function.

"*Capital Lease Obligation*" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"*Capital Stock*" means (a) in the case of a corporation, corporate stock; (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and (d) 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, the issuing Person.

"*Cash Equivalents*" means (a) United States dollars; (b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (*provided* that the full faith and credit of the United States is pledged in support of those securities) having maturities of not more than six months from the date of acquisition; (c) certificates of deposit and eurodollar time deposits with maturities of six months or

less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any lender party to the Credit Agreement or with any domestic commercial bank having capital and surplus in excess of \$500 million and a Thomson Bank Watch Rating of "B" or better; (d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above; (e) commercial paper having the highest rating obtainable from either Moody's or S&P and, in each case maturing within six months after the date of acquisition; and (f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (e) of this definition.

"*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), of more than 50% of the total Voting Stock (or comparable equity securities) 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

10

by or surviving such transaction; (c) the sale, assignment, conveyance, transfer, lease or other disposition, in one or more related transactions, 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 of the Company (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 of the Company then in office; or (e) the adoption by the Company's Board of Directors or the holders of a majority of the Company's outstanding common stock of a plan providing for 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.

"*Commodity Price Protection Obligation*" means, with respect to any specified Person, the obligations of such Person under any forward contract, commodity swap, commodity option or other similar financial agreement or arrangement relating to, or the value of which is dependent on, fluctuations in commodity prices entered into in the ordinary course of business for valid business purposes and not for speculative purposes.

"*Consolidated Cash Flow*" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*:

(a) an amount equal to any extraordinary loss plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with any sale or other disposition of assets, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(b) an amount equal to any non-cash loss related to assets and liabilities transferred under contractual arrangements recorded pursuant to SEC Staff Accounting Bulletin No. 30, to the extent such loss was deducted in computing such Consolidated Net Income; *plus*

(c) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(d) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued and whether or not capitalized (including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations), to the extent that any such expense was deducted in computing such Consolidated Net Income; *plus*

(e) depreciation, amortization and depletion or cost of fee timber harvested (including amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such

11

Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization, depletion or cost of fee timber harvested and other non-cash charges and expenses were deducted in computing such Consolidated Net Income; *minus*

(f) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business;

in each case, without duplication, on a consolidated basis and determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, and the depreciation, amortization and depletion or cost of fee timber harvested and other non-cash charges and expenses of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company only to the extent that a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and would not be prohibited, directly or indirectly, by the operation of the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that: (a) the Net Income (but not loss) of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Wholly Owned Restricted Subsidiary of the specified Person; (b) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, is prohibited, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders; (c) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded; (d) the cumulative effect of a change in accounting principles shall be excluded; (e) all extraordinary, unusual or nonrecurring gains and losses (including without limitation any one-time costs incurred in connection with acquisitions) (together with any related provision for taxes) shall be excluded; (f) any gain or loss (together with any related provision for taxes) realized upon the sale or other disposition of any property, plant or equipment of the Company or its Restricted Subsidiaries (including pursuant to any sale and leaseback arrangement) which is not sold or otherwise disposed of in the ordinary course of business and any gain or loss (together with any related provision for taxes) realized upon the sale or other disposition by the Company or any Restricted Subsidiary of any Capital Stock of any Person or any Assets Sale shall be excluded; and (g) the Net Income of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the specified Person or one of its Subsidiaries.

"*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 (a) all current liabilities and (b) 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.

"*Consolidated Net Worth*" means, with respect to any specified Person as of any date, the sum of (a) the consolidated equity of the common stockholders of such Person and its consolidated Subsidiaries as of such date; *plus* (b) the respective amounts reported on such Person's balance sheet as of such date with respect to any series of preferred stock (other than Disqualified Stock) that by its

12

terms is not entitled to the payment of dividends unless such dividends may be declared and paid only out of net earnings in respect of the year of such declaration and payment, but only to the extent of any cash received by such Person upon issuance of such preferred stock.

"*Credit Agreement*" means collectively, (a) that certain Credit Agreement, dated as of January 31, 1997, by and among the Company and Louisiana-Pacific Canada, Ltd., Bank of America, N.A. and other financial institutions a party thereto, providing for up to \$300 million of borrowings (and, if obtained, the New Domestic Revolving Credit Facility replacing such facility), and (b) that certain Credit Agreement, dated January 15, 1997, by and among the Company, Louisiana-Pacific Canada, Ltd., and Royal Bank of Canada (and, if obtained, the New Canadian Revolving Credit Facility replacing such facility), including in each case related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, modified, renewed, refunded, replaced or refinanced from time to time (including successive amendments, modifications, renewals, refundings, replacements or refinancings).

"*Credit Facilities*" means, one or more credit facilities (including without limitation the Credit Agreement) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time (including successive amendments, modifications, renewals, refundings, replacements or refinancings).

"*Currency Hedging Obligations*" means with respect to any specified Person, the obligations of such Person under any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect against the fluctuations in currency values entered into in the ordinary course of business for valid business purposes and not for speculative purposes.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Senior Debt*" means (a) Senior Debt outstanding under the Credit Agreement and all Obligations of the Company outstanding under the Support Agreement; and (b) any other Senior Debt permitted under the Indenture and this Supplemental Indenture, the principal amount of which is \$25 million or more and that has been designated by the Company as "Designated Senior Debt."

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the occurrence of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Senior Subordinated Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 3.9 hereof.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Existing Indebtedness*" means all existing Indebtedness of the Company and its Restricted Subsidiaries in existence on the date of this Supplemental Indenture, other than Indebtedness under the Credit Agreement.

13

"*Fixed Charges*" means, with respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued, including without limitation amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of any deferred payment

obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations; *plus*

(b) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(c) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(d) the product of (i) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock) or to the Company or a Restricted Subsidiary of the Company, times (ii) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal, in each case, on a consolidated basis and in accordance with GAAP;

provided, that the Company's Obligations under the Support Agreement will not constitute a Guarantee for purposes of clause (c) above.

"Fixed Charge Coverage Ratio" means with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases or redeems any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom as if the same had occurred at the beginning of the applicable four-quarter reference period. In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(a) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period will be calculated on a pro forma basis in accordance with Regulation S-X under the Securities Act, but without giving effect to clause (c) of the proviso set forth in the definition of Consolidated Net Income;

(b) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded;

14

(c) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;

(d) the consolidated interest expense attributable to interest on any Indebtedness computed on a pro forma basis and (i) bearing a floating interest rate shall be computed as if the rate in effect on the date of computation had been the applicable rate for the entire period and (ii) that was not outstanding during the period for which the computation is being made but which bears, at the option of such Person, a fixed or floating rate of interest, shall be computed by applying at the option of such Person either the fixed or floating rate;

(e) the consolidated interest expense attributable to interest on any working capital borrowings under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such working capital borrowings during the applicable period; and

(f) acquisitions and dispositions that have been made by any Person that has become a Restricted Subsidiary of the Company or been merged with or into the Company or any Restricted Subsidiary of the Company during the four-quarter reference period, or subsequent to the four-quarter reference period but prior to the Calculation Date, shall be calculated on a pro forma basis, including all of the calculations referred to above, assuming that such acquisitions and dispositions had occurred on the first day of the reference period.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institutes of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the date of this Supplemental Indenture.

"Government Securities" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States of America (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States of America is pledged.

"Guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including without limitation by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof) of all or any part of any Indebtedness, including without limitation the Support Agreement.

"Hedging Obligations" means, with respect to any specified Person, the obligations of such Person under: (a) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements; and (b) other agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent: (a) in respect of borrowed money; (b) evidenced by bonds, notes, debentures, performance bonds or similar instruments or letters of credit (or reimbursement agreements in respect thereof); (c) in respect of banker's acceptances; (d) representing Capital Lease Obligations or any Attributable Debt; (e) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable; or (f) representing any Hedging Obligations, Commodity Price Protection Obligations or Currency Hedging Obligations, if and to the extent any of the preceding items (other than letters of credit, Hedging Obligations, Commodity Price Protection Obligations and Currency Hedging Obligations)

would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any indebtedness of any other Person.

The amount of any Indebtedness outstanding as of any date will be: (i) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount; and (ii) the principal amount of the Indebtedness, together with any interest on the Indebtedness that is more than 30 days past due, in the case of any other Indebtedness.

"*Initial Senior Subordinated Notes*" means the initial \$200 million aggregate principal amount of Senior Subordinated Notes issued under the Indenture on the date hereof.

"*Investment Grade*" means (a) BBB- or above, in the case of S&P (or its equivalent under any successor Rating Categories of S&P) and Baa3 or above, in the case of Moody's (or its equivalent under any successor Rating Categories of Moody's), or (b) the equivalent in respect of the Rating Categories of any Rating Agencies, in each case with a stable or improving outlook.

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees and other forms of credit support), advances or capital contributions (excluding commissions, travel, entertainment, moving and similar advances to directors, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided in Section 3.9(d) hereof. The acquisition by the Company or any Subsidiary of the Company of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Subsidiary in such third Person in an amount equal to the fair market value of the Investment held by the acquired Person in such third Person in an amount determined as provided in Section 3.9(d) hereof.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Moody's*" means Moody's Investors Service, Inc. and its successors.

"*Net Income*" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however: (a) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with: (i) any Asset Sale; or (ii) the disposition of any securities by such Person or any of its Restricted Subsidiaries or the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries; and (b) any extraordinary gain (but not loss), together with any related provision for taxes on such extraordinary gain (but not loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Subsidiaries in respect of any Asset Sale (including without limitation any cash received upon the sale

or other disposition of any non-cash consideration received in any Asset Sale), net of all fees and expenses relating to such Asset Sale, including without limitation legal, accounting and investment banking fees and expenses, sales commissions, relocation expenses incurred as a result of the Asset Sale, taxes paid or payable and all reserves required to be accrued as a liability as a result of the Asset Sale, amounts paid or payable to holders of minority interests in Subsidiaries of the Company and amounts required to be applied to the repayment of Indebtedness.

"*New Canadian Revolving Credit Facility*" means the new Canadian revolving credit facility contemplated by the Company on the date of this Supplemental Indenture to replace that certain existing Credit Agreement, dated January 15, 1997, by and among the Company, Louisiana-Pacific Canada, Ltd., and Royal Bank of Canada, as amended, as described in the Prospectus Supplement, dated August 8, 2001, with respect to the Senior Subordinated Notes.

"*New Domestic Revolving Credit Facility*" means the new domestic senior secured revolving credit facility contemplated by the Company on the date of this Supplemental Indenture to replace that certain existing Credit Agreement, dated as of January 31, 1997, by and among the Company and Louisiana-Pacific Canada, Ltd., Bank of America, N.A. and other financial institutions a party thereto, as amended, as described in the Prospectus Supplement, dated August 8, 2001, with respect to the Senior Subordinated Notes.

"*Non-Recourse Debt*" means Indebtedness: (a) as to which neither the Company nor any of its Restricted Subsidiaries (i) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness but excluding any agreement to provide managerial support), (ii) is directly or indirectly liable as a guarantor or otherwise, or (iii) constitutes the lender; and (b) in respect of which no default (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Senior Subordinated Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Permitted Business*" means any business conducted by the Company on the date of this Supplemental Indenture, any reasonable extension thereof and any business reasonably related, ancillary or complementary thereto, in each case as determined by the Company's Board of Directors.

"*Permitted Debt*" has the meaning set forth in Section 3.10(b) hereof.

"Permitted Investments" means:

(a) any Investment in the Company or in a Restricted Subsidiary of the Company;

(b) any Investment in Cash Equivalents;

(c) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if in connection with such Investment: (i) such Person becomes a Restricted Subsidiary of the Company; or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(d) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the provisions described under Section 3.4 hereof;

(e) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

17

(f) any Investments represented by accounts receivable arising or acquired in the ordinary course of business and extension of credit on commercially reasonable terms in the ordinary course of business in accordance with normal trade practice;

(g) any Investments received in compromise or settlement of claims against any other Person arising out of the conduct of any Permitted Business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any Person;

(h) Investments in Unrestricted Subsidiaries in an amount not to exceed, together with the amount of all other Investments outstanding under this clause (h), at the time of such Investment and after giving pro forma effect thereto, \$15 million;

(i) Hedging Obligations, Currency Hedging Obligations and Commodity Price Protection Obligations;

(j) Investments in any of the Senior Subordinated Notes;

(k) Investments in existence on the date of this Supplemental Indenture (including the revolving credit loan extended to Samoa Pacific Cellulose LLC);

(l) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and worker's compensation, performance and other similar deposits provided to third parties in the ordinary course of business;

(m) Investments by the Company or a Restricted Subsidiary in a Receivables Entity or any Investment by a Receivables Entity in any other Person, in each case in connection with a Qualified Receivables Transaction, *provided, however*, that any Investment in any such Person (other than a Receivables Entity that is a Wholly-Owned Restricted Subsidiary) is in the form of an acquisition of an Equity Interest in such Person, advances under a Purchase Money Note, the contribution of, or payments pursuant to, a capital promissory note payable to such Person, interests in accounts receivable and related assets generated by the Company or a Restricted Subsidiary and transferred to any Person in connection with a Qualified Receivables Transaction or any such Person owning such accounts receivable and Standard Securitization Undertakings in connection with a Qualified Receivables Transaction;

(n) Investments in Slocan-LP OSB Corp. to fund the construction and working capital requirements of its initial oriented strand board facility in British Columbia, Canada as contemplated by the joint venture agreement with respect thereto in existence on the date of this Supplemental Indenture;

(o) Investments in Permitted Joint Ventures having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (o) since the date of this Supplemental Indenture, not to exceed 5% of the Consolidated Net Tangible Assets of the Company determined as of the date of its most recent quarter-end balance sheet; and

(p) other Investments in any Person having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (p) since the date of this Supplemental Indenture, not to exceed \$20 million;

provided that, in the event that an Investment or any portion thereof meets the criteria of more than one of the categories of Permitted Investments described above, the Company will be permitted to classify such Investment or portion thereof as being within any one or more such categories in respect of which it meets the criteria.

18

"Permitted Joint Venture" means, with respect to any Person, any corporation, partnership, limited liability company or other business entity (a) of which at least 20%, but not more than 50%, of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the Restricted Subsidiaries (other than a Receivables Entity) of that Person and (b) which engages only in a Permitted Business.

"Permitted Junior Securities" means (a) Equity Interests in the Company; or (b) debt securities that are subordinated to all Senior Debt and any debt securities issued in exchange for Senior Debt to substantially the same extent as, or to a greater extent than, the Senior Subordinated Notes are subordinated to Senior Debt under the Indenture and this Supplemental Indenture.

"Permitted Liens" means:

(a) Liens securing Senior Debt of the Company or Indebtedness (other than Attributable Debt) of any Restricted Subsidiary that, in each case, was permitted by the terms of the Indenture and this Supplemental Indenture, to be incurred; *provided* that in the case of Indebtedness described in Section 3.10(b)(ix) (including any refundings, replacements or refinancings or successive refundings, replacements or refinancings thereof) such Liens are

limited while the Company does not meet the Rating Condition to Liens on assets of the type referred to in the definition of Qualified Receivables Transaction;

(b) Liens securing Attributable Debt of the Company or any Restricted Subsidiary that, in each case, was permitted by the terms of the Indenture and this Supplemental Indenture to be incurred, *provided* that any Lien on a Principal Property securing Attributable Debt of the Company or any Restricted Subsidiary which is created or incurred while the Rating Condition is satisfied will be permitted under this clause (b) only if the amount of the Attributable Debt secured by such Lien, together with all other Indebtedness of the Company and its Restricted Subsidiaries that is then secured by Liens on Principal Properties (other than Liens permitted under clauses (c) through (j) and (l) through (p) of this paragraph, and extensions, renewals and replacements thereof permitted under clause (r) of this paragraph), does not exceed 15% of the Consolidated Net Tangible Assets;

(c) Liens in favor of the Company or a Restricted Subsidiary (other than a Receivables Entity);

(d) Liens on assets of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were not incurred in contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;

(e) Liens on assets existing at the time of acquisition of the assets by the Company or any Restricted Subsidiary of the Company; *provided* that such Liens were not incurred in contemplation of such acquisition and do not extend to any other assets owned by the Company or its Restricted Subsidiaries;

(f) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds, statutory and common law landlord's liens or other obligations of a like nature incurred in the ordinary course of business;

(g) Liens securing revenue bonds exempt from Federal income taxation pursuant to Section 103(b) of the Internal Revenue Code;

(h) Liens existing on the date of this Supplemental Indenture;

19

(i) Liens on timberlands in connection with any 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;

(j) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefore;

(k) Liens incurred in the ordinary course of business of the Company or any Restricted Subsidiary of the Company with respect to obligations that do not exceed \$25 million at any one time outstanding;

(l) any Lien securing Hedging Obligations, Commodity Price Protection Obligations or Currency Hedging Obligations permitted by the Indenture and this Supplemental Indenture;

(m) Liens on assets acquired, improved or constructed to secure or provide for the payment of all or any part of their cost of acquisition, improvement or construction; *provided, however*, that (i) the principal amount of any Indebtedness secured by such a Lien does not exceed 100% of such cost; (ii) such Lien does not extend to or cover any other asset other than the property, plant or equipment acquired, improved or constructed; (iii) such Lien is created within 270 days of the acquisition, improvement or construction; and (iv) the incurrence of such Indebtedness is permitted by Section 3.10 hereof;

(n) Liens which are imposed by law;

(o) Liens which are imposed on deposits in connection with bids, tenders, or contracts or on deposits to secure public or statutory obligations of the Company or any Restricted Subsidiary;

(p) Liens which arise out of judgments or awards against the Company or any Restricted Subsidiary pending appeal or review so long as the Liens are subject to a stay of execution pending that appeal or review;

(q) Liens on assets transferred to a Receivables Entity or Equity Interests in a Receivables Entity or on assets of a Receivables Entity, in each case created, incurred or arising in connection with a Qualified Receivables Transactions; and

(r) Liens created, extended or renewed in connection with any extensions, amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings in whole or in part, of any Indebtedness, Attributable Debt or trade payables (including successive extensions, amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings) secured by any Lien referred to in clauses (a) through (q) above, so long as such Lien does not extend to any other property and the principal amount of Indebtedness so secured does not exceed the principal amount of Indebtedness so renewed, extended, refinanced, replaced or refunded, plus the amount of any premium required to be paid in connection with any such refinancing pursuant to the terms of the Indebtedness refinanced plus the expenses of the Company in connection with such refinancing.

"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (including successive extensions, amendments, modifications, renewals, refundings, replacements or refinancings) (other than intercompany Indebtedness); *provided* that: (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and

20

the amount of all expenses and premiums incurred in connection therewith); (b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (c) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Senior Subordinated Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Senior Subordinated Notes on terms at least as favorable to the Holders of Senior Subordinated Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (d) such Indebtedness is incurred by the Company if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded was Indebtedness of the Company.

"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 (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.

"Public Equity Offering" means an underwritten public offering by the Company for cash (in an amount not less than \$25 million) of its common stock pursuant to a registration statement.

"Purchase Money Note" means a promissory note of a Receivables Entity evidencing a line of credit, which may be irrevocable, provided by the Company or any Restricted Subsidiary of the Company to a Receivables Entity in connection with a Qualified Receivables Transaction, which note is repayable from cash available to the Receivables Entity.

"Qualified Receivables" means accounts receivable generated by the Company and its Restricted Subsidiaries that are either (a) included in the borrowing base or other determinant of the amount of advances or sales proceeds to be made available to the Company and its Restricted Subsidiaries in connection with any Qualified Receivables Transaction or (b) of a kind and character that are customarily included in the borrowing base or other determinant of the amount of advances or sales proceeds to be made available to the owner or seller of accounts receivable in connection with asset securitizations involving accounts receivable.

"Qualified Receivables Transaction" means any transaction or series of transactions that may be entered into by the Company or any of its Restricted Subsidiaries pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey, grant a security interest in, or otherwise transfer to (a) a Receivables Entity (in the case of a transfer by the Company or any of its Restricted Subsidiaries) and (b) any other Person (in the case of a transfer by a Receivables Entity), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Restricted Subsidiaries, and any assets related thereto, including without limitation all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitizations involving accounts receivable, whether directly or through the sale, conveyance, grant of a security interest or other transfer to conduit purchaser or other Person that directly or indirectly securitizes the accounts receivable.

"Rating Agencies" means (a) S&P and Moody's or (b) if S&P or Moody's or both of them are not making ratings of the Senior Subordinated Notes publicly available, a nationally recognized U.S. rating agency or agencies, as the case may be, selected by the Company, which will be substituted for S&P or Moody's or both, as the case may be.

"Rating Category" means (a) with respect to S&P, any of the following categories (any of which may include a "+" or "-"): AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories), (b) with respect to Moody's, any of the following categories: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (c) the equivalent of any such categories of S&P or Moody's used by another Rating Agency, if applicable.

"Rating Condition" means as of any particular time (a) the Senior Subordinated Notes being rated as Investment Grade by the Rating Agencies and (b) the failure of any Default or Event of Default to have occurred and be continuing under the Indenture and this Supplemental Indenture. The Rating Condition will be deemed to be satisfied throughout any period of time during which the conditions described in clauses (a) and (b) of the immediately preceding sentence are satisfied. Without limiting the foregoing, if the Rating Condition is satisfied during any period of time and subsequently, one or both Rating Agencies withdraw the Investment Grade rating assigned to the Senior Subordinated Notes, or downgrade the Investment Grade rating assigned to the Senior Subordinated Notes such that the Senior Subordinated Notes are no longer rated Investment Grade by such Rating Agency, then the Rating Condition will no longer be deemed to be satisfied.

"Receivables Entity" means a Wholly Owned Restricted Subsidiary of the Company (or another Person in which the Company or any Restricted Subsidiary of the Company makes an Investment and to which the Company or any Restricted Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities otherwise than in connection with the financing of accounts receivable and activities incidental, ancillary or otherwise relating thereto and which is designated by the Board of Directors of the Company (as provided below) as a Receivables Entity: (a) of which no portion of the Indebtedness or any other obligations (contingently or otherwise): (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding Guarantees of Obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings); (ii) is recourse to or obligates the Company or any other Restricted Subsidiary of the Company in any way otherwise than pursuant to Standard Securitization Undertakings; or (iii) subjects any asset of the Company or any other Restricted Subsidiary of the Company, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings; (b) with which neither the Company nor any other Restricted Subsidiary of the Company has any material contract or agreement (except in connection with a capital promissory note, Purchase Money Note or Qualified Receivables Transaction) otherwise than on terms no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company, other than fees payable in the ordinary course of business in connection with servicing accounts receivable; and (c) to which neither the Company nor any Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution of the Board of Directors of the Company setting forth such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"Replacement Assets" means (a) long-term assets that will be used or useful in a Permitted Business, (b) substantially all of the assets of another Permitted Business, or (c) a majority of the Voting Stock of any Person engaged in a Permitted Business that will become on the date of acquisition thereof a Restricted

"*Representative*" means the indenture trustee or other trustee, agent or representative of any Senior Debt and, in respect of Designated Senior Debt outstanding under the Credit Agreement, means, for so long as there are outstanding obligations under the Credit Agreement, the "Agent" or the "Administrative Agent" under the Credit Agreement.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Rating Services, a division of the McGraw Hills Companies, Inc., and its successors.

"*Senior Debt*" means (a) all Indebtedness of the Company outstanding under the Credit Agreement; (b) all Obligations of the Company outstanding under the Support Agreement; (c) all Currency Hedging Obligations and Hedging Obligations that are or may be secured, in whole or in part, by any asset securing Obligations under the Credit Agreement; (d) any other Indebtedness (excluding Attributable Debt) of the Company permitted to be incurred under the terms of the Indenture and this Supplemental Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is on a parity with or subordinated in right of payment to the Senior Subordinated Notes; and (e) all Obligations with respect to the items listed in the preceding clauses (a), (b), (c) and (d). Notwithstanding anything to the contrary in the preceding, Senior Debt will not include (i) any liability for federal, local or other taxes owed or owing by the Company; (ii) any intercompany Indebtedness of the Company or any of its Subsidiaries to the Company or any of its Affiliates; (iii) any trade payables; (iv) any liabilities under judgments, orders, awards, consent decrees or settlement agreements arising out of or relating to any litigation, arbitration or similar proceedings; or (v) the portion of any Indebtedness that is incurred in violation of the Indenture or this Supplemental Indenture.

"*Senior Subordinated Notes*" has the meaning assigned to it in the preamble hereto. The Initial Senior Subordinated Notes and the Additional Senior Subordinated Notes shall be treated as a single class for all purposes under the Indenture and this Supplemental Indenture.

"*Significant Subsidiary*" means any Subsidiary of the Company that accounts for (a) 10% or more of the total consolidated assets of the Company and its Subsidiaries as of any date of determination or (b) 10% or more of the total consolidated revenues of the Company and its Subsidiaries for the most recently concluded fiscal quarter.

"*Standard Securitization Undertakings*" means representations, warranties, covenants, indemnities and other obligations and arrangements entered into by the Company or any Restricted Subsidiary of the Company which are reasonably customary in securitization of accounts receivable transactions.

"*Stated Maturity*" means, with respect to any installment of principal or premium, if any, of or interest on any Indebtedness, the date on which the payment of principal, premium or interest was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such principal, premium or interest prior to the date originally scheduled for the payment thereof.

"*Support Agreement*" means the Standby Purchase and Note Support Agreement dated August 16, 1999 by and among the Company, Bank of America, N.A. and Canadian Imperial Bank of Commerce, as amended, modified, renewed or replaced from time to time (including successive amendments, modifications, renewals or replacements).

"*Subsidiary*" means, as applied with respect to any specified Person, any corporation, association, business entity, partnership, limited liability company or other Person, more than 50% of the issued and outstanding Voting Stock of which is at the time directly or indirectly owned or controlled by such

specified Person, by such specified Person and one or more of its other Subsidiaries, or by one or more of such specified Person's other Subsidiaries.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company (or any successor to any of them) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution, but only to the extent that such Subsidiary (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (c) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Equity Interests or (ii) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; and (e) does not operate, either alone or in the aggregate with all other Unrestricted Subsidiaries, directly or indirectly, all or substantially all of the business of the Company and its Subsidiaries, and does not own, directly or indirectly, any Principal Property, or any Capital Stock or Indebtedness of a Restricted Subsidiary.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to such designation and an Officer's Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 3.9 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and this Supplemental Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 3.10 hereof, the Company will be in default under such Section. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (i) such Indebtedness is permitted under Section 3.10 hereof, calculated on a pro forma basis (unless such designation is made while the Rating Condition is satisfied) as if such designation had occurred at the beginning of the four-quarter reference period; and (ii) no Default or Event of Default would be in existence following such designation.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person, determined without regard to any voting power that has been or may be conferred by any class or classes of Capital Stock by reason of the occurrence of any contingency.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (ii) the number of years (calculated to the nearest one-twelfth) that may elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

"*Wholly Owned Restricted Subsidiary*" of any specified Person means a Subsidiary of such Person all of the outstanding Capital Stock of which (other than directors' qualifying shares) will at the same time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person or by such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

ARTICLE III. CERTAIN COVENANTS.

The following covenants shall be applicable to the Company for so long as any of the Senior Subordinated 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 3.1. Limitation on Liens.

The Company shall not and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or suffer any Lien of any kind securing Indebtedness, Attributable Debt or trade payables on any asset now owned or hereafter acquired, except Permitted Liens.

Section 3.2. Limitation on Sale and Lease-Back Transactions.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction (other than a sale and leaseback transaction between the Company and a Restricted Subsidiary or between two Restricted Subsidiaries); *provided* that the Company or any Restricted Subsidiary may enter into a sale and leaseback transaction if:

(a) (i) in the case of a sale and leaseback transaction consummated at a time at which the Rating Condition is not satisfied, the Company or that Restricted Subsidiary, as applicable, could have incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to Section 3.10 hereof, and (ii) in the case of a sale and leaseback transaction consummated at any time, regardless of whether the Rating Condition is satisfied, the Company or that Restricted Subsidiary, as applicable, could have incurred a Lien to secure Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to Section 3.1 hereof.;

(b) the gross cash proceeds of that sale and leaseback transaction are at least equal to the fair market value, as determined by the Company's Board of Directors (which determination will be conclusive and binding) and evidenced by a Board Resolution set forth in an Officer's Certificate delivered to the Trustee, of the property that is the subject of that sale and leaseback transaction; and

(c) (i) in the case of a sale and leaseback transaction consummated at a time at which the Rating Condition is not satisfied, the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 3.4 hereof, and (ii) in the case of a sale and leaseback transaction consummated at a time at which the Rating Condition is satisfied, the Company, within 270 days after the effective date of the sale and leaseback transaction, applies an amount equal to the proceeds of such transaction:

- (A) to repay Senior Debt and, if the Senior Debt repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;
- (B) to purchase, redeem, acquire, defease or retire (in whole or, to the extent applicable, in part) the Senior Subordinated Notes;
- (C) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business (including by means of a merger or consolidation permitted under the Indenture and this Supplemental Indenture);
- (D) to make capital expenditures; or
- (E) to acquire long-term assets that are used or useful in a Permitted Business (other than those involved in the sale and leaseback transaction).

Section 3.3. 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 Subordinated Notes to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Senior Subordinated Notes at a price in cash equal to 101% of aggregate 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 the Senior Subordinated 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"). Such notice shall contain all instructions and materials necessary to enable Holders to tender Senior Subordinated Notes pursuant to such Change of Control Offer and shall also state that (i) the Change of Control Offer is being made pursuant to this Section 3.3 and the length of time that the Change of Control Offer shall remain open, (ii) the repurchase price and the Change of Control

Payment Date, (iii) that any Senior Subordinated Note not tendered or accepted for payment shall continue to accrete or accrue interest, (iv) that unless the Company defaults in making such payment, any Senior Subordinated Note accepted for payment pursuant to the Change of Control Offer shall cease to accrete or accrue interest after the Change of Control Payment Date, (v) that Holders electing to have a Senior Subordinated Note purchased pursuant to a Change of Control Offer may elect to have Senior Subordinated Notes purchased in integral multiples of \$1,000 only; (vi) that Holders electing to have a Senior Subordinated Note purchased pursuant to any Change of Control Offer shall be required to surrender the Senior Subordinated Note or transfer by book-entry transfer, to the Company, a depository, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three business days before the Change of Control Payment Date; (vii) that Holders shall be entitled to withdraw their election if the Company, the depository or the Paying Agent, as the case may be, receives, not later than two business days preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Senior Subordinated Note the Holder delivered for purchase and a statement that such Holder is withdrawing its election to have such Senior Subordinated Note purchased; and (viii) that Holders whose Senior Subordinated Notes were purchased only in part shall be issued new Senior Subordinated Notes equal in principal amount to the unpurchased portion of the Senior Subordinated Notes surrendered (or transferred by book-entry transfer). 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 Senior Subordinated Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture and this Supplemental Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the Change of Control provisions of the Indenture and this Supplemental Indenture by virtue of such conflict.

(b) On the Change of Control Payment Date, the Company shall, to the extent lawful, (i) accept for payment all Senior Subordinated Notes or portions thereof properly tendered pursuant to the Change of Control Offer and not withdrawn, (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Subordinated Notes or portions thereof so accepted, and (iii) deliver or cause to be delivered to the Trustee the Senior Subordinated Notes so accepted together with an Officer's Certificate stating the aggregate principal amount of Senior Subordinated Notes or portions thereof being purchased by the

26

Company. The Paying Agent shall promptly mail to each Holder of Senior Subordinated Notes so accepted the Change of Control Payment for such Senior Subordinated Notes. The Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to the Holder thereof a new Senior Subordinated Note equal in principal amount to the unpurchased portion of such Senior Subordinated Note, if any; *provided* that each such new Senior Subordinated Note will be in a principal amount of \$1,000 or an integral multiple thereof. The Company shall publicly announce the results of a Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

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 Subordinated 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 Subordinated Notes validly tendered pursuant to such Change of Control Offer.

Section 3.4. Asset Sale.

(a) Unless the Rating Condition is satisfied at the time of the consummation of such Asset Sale, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(i) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(ii) in the case of any Asset Sale involving assets or Equity Interests having a fair market value of \$25 million or more, the fair market value is determined by the Company's Board of Directors in good faith (which determination will be conclusive and binding) and evidenced by a Board Resolution of the Board of Directors of the Company set forth in an Officer's Certificate delivered to the Trustee; and

(iii) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of (x) cash or Cash Equivalents or (y) Replacement Assets, or a combination of both; *provided* that non-cash consideration in excess of the 25% limit may be received by the Company and its Restricted Subsidiaries in an Asset Sale in an aggregate amount, when taken together with all other non-cash consideration in excess of the 25% limit received by the Company and its Restricted Subsidiaries in Asset Sales since the date of this Supplemental Indenture, not to exceed \$150 million (with non-cash consideration being valued at its fair market value, as determined by the Company's Board of Directors in good faith (which determination will be conclusive and binding), on the date of its receipt by the Company and its Restricted Subsidiaries and without giving effect to subsequent changes in value). For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on the Company's or such Restricted Subsidiary's most recent balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Senior Subordinated Notes) that are assumed by the transferee of any such assets; and

27

(B) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted into cash within 30 days following the consummation of such Asset Sale to the extent of the cash received by the Company or such Restricted Subsidiary in that conversion.

(b) Within 360 days after the receipt of any Net Proceeds from an Asset Sale that is consummated at a time when the Rating Condition is not satisfied (including Net Proceeds received upon the sale or other disposition of any non-cash consideration received in any Asset Sale, which shall include, without limitation, cash payments received in respect of instruments received pursuant to the proviso described in Section 3.4(a)(iii)), the Company may apply those Net Proceeds at its option:

- (i) to repay Senior Debt and, if the Senior Debt repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;
- (ii) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Permitted Business (including by means of a merger or consolidation permitted under the Indenture and this Supplemental Indenture);
- (iii) to make capital expenditures; or
- (iv) to acquire long-term assets that are used or useful in a Permitted Business.

Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture or this Supplemental Indenture.

(c) Any Net Proceeds from Asset Sales that are consummated at a time when the Rating Condition is not satisfied that are not applied or invested as provided in Section 3.4(b) will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds \$25 million, the Company shall make an offer (an "Asset Sale Offer") to all Holders of Senior Subordinated Notes and all holders of other Indebtedness that is *pari passu* with the Senior Subordinated Notes containing provisions similar to those set forth in this Supplemental Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets, to purchase the maximum principal amount of Senior Subordinated Notes and such other *pari passu* Indebtedness that may be purchased with Excess Proceeds at the offer price. The offer price in any Asset Sale Offer will be equal to 100% of principal amount plus accrued and unpaid interest thereon to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture and this Supplemental Indenture. If the aggregate principal amount of Senior Subordinated Notes and other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Senior Subordinated Notes and such other *pari passu* Indebtedness to be purchased on a *pro rata* basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

28

(d) (i) Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders. The notice shall contain all instructions and materials necessary to enable such Holders to tender Senior Subordinated Notes pursuant to such Asset Sale Offer. The notice, which shall govern the terms of such Asset Sale Offer, shall state: (A) that the Asset Sale Offer is being made pursuant to this Section 3.4; (B) the period (the "Asset Sale Offer Period") during which the Asset Sale Offer shall remain open (which period shall be 20 Business Days, except to the extent that a longer period is required by applicable law); (C) the date (the "Asset Sale Purchase Date") on which Senior Subordinated Notes and *pari passu* Indebtedness validly tendered in the Asset Sale Offer and not withdrawn will be purchased pursuant to the Asset Sale Offer (which date will be no later than five Business days after the expiration of the Asset Sale Offer Period); (D) the aggregate amount of Excess Proceeds in respect of which the Asset Sale Offer is being made (the "Aggregate Offer Price"); (E) the offer price; (F) that any Senior Subordinated Note not tendered or accepted for payment shall continue to accrete or accrue interest; (G) that, unless the Company defaults in making such payment, any Senior Subordinated Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrete or accrue interest after the Asset Sale Purchase Date; (H) that Holders electing to have a Senior Subordinated Note purchased pursuant to an Asset Sale Offer may only have Senior Subordinated Notes purchased in denominations of \$1,000 or integral multiples thereof; (I) that Holders electing to have a Senior Subordinated Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note or transfer by book-entry transfer, to the Company, a depository, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three business days before the Asset Sale Purchase Date; (J) that Holders shall be entitled to withdraw their election if the Company, the depository or the Paying Agent, as the case may be, receives, not later than the expiration of the Asset Sale Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Senior Subordinated Note the Holder surrendered for purchase and a statement that such Holder is withdrawing its election to have such Senior Subordinated Note purchased; (K) that, if the aggregate principal amount of Senior Subordinated Notes and *pari passu* Indebtedness validly tendered in the Asset Sale Offer and not withdrawn exceeds the Aggregate Offer Price, the Company shall select the Senior Subordinated Notes and *pari passu* Indebtedness to be purchased on a *pro rata* basis (with such adjustments as may be deemed appropriate by the Company so that Senior Subordinated Notes shall only be purchased in denominations of \$1,000, or integral multiples thereof); and (L) that Holders whose Senior Subordinated Notes were purchased only in part shall be issued new Senior Subordinated Notes equal in principal amount to the unpurchased portion of the Senior Subordinated Notes surrendered.¹

(ii) On or before the Asset Sale Purchase Date, the Company shall, to the extent lawful, accept for payment, subject to proration and adjustment as provided in clause (i) above, all Senior Subordinated Notes and *pari passu* Indebtedness or portions thereof validly tendered pursuant to the Asset Sale Offer and not withdrawn, and shall deliver to the Trustee an Officer's Certificate stating that such Senior Subordinated Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.4. The Company, the Depository or the Paying Agent, as the case may be, shall promptly (but in any case not later than five days after the Asset Sale Purchase Date) mail or deliver to each tendering Holder of Senior Subordinated Notes or holder of *pari passu* Indebtedness, as the case may be, an amount equal to the offer price for the Senior Subordinated Notes or *pari passu* Indebtedness tendered by such Holder or holder, as the case may be, and accepted by the Company for payment, and the Company shall promptly issue a new Senior Subordinated Note, and the Trustee, upon written request from the Company shall authenticate and mail or deliver such new Senior Subordinated Note to such Holder, in a principal amount equal to any unpurchased portion of the Senior Subordinated Note surrendered. Any Senior

29

Subordinated Note not so accepted for payment shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Asset Sale Offer on the Asset Sale Purchase Date.

(iii) The payment of accrued interest as part of any repurchase price on any Asset Sale Purchase 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 Asset Sale Purchase Date.

(iv) 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 Senior Subordinated Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Section 3.4, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section 3.4 by virtue of such conflict.

Section 3.5. Limitation on Layering.

The Company shall not incur, create, issue, assume, guarantee or otherwise become liable for any Indebtedness that is subordinate or junior in right of payment to any Senior Debt of the Company and senior in right of payment to the Senior Subordinated Notes.

Section 3.6. Reports.

In addition to Section 7.04 of the Indenture, whether or not required by the rules and regulations of the Commission, so long as any Senior Subordinated Notes are outstanding, the Company shall furnish to Holders of Senior Subordinated Notes within the time periods specified in the Commission's rules and regulations:

(a) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if the Company were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

(b) all current reports that would be required to be filed with the Commission on Form 8-K if the Company were required to file such reports, excluding exhibits.

In addition, whether or not required by the rules and regulations of the Commission, the Company will file a copy of all of the information and reports referred to in clauses (a) and (b) above with the Commission for public availability within the time periods specified in the Commission's rules and regulations (unless the Commission will not accept such a filing) and make such information available to securities analysts and prospective investors upon request.

Section 3.7. Stay, Extension and Usury Laws.

The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of the Indenture or this Supplemental Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

30

Section 3.8. Payment Office.

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

Section 3.9. Restricted Payments.

(a) Unless the Rating Condition is satisfied at the time of such action or event, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including without limitation any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company and dividends, payments or distributions to the Company or a Restricted Subsidiary of the Company);

(ii) purchase, redeem or otherwise acquire or retire for value (including without limitation in connection with any merger or consolidation involving the Company) any Equity Interests of the Company;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Senior Subordinated Notes, except a payment of interest or principal at the Stated Maturity thereof; or

(iv) make any Restricted Investment (all such payments and other actions set forth in these clauses (i) through (iv) being collectively referred to as "Restricted Payments"),

unless, at the time of and after giving effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment; and

(2) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test in Section 3.10(a) hereof; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of this Supplemental Indenture (excluding Restricted Payments permitted by clauses (ii), (iii) and (iv) of Section 3.9(b) hereof and including Restricted Payments permitted by clauses (i), (v), (vi), (vii), (viii), (ix) and (x) of Section 3.9(b) hereof), is less than the sum, without duplication, of:

(A)

50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after the date of this Supplemental Indenture to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*

(B)

100% of the aggregate net cash proceeds received by the Company since the date of this Supplemental Indenture as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock)

31

or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for such Equity Interests (other than Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Company); *plus*

(C)

to the extent that any Restricted Investment that was made after the date of this Supplemental Indenture is sold for cash or otherwise liquidated or repaid for cash, the lesser of (x) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (y) the initial amount of such Restricted Investment; *plus*

(D)

an amount equal to the sum of (x) the net reduction in Investments in Unrestricted Subsidiaries previously made (and treated as a Restricted Payment) resulting from dividends, repayments of loans or advances or other transfers of assets, in each case to the Company or any of its Restricted Subsidiaries (but only to the extent that a corresponding amount would be permitted at the date of determination to be dividended to the Company by such Restricted Subsidiary without prior governmental approval (that has not been obtained), and would not be prohibited, directly or indirectly, by the operation of the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to that Restricted Subsidiary or its stockholders) from any of its Unrestricted Subsidiaries to the extent such amounts were not otherwise included in Consolidated Net Income of the Company for such period, and (y) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets of an Unrestricted Subsidiary at the time such Unrestricted Subsidiary is designated a Restricted Subsidiary; provided, however, that the foregoing sum shall not exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made (and treated as a Restricted Payment) by the Company or any of its Restricted Subsidiaries in such Unrestricted Subsidiary.

(b) So long as no Default or Event of Default has occurred and is continuing or would be caused thereby, Section 3.9(a) hereof will not prohibit:

(i) the payment of any dividend within 60 days after the date of declaration of the dividend, if at the date of declaration the dividend payment would have complied with the provisions of the Indenture and this Supplemental Indenture;

(ii) the purchase, redemption, acquisition, defeasance or retirement of any subordinated Indebtedness of the Company or of any Equity Interests of the Company, in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Restricted Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock); *provided* that the amount of any such net cash proceeds that is utilized for any such purchase, redemption, acquisition, defeasance or retirement will be excluded from Section 3.9(a)(3)(B) hereof;

(iii) the purchase, redemption, acquisition, defeasance or retirement of subordinated Indebtedness of the Company with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness;

(iv) the payment of any dividend by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a *pro rata* basis;

(v) the purchase, redemption or other acquisition or retirement of any Equity Interests of the Company or any Restricted Subsidiary of the Company pursuant to any stock option, stock purchase or other equity-based compensation plan or arrangement established or

32

entered into for the benefit of any director, employee or consultant of the Company or any of its Subsidiaries; *provided* that the aggregate price paid for all such purchased, redeemed, acquired or retired Equity Interests may not exceed \$3 million in any calendar year;

(vi) the declaration and payment of regular quarterly cash dividends in respect of the Company's common stock; *provided* that the aggregate amount of all such cash dividends may not exceed \$25 million in any twelve-month period;

(vii) the repurchase of any subordinated Indebtedness of the Company at a purchase price not greater than 101% of the principal amount of such subordinated Indebtedness in the event of a Change of Control pursuant to provisions similar to the provisions contained in Section 3.3 hereof; *provided* that, prior to consummating any such repurchase, the Company has made the Change of Control Offer required by the Indenture and this Supplemental Indenture, and has repurchased all Senior Subordinated Notes validly tendered for payment in connection with such Change of Control Offer and not withdrawn;

(viii) the repurchase of any subordinated Indebtedness of the Company at a purchase price not greater than 100% of the principal amount of such Indebtedness pursuant to provisions similar to the provisions contained in Section 3.4 hereof; *provided* that, prior to consummating any such repurchase, the Company has made the Asset Sale Offer required by the Indenture and this Supplemental Indenture, and has repurchased (subject to proration and adjustment as provided in Section 3.4(d)(i)) all Senior Subordinated Notes validly tendered for payment in connection with such Asset Sale Offer and not withdrawn;

(ix) any redemption of share purchase rights issued pursuant to the Company's share purchase rights plan existing on the date of this Supplemental Indenture (as the same may be amended from time to time) or any similar successor or replacement share purchase rights plan, for a

redemption price not to exceed \$0.01 per share purchase right; and

(x) other Restricted Payments in an aggregate amount not to exceed \$25 million in the aggregate since the date of this Supplemental Indenture.

(c) In the event that a proposed Restricted Payment or any portion thereof meets the criteria of more than one of the clauses of Section 3.9(b) hereof, the Company will be permitted to classify such Restricted Payment or portion thereof as being within any one or more of such clauses in respect of which it meets the criteria.

(d) The amount of all Restricted Payments (other than cash) will be the fair market value on the date of the Restricted Payment of the asset(s) or securities paid, distributed, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued will be determined by the Company's Board of Directors in good faith (which determination will be conclusive and binding) and, in the case of valuations in excess of \$25 million, will be evidenced by a Board Resolution set forth in an Officer's Certificate delivered to the Trustee. Not later than the date of making any Restricted Payment, the Company will be required to deliver to the Trustee an Officer's Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 3.9 were computed.

(e) For purposes of calculating compliance with this Section 3.9 at any time at which the Rating Condition is not satisfied, the Rating Condition shall be deemed not to have been satisfied since the date of this Supplemental Indenture.

Section 3.10. Incurrence of Indebtedness and Issuance of Preferred Stock.

(a) Unless the Rating Condition is satisfied at the time of such action or event, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create,

33

incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Company shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock or Disqualified Stock; *provided, however*, that the Company and its Restricted Securities may incur Indebtedness (including Acquired Debt), and the Company may issue Disqualified Stock, if the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued would have been at least 2.0 to 1, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period.

(b) The provisions of Section 3.10(a) hereof will not prohibit the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(i) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(ii) the incurrence by the Company and its Restricted Subsidiaries of Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (ii) (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) not to exceed \$250 million;

(iii) the incurrence by the Company of Indebtedness represented by the Initial Senior Subordinated Notes;

(iv) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness (including successive refundings, refinancings or replacements) incurred pursuant to this clause (iv), not to exceed \$50 million at any time outstanding;

(v) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (including successive refundings, refinancings or replacements) (other than intercompany Indebtedness) that was permitted to be incurred pursuant to the Fixed Charge Coverage Ratio test in Section 3.10(a) hereof or clauses (i), (iii), (iv), (v), (ix), (x), (xi) or (xiii) of this Section 3.10(b);

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and one or more of its Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary in connection with such transaction) or between or among two or more Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary in connection with such transaction); *provided, however*, that:

(A)

if the Company is the obligor on such Indebtedness, such Indebtedness must be expressly subordinated in right of payment to the Senior Subordinated Notes in a manner comparable to the manner in which the Senior Subordinated Notes are subordinated in right of payment to Senior Debt; and

34

(B)

(x) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary of the Company and (y) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vi);

(vii) the incurrence by the Company or any of its Restricted Subsidiaries of:

(A)

Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of the Indenture and this Supplemental Indenture, to be outstanding;

(B)

Currency Hedging Obligations relating to Indebtedness of the Company or any Restricted Subsidiary and/or to obligations to purchase or sell assets or properties; provided that such Currency Hedging Obligations do not increase the Indebtedness or other obligations of the Company or any Restricted Subsidiary otherwise than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(C)

Commodity Price Protection Obligations for the purpose of protecting the Company and its Restricted Subsidiaries against fluctuations in the price of raw materials used in the ordinary course of its business; provided that such Commodity Price Protection Obligations do not increase the amount of Indebtedness or other obligations of the Company or any Restricted Subsidiary otherwise than as a result of fluctuations in commodity prices or by reason of fees, indemnities and compensation payable thereunder;

(viii) the guarantee by the Company or a Restricted Subsidiary of the Company of Indebtedness of the Company or a Restricted Subsidiary of the Company (other than a Receivables Entity) that was permitted to be incurred by another provision of this Section 3.10;

(ix) the principal component of amounts outstanding under Qualified Receivables Transactions in an aggregate amount up to the greater of (A) \$125 million and (B) 85% of the aggregate amount of the total Qualified Receivables of the Company and its Restricted Subsidiaries existing at the time such Indebtedness is incurred, together with interest or any similar amounts payable with respect thereto;

(x) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred (including successive refundings, refinancings or replacements) pursuant to this clause (x), not to exceed \$50 million;

(xi) Indebtedness of a Restricted Subsidiary of the Company incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Company or another Restricted Subsidiary; provided, however, that on the date of such acquisition, after giving pro forma effect thereto and any related transactions as if the same had occurred at the beginning of the applicable four-quarter period, the Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test in Section 3.10(a) hereof;

(xii) Indebtedness of the Company or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument

35

inadvertently drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five business days of incurrence; and

(xiii) Indebtedness under the Chilean credit facility, dated as of December 22, 2000, between the Company and Banco sud Americano, not to exceed the undrawn amounts under such credit facility on the date of this Supplemental Indenture.

(c) For purposes of determining compliance with this Section 3.10:

(i) in the event that an item of proposed Indebtedness or any portion thereof meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xiii) of Section 3.10(b) hereof, or is permitted to be incurred pursuant to the Fixed Charge Coverage Ratio test in Section 3.10(a) hereof, the Company will be permitted to classify such item of Indebtedness or portion thereof as being (A) within any one or more such categories in respect of which it meets the criteria, (B) permitted to be incurred pursuant to such Fixed Charge Coverage Ratio test (to the extent applicable), and/or (C) any combination of the foregoing;

(ii) Indebtedness under the Credit Agreement outstanding on the date on which Senior Subordinated Notes are first issued and authenticated under the Indenture and this Supplemental Indenture will be deemed to have been incurred on such date in reliance on the exception provided by clause (ii) of Section 3.10(b) hereof;

(iii) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or issuance of Disqualified Stock; provided, in each such case, that the amount thereof is included in Fixed Charges of the Company as accrued; and

(iv) for purposes of determining compliance with any dollar-denominated restriction on the incurrence of Indebtedness denominated in a foreign currency, the dollar-equivalent principal amount of such Indebtedness incurred pursuant thereto shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was incurred.

Section 3.11. Dividend and Other Payment Restrictions Affecting Subsidiaries.

(a) Unless the Rating Condition is satisfied at the time of such action or event, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on its Capital Stock to the Company or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any indebtedness owed to the Company or any of its Restricted Subsidiaries;

(ii) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) Notwithstanding the foregoing, Section 3.11(a) hereof will not apply to encumbrances or restrictions existing under or by reason of:

(i) agreements governing Existing Indebtedness and the Credit Facilities as in effect on the date of this Supplemental Indenture or any amendments, modifications, restatements,

36

renewals, increases, supplements, refundings, replacements or refinancings of the Existing Indebtedness or the Credit Facilities (including successive amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings); provided that the agreements governing such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in the agreements on the date of this Supplemental Indenture; and provided further that the agreements initially governing the New Domestic Revolving Credit Facility and the New Canadian Revolving Credit Facility replacing the Credit Agreements in existence on the date of this Supplemental Indenture will not be subject to the requirements of the preceding proviso, and the agreements governing any amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings (including successive amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings) thereof will be deemed to satisfy the requirements of the preceding proviso if they are not materially more restrictive, taken as a whole, with respect to dividend and other payment restrictions than those contained in the agreements initially governing the New Domestic Revolving Credit Facility and the New Canadian Revolving Credit Facility;

(ii) the Indenture, this Supplemental Indenture, and the Senior Subordinated Notes;

(iii) applicable law;

(iv) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person other than the Person, or the properties or assets of the Person, so acquired, *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of the Indenture and this Supplemental Indenture, to be incurred;

(v) customary non-assignment provisions in leases, contracts or agreements entered into in the ordinary course of business;

(vi) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on that property of the nature described in clause (iii) of Section 3.11(a) hereof;

(vii) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(viii) Permitted Refinancing Indebtedness, *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(ix) Liens securing Indebtedness otherwise permitted to be incurred under Section 3.1 hereof that limit the right of the debtor to dispose of the assets subject to such Liens;

(x) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, assets sale agreements, stock sale agreements and other similar agreements relating to transactions and arrangements permitted under the Indenture and this Supplemental Indenture;

(xi) any Purchase Money Note or other Indebtedness or contractual arrangement entered into or incurred by and relating exclusively to a Receivables Entity in connection with a

37

Qualified Receivables Transaction that, in the good faith determination of the Company's Board of Directors, is reasonably necessary to effect such Qualified Receivables Transaction;

(xii) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(xiii) provisions in charters, bylaws or similar governing documents of any special purpose finance subsidiary or joint venture entity as in effect on the date of this Supplemental Indenture or that are reasonably customary for comparable entities engaged in comparable activities otherwise permitted under the Indenture and this Supplemental Indenture.

Section 3.12. Designation of Restricted and Unrestricted Subsidiaries.

The Board of Directors of the Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default or Event of Default; *provided* that in no event may the business currently operated by the Company be transferred to or held by an Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary properly designated will be deemed to be an Investment made as of the time of the designation and will reduce the

amount available for Restricted Payments under Section 3.9(a) hereof or Permitted Investments, as determined by the Company. That designation may only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may designate or redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if the designation or redesignation would not cause a Default or Event of Default. If an Unrestricted Subsidiary is designated as a Restricted Subsidiary, the aggregate principal amount of all outstanding Indebtedness of such Unrestricted Subsidiary shall be an incurrence of Indebtedness as of the date of such designation which must comply with Section 3.10 hereof.

Section 3.13. Limitation on Issuances and Sales of Equity Interests in Restricted Subsidiaries.

(a) Unless the Rating Condition is satisfied at the time of such action or event, the Company (i) shall not, and shall not permit any of its Restricted Subsidiaries to sell or otherwise dispose of any Equity Interests in any Restricted Subsidiary of the Company to any Person (other than the Company or a Wholly Owned Restricted Subsidiary of the Company (other than a Receivables Entity)), unless: (A) such sale or other disposition is of all the Equity Interests in such Restricted Subsidiary owned by the Company and its other Restricted Subsidiaries; and (B) the Net Proceeds from such sale or other disposition are applied in accordance with Section 3.4 hereof; and (ii) shall not permit any Restricted Subsidiary of the Company to issue any of its Equity Interests (other than, if necessary, shares of its Capital Stock constituting directors' qualifying shares) to any Person other than to the Company or a Wholly Owned Restricted Subsidiary of the Company (other than a Receivables Entity).

(b) Notwithstanding the foregoing, Section 3.13(a) hereof will not prohibit (i) any sale, distribution or issuance of Equity Interests by any Restricted Subsidiary to the holders of its Equity Interests on a *pro rata* basis or any other transaction that does not reduce the proportionate interest in such Restricted Subsidiary held by the Company and its other Restricted Subsidiaries, (ii) any sale, distribution or issuance of Equity Interests of a Restricted Subsidiary (other than a Wholly Owned Restricted Subsidiary) that constitutes the vehicle for any joint venture existing on the date of this Supplemental Indenture or otherwise permitted under the Indenture and this Supplemental Indenture, pursuant to the terms of the agreements and instruments governing such joint venture as in effect on the date of this Supplemental Indenture or as thereafter entered into, amended, modified and/or restated on terms determined by the Company's Board of Directors in good faith to be fair to and in the best interest of the Company (which determination will be

38

conclusive and binding); *provided* that such sale, distribution or issuance of Equity Interests complies with Section 3.4 hereof and, immediately after giving effect to such sale, distribution or issuance, such Restricted Subsidiary either continues to be a Restricted Subsidiary or if such Restricted Subsidiary would no longer be a Restricted Subsidiary, then the Investment of the Company and its Restricted Subsidiaries in such Person (after giving effect to such issuance or sale) would have been permitted to be made under Section 3.9 hereof as if made on the date of such sale, distribution or issuance, or (iii) any sale or disposition of Equity Interests that may be deemed to occur in connection with the creation of, or exercise of remedies in respect of, any Permitted Lien.

Section 3.14. Transactions with Affiliates.

(a) Unless the Rating Condition is satisfied at the time of such action or event, the Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease or otherwise dispose of any of its assets to, or purchase any assets from, or enter into or make or amend any transaction, contract, agreement, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless:

(i) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that might have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person; and

(ii) the Company delivers to the Trustee:

(A)

with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10 million, a Board Resolution of the Board of Directors of the Company set forth in an Officer's Certificate evidencing the good faith determination of a majority of the disinterested members of the Board of Directors (which will be conclusive and binding) that such Affiliate Transaction complies with this Section 3.14(a); and

(B)

with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$25 million, an opinion as to the fairness to the Company or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing in the United States.

(b) The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to Section 3.14(a) hereof:

(i) any employment, compensation, benefit or indemnification arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business with directors, employees or consultants;

(ii) loans or advances to directors, employees and consultants in the ordinary course of business or guarantees in respect thereof or otherwise made on their behalf (including any payments on such guarantees);

(iii) any transaction between or among the Company and one or more of its Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary in connection with such transaction) or between one or more Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary in connection with such transaction);

(iv) any transaction with a Person that is an Affiliate of the Company solely because the Company owns an Equity Interest in and/or controls such Person;

39

(v) sales of Equity Interests (other than Disqualified Stock) to Affiliates of the Company;

(vi) sales or other dispositions of accounts receivable and related assets and interests therein of the type specified in the definition of "Qualified Receivables Transaction" to a Receivables Entity in a Qualified Receivables Transaction, Permitted Investments and other transactions in connection with a Qualified Receivables Transaction and any other Standard Securitization Undertakings in connection with a Qualified Receivables Transaction; and

(vii) Restricted Payments that are permitted by Section 3.9 hereof.

Section 3.15. Payments for Consent.

Unless the Rating Condition is satisfied at the time of such action or event, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Senior Subordinated Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, this Supplemental Indenture or the Senior Subordinated Notes unless such consideration is offered to be paid and is paid to all Holders of the Senior Subordinated Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 3.16. Compliance Certificate.

In addition to the requirements of Section 6.08 of the Indenture, such Officer's Certificate shall also state that the Company has kept, observed, performed and fulfilled each and every covenant contained in the Indenture and this Supplemental Indenture (or, if the Company has not kept, observed, performed and fulfilled each and every such covenant, such Officer's Certificate shall specify all such failures to keep, observe, perform or fulfill such covenants and the nature and status thereof).

ARTICLE IV. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.

Section 4.1. Additional and Modified Events of Default.

The Events of Default set forth in the Indenture are superseded and amended in their entirety by the provisions of this Section 4.1. The term "*Event of Default*," whenever used in the Indenture or this Supplemental Indenture with respect to the Senior Subordinated 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) failure to redeem any Senior Subordinated Note when required pursuant to the terms and conditions thereof or to pay the repurchase price for any Senior Subordinated Note to be purchased in accordance with Sections 3.3 and 3.4 of this Supplemental Indenture, whether or not prohibited by the provisions of Article VII hereof;

(b) default in the payment of principal of or premium, if any, on any Senior Subordinated Note when due and payable, whether or not prohibited by the provisions of Article VII hereof (references to 8.01(a)(ii) in the Indenture shall be deemed to refer to this Section 4.1(b));

(c) default in the payment of interest on any Senior Subordinated Note when it becomes due and payable, and continuance of such default for 30 calendar days, whether or not prohibited by the provisions of Article VII hereof (references to 8.01(a)(i) in the Indenture shall be deemed to refer to this Section 4.1(c));

40

(d) failure by the Company or any of its Restricted Subsidiaries to comply with Sections 3.3, 3.4, 3.9 and 3.10 hereof and Article XI of the Indenture (as modified by Article VIII hereof);

(e) default in the performance, or breach, of any covenant or warranty of the Company or its Restricted Subsidiaries in the Indenture or this Supplemental Indenture (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section 4.1 specifically dealt with or which has been included in the Indenture solely for the benefit of one or more series of Securities other than the Senior Subordinated Notes), and continuance of such default or breach for a period of 60 calendar days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Senior Subordinated Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder (references to Section 8.01(a)(iv) in the Indenture shall be deemed to refer to this Section 4.1(e));

(f) any nonpayment at maturity or other default (beyond any applicable grace period) under any agreement or instrument relating to any other Indebtedness of the Company or any Restricted Subsidiary (the unpaid principal amount of which, together with the unpaid principal amount of any such other Indebtedness under which there has been a payment default or other default (beyond any applicable grace period), aggregates not less than \$50 million), which default results in the acceleration of the maturity of such Indebtedness prior to its stated maturity or occurs at the final maturity thereof (references to Section 8.01(a)(v) in the Indenture shall be deemed to refer to this Section 4.1(f));

(g) the entry of any final judgments or orders against the Company or any of its Restricted Subsidiaries in excess of \$50 million individually or in the aggregate (not covered by insurance) that are not paid, discharged or otherwise complied with, to the extent then required, or stayed (by appeal or otherwise) within 60 calendar days after the entry of such judgments or orders;

(h) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or (B) a decree or order adjudging the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the

aggregate would be a Significant Subsidiary of the Company, or of any substantial part of the property of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days (references to Section 8.01(a)(vi) in the Indenture shall be deemed to refer to this Section 4.1(h)); and

41

(i) the commencement by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, to the entry of a decree or order for relief in respect of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, or the filing by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, of a petition or answer or consent seeking reorganization or relief with respect to the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law, or the consent by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, or of any substantial part of the property of the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, pursuant to any such law, or the making by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, of an assignment for the benefit of creditors, or the admission by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries of the Company that, if considered in the aggregate would be a Significant Subsidiary of the Company, in furtherance of any such action (references to Section 8.01(a)(vii) in the Indenture shall be deemed to refer to this Section 4.1(i)).

The Company shall provide the Trustee with notice of any uncured Event of Default within ten calendar days after any Responsible Officer of the Company becomes aware of or receives actual notice of the occurrence thereof. The Trustee shall, within 90 calendar days after the occurrence of a default in respect of the Senior Subordinated Notes, give to the Holders of the Senior Subordinated Notes notice of all such uncured defaults known to it (except that, in the case of a default in the performance of any covenant of the character contemplated in clause (e) above, no such notice to Holders of the Senior Subordinated Notes will be given until at least 30 calendar days after the occurrence thereof); *provided, however*, that, except in the case of a default relating to the payment of principal, premium, if any, or interest on the Senior Subordinated Notes, the Trustee may withhold such notice if and so long

42

as a committee of its Responsible Officers in good faith determines that the withholding of such notice is in the interests of the Holders of the Senior Subordinated Notes.

If an Event of Default occurs by reason of any willful action or inaction taken or not taken by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Senior Subordinated Notes pursuant to the optional redemption provisions of the Indenture and this Supplemental Indenture, an equivalent premium shall become and be immediately due and payable to the extent permitted by law upon the acceleration of the Senior Subordinated Notes.

ARTICLE V. DEFEASANCE.

Section 5.1. Applicability of Article V of the Indenture.

(a) The Senior Subordinated Notes shall be subject to Defeasance and Covenant Defeasance as provided in Article V of the Indenture; *provided, however*, that in addition to the conditions set forth in Section 5.04 of the Indenture, no Defeasance or Covenant Defeasance shall be effective unless:

(i) the Company shall have irrevocably deposited with the Trustee, in trust, for the benefit of the holders of the Senior Subordinated Notes, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium, if any, on the outstanding Senior Subordinated Notes on the stated maturity or on the applicable redemption date, as the case may be, and the Company shall have specified whether the Senior Subordinated Notes are being defeased to maturity or to a particular redemption date;

(ii) such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture but only with respect to the Senior Subordinated Notes) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(iii) no Default or Event of Default has occurred and is continuing on the date of deposit of moneys, Government Securities, or a combination thereof for the purpose of Defeasance and Covenant Defeasance (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit), and no Default or Event of Default described under clause (h) or (i) of Section 4.1 hereof with respect to the Company shall have occurred and be continuing at any time on or prior to the 124th calendar day following the date of such deposit;

(iv) the Company shall have delivered to the Trustee an Officer's Certificate stating that such deposit of moneys, Government Securities, or a combination thereof for the purpose of Defeasance and Covenant Defeasance was not made by the Company with the intent of preferring the Holders of the Senior Subordinated Notes over the other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; and

(v) in addition to the provisions of Sections 5.04(b) and (c) of the Indenture, (A) the Opinions of Counsel referred to Sections 5.04(b) and (c) of the Indenture shall be reasonably acceptable to the Trustee and (B) the Opinion of Counsel referred to in Section 5.04(b) of the Indenture shall also confirm that Holders of the Outstanding Senior Subordinated Notes will not recognize income for federal income tax purposes as a result of the deposit, Defeasance and discharge to be effected with respect to such Outstanding Senior Subordinated Notes.

(b) With respect to the Senior Subordinated Notes, Section 5.03 of the Indenture is hereby amended and restated in its entirety as follows:

"Section 5.03 Covenant Defeasance.

Upon the Company's exercise of the option provided in Section 5.01 to have this Section 5.03 applied to the Outstanding Senior Subordinated Notes, (a) the Company will be released from its obligations under Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14 and 3.15 of the Supplemental Indenture and Section 11.01(a)(iii) of the Indenture (as modified by this Supplemental Indenture), and (b) the occurrence of any event specified in Sections 4.1(d) or 4.1(e) of this Supplemental Indenture (with respect to any of Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14 and 3.15 of the Supplemental Indenture and Section 11.01(a)(iii) of the Indenture (as modified by this Supplemental Indenture)), or Section 4.1(f) or 4.1(g) of this Supplemental Indenture will be deemed not to be or result in an Event of Default, in each case with respect to the Outstanding Senior Subordinated Notes as provided in this Section on and after the date the conditions set forth in Section 5.04 of the Indenture and Section 5.1 of this Supplemental Indenture are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that the Company may omit to comply with and will have no liability in respect of any term, condition or limitation set forth in any such specified Section (to the extent specified above in the case of Sections 4.1(d) and 4.1(e) of this Supplemental Indenture), whether directly or indirectly by reason of any reference elsewhere herein to any such Section or provision or by reason of any reference in any such Section or provision to any other provision herein or in any other document, but the remainder of the Indenture, this Supplemental Indenture and the Senior Subordinated Notes will be unaffected thereby."

In addition, references to "U.S. Government Obligations" in Article V of the Indenture shall be deemed to be references to non-callable "Government Securities" for purposes of the Senior Subordinated Notes.

ARTICLE VI. REDEMPTION OF SENIOR SUBORDINATED NOTES.

Section 6.1. Right of Redemption.

The Senior Subordinated Notes may be redeemed by the Company in accordance with the provisions of the form of Securities set forth herein. Notwithstanding Section 3.02(c) of the Indenture, if less than all the Senior Subordinated Notes are to be redeemed, the Senior Subordinated Notes to be redeemed shall be selected by the Trustee as follows: (i) if the Senior Subordinated Notes are listed on a national securities exchange, in compliance with the requirements of the principal national securities exchange on which the Senior Subordinated Notes are listed, or (ii) if the Senior Subordinated Notes are not listed on any national securities exchange, on a *pro rata* basis, by lot or 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. In addition, notices of redemption may be mailed more than 60 days prior to a Redemption Date if the notice is issued in connection with a Defeasance of the Senior Subordinated Notes or a satisfaction and discharge of the Indenture. Senior Subordinated Notes and portions thereof selected for redemption shall be in amounts of \$1,000 or whole multiples thereof; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of \$1,000 shall be redeemed.

ARTICLE VII. SUBORDINATION

Section 7.1. Agreement to Subordinate.

The Company agrees, and each Holder by accepting a Senior Subordinated Note agrees, that the Indebtedness evidenced by and any other Obligation under the Senior Subordinated Notes is subordinated in right of payment, to the extent and in the manner provided in this Article VII, to the prior payment in full in cash or Cash Equivalents, or in any other manner as shall be approved by the holders of such Senior Debt (such approval not to be unreasonably withheld) of all Senior Debt (whether outstanding on the date hereof or hereafter created, incurred, assumed or guaranteed), and that the subordination is for the benefit of and enforceable by the holders of Senior Debt.

Section 7.2. Liquidation; Dissolution; Bankruptcy.

Upon any distribution to creditors of the Company in a liquidation or dissolution of the Company or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Company or its property, in an assignment for the benefit of creditors or any marshaling of the Company's assets and liabilities:

(a) holders of Senior Debt shall be entitled to receive payment in full in cash or Cash Equivalents, or in any other manner as shall be approved by the holders of such Senior Debt (such approval not to be unreasonably withheld) of all Obligations due in respect of such Senior Debt (including interest after the commencement of any such proceeding at the rate specified in the applicable Senior Debt) before Holders of the Senior Subordinated Notes shall be entitled to receive any payment (including, without limitation, by redemption or repurchase) or distribution of assets with respect to the Senior Subordinated Notes (except that Holders may receive (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust created pursuant to Section 5.01 of the Indenture); and

(b) until all Obligations with respect to Senior Debt (as provided in clause (a) above) are paid in full in cash or Cash Equivalents, or in any other manner as shall be approved by the holders of such Senior Debt (such approval not to be unreasonably withheld), any distribution to which Holders would

be entitled but for this Article VII shall be made to holders of Senior Debt (except that Holders of Senior Subordinated Notes may receive (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust created pursuant to Section 5.01 of the Indenture), as their interests may appear.

Section 7.3. Default on Designated Senior Debt.

(a) The Company may not make any payment (including without limitation, by redemption or repurchase) or distribution to the Trustee or any Holder in respect of Obligations with respect to the Senior Subordinated Notes (other than (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust created pursuant to Section 5.01 of the Indenture) or make any deposit pursuant to Section 5.04 of the Indenture until all principal and other Obligations with respect to the Senior Debt have been paid in full in cash or Cash Equivalents, or in any other manner as shall be approved by the holders of such Senior Debt (such approval not to be unreasonably withheld) if: (i) a default in the payment of any principal or other Obligations with respect to Designated Senior Debt occurs and is continuing beyond any applicable grace period; or (ii) any other default, other than a payment default, occurs and is continuing with respect to any Designated Senior Debt and the maturity of such Designated Senior Debt is accelerated in accordance with its terms, unless in either case, (x) the default has been cured or waived and any such acceleration has been rescinded in writing, or (y) such Designated Senior Debt has been paid in full in cash or Cash Equivalents, or in any other manner as shall be approved by the holders of such Designated Senior Debt (such approval not to be unreasonably

45

withheld); *provided, however*, that the Company may make payments on (including without limitation, by redemption or repurchase) or distributions in respect of the Senior Subordinated Notes and may make deposits pursuant to Section 5.04 of the Indenture, without regard to the foregoing, if the Company and the Trustee receive written notice approving such payment from the Representative of the holders of the Designated Senior Debt with respect to which either of the events set forth in clause (i) or (ii) of this sentence has occurred and is continuing.

(b) During the continuance of any default (other than a default described in clause (i) of Section 7.3(a) or a default resulting in acceleration described in clause (ii) of Section 7.3(a)) with respect to any Designated Senior Debt pursuant to which the maturity thereof may be accelerated immediately without further notice (except such notice as may be required to effect such acceleration) or the expiration of any applicable grace periods, the Company may not make any payment (including, without limitation, by redemption or repurchase) or distribution to the Trustee or any Holder in respect of Obligations with respect to the Senior Subordinated Notes (other than (A) Permitted Junior Securities and (B) payments and other distributions made from any defeasance trust created pursuant to Section 5.01 of the Indenture) or make any deposit pursuant to Section 5.04 of the Indenture for a period (a "Payment Blockage Period") commencing upon the receipt by the Trustee (with a copy to the Company) of written notice (a "Payment Blockage Notice") of such default from the Representative(s) of the holders of such Designated Senior Debt specifying an election to effect a Payment Blockage Period and ending 179 days thereafter (or earlier upon (i) such Payment Blockage Period being terminated by written notice to the Trustee and the Company from the Person or Persons who gave such Blockage Notice, (ii) the default giving rise to such Blockage Notice being cured or waived, or (iii) such Designated Senior Debt being repaid in full in cash or Cash Equivalents, or in any other manner as shall be approved by the holders of such Designated Senior Debt (such approval not to be unreasonably withheld); *provided, however*, that the Company may make payments on (including without limitation, by redemption or repurchase) or distributions in respect of the Senior Subordinated Notes and may make deposits pursuant to Section 5.04 of the Indenture, without regard to the foregoing, if the Company and the Trustee receive written notice approving such payment from the Representative of the holders of the Designated Senior Debt with respect to which the events set forth in this sentence has occurred and is continuing. Unless the holders of such Designated Senior Debt or the Representative(s) of such holders shall have accelerated the maturity of such Designated Senior Debt, the Company may resume payments on (including without limitation, by redemption or repurchase) and distributions in respect of Obligations with respect to the Senior Subordinated Notes after the end of such Payment Blockage Period. If the Trustee receives any such Payment Blockage Notice, no subsequent Payment Blockage Notice shall be effective for purposes of this Section unless and until (A) at least 360 days shall have elapsed since the effectiveness of the immediately prior Payment Blockage Notice and (B) all scheduled payments of principal, premium, if any, and interest on the Senior Subordinated Notes that have come due have been paid in full in cash. No nonpayment default that existed or was continuing on the date of delivery of any Payment Blockage Notice to the Trustee shall be, or be made, the basis for a subsequent Payment Blockage Notice, unless such default has been cured or waived for a period of not less than 90 days.

Section 7.4. Acceleration of Notes.

If payment of the Senior Subordinated Notes is accelerated because of an Event of Default, the Company and the Trustee shall promptly notify holders of Designated Senior Debt of the acceleration.

46

Section 7.5. When Distribution Must Be Paid Over.

In the event that the Trustee or any Holder receives any payment of any Obligations with respect to the Senior Subordinated Notes (other than Permitted Junior Securities or payments and other distributions made from any defeasance trust created pursuant to Section 5.01 of the Indenture) at a time when such payment is prohibited by this Article VII, such payment shall be held by the Trustee or such Holder, in trust for the benefit of, and shall forthwith be paid over and delivered, upon written request, to, the holders of Senior Debt as their respective interests may appear or their Representative under the indenture or other agreement (if any) pursuant to which Senior Debt may have been issued, for application to the payment of all Obligations with respect to Senior Debt remaining unpaid to the extent necessary to pay such Obligations in full in accordance with their terms, after giving effect to any concurrent payment or distribution to or for the holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform only such obligations on the part of the Trustee as are specifically set forth in this Article VII, and no implied covenants or implied obligations with respect to the holders of Senior Debt shall be read into the Indenture and this Supplemental Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt (except as provided in the preceding paragraph), and shall not be liable to any such holders if the Trustee shall in good faith pay over or distribute to or on behalf of Holders or the Company or any other Person money or assets to which any holders of Senior Debt shall be entitled by virtue of this Article VII.

Section 7.6. Notice by Company.

The Company shall promptly notify the Trustee and the Paying Agent of any facts known to the Company that would cause a payment of any Obligations with respect to the Senior Subordinated Notes to violate this Article VII, but failure to give such notice shall not affect the subordination of the Senior Subordinated Notes to the Senior Debt as provided in this Article VII.

Section 7.7. Subrogation.

After all Senior Debt is paid in full and until the Senior Subordinated Notes are paid in full, Holders of Senior Subordinated Notes shall be subrogated (equally and ratably with all other Indebtedness *pari passu* with the Senior Subordinated Notes) to the rights of holders of Senior Debt to receive distributions applicable to Senior Debt to the extent that distributions otherwise payable to the Holders of Senior Subordinated Notes have been applied to the payment of Senior Debt. A distribution made under this Article VII to holders of Senior Debt that otherwise would have been made to Holders of Senior Subordinated Notes except for the provisions of this Article VII, and a payment over pursuant to this Article VII to the holders of Senior Debt by Holders or the Trustee on their behalf pursuant to this Article VII, shall not, as between the Company and Holders, be deemed a payment by the Company on or on account of the Senior Subordinated Notes.

Section 7.8. Relative Rights.

This Article VII defines the relative rights of Holders of Senior Subordinated Notes and holders of Senior Debt. Nothing in the Indenture or this Supplemental Indenture shall:

(a) impair, as between the Company and Holders of Senior Subordinated Notes, the obligation of the Company, which is absolute and unconditional, to pay principal of, premium, if any, and interest on the Senior Subordinated Notes in accordance with their terms;

(b) affect the relative rights of Holders of Senior Subordinated Notes and creditors of the Company other than their rights in relation to holders of Senior Debt; or

47

(c) prevent the Trustee or any Holder of Senior Subordinated Notes from exercising its available remedies upon a Default or Event of Default, subject to the rights of holders and owners of Senior Debt to receive distributions and payments otherwise payable to Holders of Senior Subordinated Notes.

If the Company fails, because of this Article VII, to pay principal of or premium, if any, or interest on a Senior Subordinated Note on the due date or to make any other payment in respect of the Senior Subordinated Notes, it shall not be construed as preventing the occurrence of a Default or Event of Default. Nothing in this Article VII shall have any effect on the right of the Holders of the Senior Subordinated Notes or the Trustee to accelerate the maturity of the Senior Subordinated Notes.

Section 7.9. Subordination May Not Be Impaired by Company.

No right of any holder of Senior Debt to enforce the subordination of the Indebtedness evidenced by the Senior Subordinated Notes shall be prejudiced or impaired by any act or failure to act by the Company or any Holder or by the failure of the Company or any Holder to comply with the Indenture or this Supplemental Indenture. Without in any way limiting the generality of this Section 7.9, the holders of Senior Debt may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders, without incurring responsibility to the Holders and without impairing or releasing the subordination provided in this Article VII or the obligations hereunder of the Holders to the holders of Senior Debt, do any one or more of the following: (a) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Debt or any instrument evidencing the same or any agreement under which Senior Debt is outstanding or secured; (b) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Debt; (c) release any Person liable in any manner for the collection of Senior Debt; and (d) exercise or refrain from exercising any rights against the Company and any other Person.

Section 7.10. Distribution or Notice to Representative.

Whenever a distribution is to be made or a notice given to holders of Senior Debt, the distribution may be made and the notice given to their Representative.

Upon any payment or distribution of assets of the Company referred to in this Article VII, the Trustee and the Holders of Senior Subordinated Notes shall be entitled to rely upon any order or decree made by any court of competent jurisdiction or upon any certificate of such Representative or of the liquidating trustee or agent or other Person making any distribution to the Trustee or to the Holders of Senior Subordinated Notes for the purpose of ascertaining the Persons entitled to participate in such distribution, the holders of the Senior Debt and other Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article VII.

Section 7.11. Rights of Trustee and Paying Agent.

Notwithstanding the provisions of this Article VII or any other provision of the Indenture or this Supplemental Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment or distribution by the Trustee, and the Trustee and the Paying Agent may continue to make payments on the Senior Subordinated Notes, unless the Trustee shall have received at its Corporate Trust Office at least five Business Days prior to the date of such payment written notice of facts that would cause the payment of any Obligations with respect to the Senior Subordinated Notes to violate this Article VII. Only a Representative may give the notice. Nothing in this Article VII shall impair the claims of, or payments to, the Trustee under or pursuant to Section 7.7 hereof.

48

The Trustee in its individual or any other capacity may hold Senior Debt with the same rights it would have if it were not Trustee. Any Paying Agent may do the same with like rights.

Section 7.12. Trust Moneys Not Subordinated.

Notwithstanding anything contained herein to the contrary, payments and other distributions from any trust created under Article V or Article XII of the Indenture shall not be subordinated to the prior payment of any Senior Debt or subject to the restrictions set forth in this Article VII, and none of the Holders of

Senior Subordinated Notes shall be obligated to pay over any such amount to the Company, any holder of Senior Debt or any other creditor of the Company.

Section 7.13. Authorization to Effect Subordination.

Each Holder of Senior Subordinated Notes, by the Holder's acceptance thereof, authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination as provided in this Article VII, and appoints the Trustee to act as such Holder's attorney-in-fact for any and all such purposes. If the Trustee does not file a proper proof of claim or proof of debt in the form required in any proceeding referred to in Section 8.11 of the Indenture at least 30 days before the expiration of the time to file such claim, the Representatives are hereby authorized to file an appropriate claim for and on behalf of the Holders of the Senior Subordinated Notes.

ARTICLE VIII. AMENDMENT AND RESTATEMENT OF ARTICLE XI OF THE INDENTURE

Section 8.1. Amendment and Restatement.

Article XI of the Indenture shall be amended and restated in its entirety with respect to the Senior Subordinated Notes as follows:

"ARTICLE XI. CONSOLIDATION, MERGER, SALE, OR TRANSFER.

Section 11.01 Consolidation and Mergers of Company and Sales Permitted Only on Certain Terms.

(a) The Company shall not, directly or indirectly, consolidate with or merge with or into any other Person, or sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person unless: (i) either: (A) the Company shall be the continuing or surviving Person in the consolidation or merger; or (B) the Person (if other than the Company) formed by the consolidation or into which the Company is merged or to which all or substantially all of such properties or assets are sold, assigned, transferred, conveyed or otherwise disposed (the Company or such other Person being referred to as the "Surviving Person") shall be a corporation organized and validly existing under the laws of the United States, any state thereof, or the District of Columbia, and expressly assumes, by a supplemental indenture, all the obligations of the Company under the Senior Subordinated Notes, the Indenture and this Supplemental Indenture; (ii) immediately after the transaction and the incurrence or anticipated incurrence of any indebtedness to be incurred in connection therewith, no Default or Event of Default exists; (iii) unless the Rating Condition is satisfied, the Company or the Person (if other than the Company) formed by the consolidation or into which the Company is merged or to which all or substantially all of such assets are sold, assigned, transferred, conveyed or otherwise disposed: (A) shall have Consolidated Net Worth immediately after the transaction equal to or greater than the Consolidated Net Worth of the Company immediately preceding the transaction, and (B) shall, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if

49

the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test in Section 3.10(a) hereof; and (iv) an Officer's Certificate has been delivered to the Trustee to the effect that all of the conditions set forth above have been satisfied and an Opinion of Counsel (from a counsel who shall not be an employee of the Company) has been delivered to the Trustee to the effect that the condition set forth in clause (i) above has been satisfied.

(b) The Surviving Person will succeed to and be substituted for the Company with the same effect as if it had been named in the Indenture and this Supplemental Indenture as a party thereto, and thereafter the predecessor Person will be relieved of all obligations and covenants under the Indenture, this Supplemental Indenture and the Senior Subordinated Notes.

(c) The Company shall not, directly or indirectly, lease all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person."

ARTICLE IX. MISCELLANEOUS.

Section 9.1. 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 9.2. Supplemental Indentures and Certain Actions.

(a) In addition to the items set forth in Section 10.01 (a) of the Indenture, without the consent of the Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more supplemental indentures to the Indenture, in form satisfactory to the Trustee for the purpose of complying with requirements of the Commission in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

(b) In addition to the items set forth in Section 10.02(a) of the Indenture, no supplemental indenture will, without the consent of the Holder of each Outstanding Senior Subordinated Note affected thereby (i) alter the provisions with respect to redemption of the Senior Subordinated Notes, (ii) make any change in the provisions of the Indenture relating to the rights of Holders to receive payment of principal of, or interest or premium, if any, on the Senior Subordinated Notes, (iii) waive a redemption payment with respect to any note; or (iv) modify any of the provisions of this Section 9.2(b) or Section 9.2(c) or Section 9.3 hereof, except to increase the percentage in principal amount of Holders required under any such Section. Notwithstanding the foregoing, the provisions of Sections 3.3 and 3.4 of this Supplemental Indenture may be altered, modified or waived as provided in Section 10.02(a) of the Indenture. In addition, defaults in respect of a covenant or provision of the Indenture or this Supplemental Indenture which under this Section 9.2(b) cannot be modified or amended without the consent of the Holder of each Outstanding Senior Subordinated Note may not be waived without the consent of each Holder.

Senior Subordinated Notes and defaults in respect of the provisions of such Article VII may not be waived, without the consent of the Holders of at least 75% in aggregate principal amount of Senior Subordinated Notes then Outstanding.

Section 9.3. Waiver of Certain Covenants.

Unless otherwise specified in this Supplemental Indenture or in the Indenture, 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 Subordinated 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 9.4. No Personal Liability of Directors, Officers, Employees and Stockholders.

No past, present or future director, officer, employee, incorporator, stockholder or agent of the Company, as such, shall have any liability for any obligations of the Company under the Senior Subordinated Notes, the Indenture, this Supplemental Indenture any other supplemental indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Senior Subordinated Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Senior Subordinated Notes.

Section 9.5. Duties of Trustee.

In addition to the duties set forth in the Indenture, if an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

Section 9.6. 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 9.7. 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/ CURTIS M. STEVENS
Name: Curtis M. Stevens
Title: Vice President and CFO

Attest:

/s/ ANTON C. KIRCHHOF
Name: Anton Kirchof
Title: Secretary

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

By: /s/ SHARON MCGRATH
Name: Sharon McGrath
Title: Assistant Vice President

Attest:

/s/ JANICE OTT ROTUNNO
Name: Janice Ott Rotunno
Title: Vice President and Assistant Secretary

STATE OF OREGON)
) SS.:
COUNTY OF MULTNOMAH)

On this 6th day of August, 2001, before me personally came Curtis M. Stevens, to me known, who, being by me duly sworn, did depose and say that he/she is Vice President and CFO of Louisiana-Pacific Corporation, one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ ROSE STONE

Notary Public

53

STATE OF OREGON)
) SS.:
COUNTY OF MULTNONAH)

On this 6th day of August, 2001, before me personally came Anton C. Kirchhof, to me known, who, being by me duly sworn, did depose and say that he/she is a Secretary of Louisiana-Pacific Corporation, one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ ROSE STONE

Notary Public

54

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this day of August 6th, 2001, before me personally came Sharon McGrath, to me known, who, being by me duly sworn, did depose and say that he/she is a Assistant Vice President of Bank One Trust Company, N.A., one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ ILLEGIBLE

Notary Public

55

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this day of August 6th, 2001, before me personally came Janice Ott Rotunno, to me known, who, being by me duly sworn, did depose and say that he/she is a VP and Assistant Secretary of Bank One Trust Company, N.A., one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ ILLEGIBLE

Notary Public

56

QuickLinks

[LOUISIANA-PACIFIC CORPORATION and BANK ONE TRUST COMPANY, N.A. Trustee THIRD SUPPLEMENTAL TRUST INDENTURE Dated as of August 13, 2001 Supplementing that certain INDENTURE Dated as of April 2, 1999 Authorizing the issuance and delivery of Senior Subordinated Notes Consisting of up to \\$300,000,000 aggregate principal amount of 10.875% Senior Subordinated Notes due 2008 With \\$200,000,000 aggregate principal amount of 10.875% Senior Subordinated Notes due 2008 Being issued and delivered on the date hereof](#)

[Table of Contents](#)

[RECITALS](#)

[LOUISIANA-PACIFIC CORPORATION 10.875% SENIOR SUBORDINATED NOTE DUE 2008](#)

[Louisiana-Pacific Corporation](#)

[ARTICLE I. ISSUANCE OF SENIOR SUBORDINATED NOTES.](#)

[ARTICLE II. CERTAIN DEFINITIONS.](#)

[ARTICLE III. CERTAIN COVENANTS.](#)

[ARTICLE IV. ADDITIONAL AND MODIFIED EVENTS OF DEFAULT.](#)

[ARTICLE V. DEFEASANCE.](#)

[ARTICLE VI. REDEMPTION OF SENIOR SUBORDINATED NOTES.](#)

[ARTICLE VII. SUBORDINATION](#)

[ARTICLE VIII. AMENDMENT AND RESTATEMENT OF ARTICLE XI OF THE INDENTURE](#)

[ARTICLE IX. MISCELLANEOUS.](#)

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Louisiana-Pacific Corporation

and

The First National Bank of Chicago, as Trustee

Indenture

DATED AS OF APRIL 2, 1999

DEBT SECURITIES

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LOUISIANA-PACIFIC CORPORATION
DEBT SECURITIES
CROSS REFERENCE SHEET*

This Cross Reference Sheet shows the location in the Indenture of the provisions inserted pursuant to Sections 310 - 318(a), inclusive, of the Trust Indenture Act of 1939, as amended.

TRUST INDENTURE ACT -----	SECTIONS OF INDENTURE -----
ss.310(a)(1)	9.08
(a)(2)	9.08
(a)(3)	Inapplicable
(a)(4)	Inapplicable
(a)(5)	9.08
(b)	9.07 and 9.09
(c)	Inapplicable
ss.311(a)	9.12
(b)	9.12
(c)	Inapplicable
ss.312(a)	7.01 and 7.02
(b)	7.02
(c)	7.02
ss.313(a)	7.03
(b)	7.03
(c)	7.03
(d)	7.03
ss.314(a)	7.04
(a)(4)	1.01 and 6.07
(b)	Inapplicable
(c)(1)	13.05
(c)(2)	13.05
(c)(3)	Inapplicable
(d)	Inapplicable
(e)	13.05
(f)	Inapplicable
ss.315(a)	9.01
(b)	8.08
(c)	9.01
(d)	9.01
(e)	8.07
ss.316(a)	1.01
(a)(1)(A)	8.01 and 8.06
(a)(1)(B)	8.01
(a)(2)	Inapplicable
(b)	8.09
(c)	13.11
ss.317(a)(1)	8.02
(a)(2)	8.02
(b)	6.03
ss.318(a)	13.08

* The Cross Reference Sheet is not part of the Indenture.

Table of Contents

	PAGE

Recitals.....	1
Form of Face of Security.....	1
Form of Reverse of Security.....	3
Form of Trustee's Certificate Of Authentication for Securities.....	7
Form of Legend for Global Securities.....	7
Article I. Definitions.....	8
Section 1.01. Certain Terms Defined.....	8
Act.....	8
Affiliate.....	8
Authenticating Agent.....	8
Board of Directors.....	8
Board Resolution.....	9
Business Day.....	9
Capital Lease.....	9
Capital Lease Obligation.....	9
Commission.....	9
Common Stock.....	9
Company.....	9
Company Request or Company Order.....	10
Corporate Trust Office.....	10
Covenant Defeasance.....	10
Default.....	10
Defaulted Interest.....	10
Defeasance.....	10
Defeasible Series.....	10
Depository.....	10
Event of Default.....	10
Exchange Act.....	11
GAAP.....	11
Global Security.....	11
Holder.....	11
Indebtedness.....	11
Indenture.....	12
Interest.....	12
Interest Payment Date.....	12
Material Adverse Effect.....	12
Maturity.....	12
Notice of Default.....	13
Officer's Certificate.....	13

Opinion of Counsel.....	13
Original Issue Discount Security.....	13
Outstanding.....	13
Paying Agent.....	14
Person.....	14
Place of Payment.....	14
Predecessor Security.....	14
Redemption Date.....	14
Redemption Price.....	14
Regular Record Date.....	15
Responsible Officer.....	15
Securities.....	15
Security Register and Security Registrar.....	15
Special Record Date.....	15
Stated Maturity.....	15
Subsidiary.....	16
Trust Indenture Act.....	16
Trustee.....	16
U.S. Government Obligation.....	16
Vice President.....	17

Article II. The Securities.....	17
Section 2.01. Designation and Amount of Securities.....	17
Section 2.02. Form of Securities and Trustee's Certificate of Authentication.....	18
Section 2.03. Date and Denominations.....	19
Section 2.04. Execution, Authentication and Delivery of Securities....	19
Section 2.05. Registration of Transfer and Exchange.....	20
Section 2.06. Temporary Securities.....	22
Section 2.07. Mutilated, Destroyed, Lost, and Stolen Securities.....	22
Section 2.08. Cancellation of Surrendered Securities.....	23
Section 2.09. Payment of Interest; Interest Rights Preserved.....	23
Section 2.10. Persons Deemed Owners.....	24
Section 2.11. Computation of Interest.....	24
Section 2.12. CUSIP Numbers.....	25

Article III. Redemption of Securities.....	25
Section 3.01. Applicability of Article.....	25
Section 3.02. Election to Redeem; Notice to Trustee.....	25
Section 3.03. Deposit of Redemption Price.....	26
Section 3.04. Securities Payable on Redemption Date.....	26
Section 3.05. Securities Redeemed in Part.....	26

Article IV. Sinking Funds.....	27
Section 4.01. Applicability of Article.....	27
Section 4.02. Satisfaction of Sinking Fund Payments With Securities...	27
Section 4.03. Redemption of Securities for Sinking Fund.....	27

Article V. Defeasance and Covenant Defeasance.....	28
Section 5.01. Company's Option to Effect Defeasance or Covenant Defeasance.....	28
Section 5.02. Defeasance and Discharge.....	28
Section 5.03. Covenant Defeasance.....	28
Section 5.04. Conditions to Defeasance or Covenant Defeasance.....	29
Section 5.05. Deposited Money and U.S. Government Obligations to be Held in Trust; Other Miscellaneous Provisions.....	30
Section 5.06. Reinstatement.....	31
Article VI. Particular Covenants of the Company.....	31
Section 6.01. Payment of Principal, Premium and Interest on Securities.....	31
Section 6.02. Maintenance of Office or Agency.....	31
Section 6.03. Money for Securities Payments to be Held in Trust.....	32
Section 6.04. Payment of Taxes and Other Claims.....	33
Section 6.05. Maintenance of Properties.....	33
Section 6.06. Existence.....	33
Section 6.07. Compliance with Laws.....	34
Section 6.08. Statement by Officers as to Default.....	34
Section 6.09. Waiver of Certain Covenants.....	34
Article VII. Securities Holders' Lists And Reports By The Company And The Trustee.....	34
Section 7.01. Company to Furnish Trustee Names and Addresses of Holders.....	34
Section 7.02. Preservation of Information; Communication to Holders...	35
Section 7.03. Reports by Trustee.....	35
Section 7.04. Reports by Company.....	35
Article VIII. Default.....	35
Section 8.01. Event of Default.....	35
Section 8.02. Covenant of Company to Pay to Trustee Whole Amount Due on Securities on Default in Payment of Interest or Principal; Suits for Enforcement by Trustee.....	38
Section 8.03. Application of Money Collected by Trustee.....	39
Section 8.04. Limitation on Suits by Holders of Securities.....	39
Section 8.05. Rights and Remedies Cumulative; Delay or Omission in Exercise of Rights not a Waiver of Event of Default.....	40
Section 8.06. Rights of Holders of Majority in Principal Amount of Outstanding Securities to Direct Trustee.....	40
Section 8.07. Requirement of an Undertaking to Pay Costs in Certain Suits Under the Indenture or Against the Trustee.....	41
Section 8.08. Notice of Defaults.....	41
Section 8.09. Unconditional Right of Holders to Receive Principal, Premium, and Interest.....	41
Section 8.10. Restoration of Rights and Remedies.....	41
Section 8.11. Trustee May File Proofs of Claims.....	41

Article IX. Concerning the Trustee.....	42
Section 9.01. Certain Duties and Responsibilities.....	42
Section 9.02. Certain Rights of Trustee.....	42
Section 9.03. Not Responsible for Recitals or Issuance of Securities..	43
Section 9.04. May Hold Securities.....	43
Section 9.05. Money Held in Trust.....	43
Section 9.06. Compensation and Reimbursement.....	43
Section 9.07. Disqualification; Conflicting Interests.....	44
Section 9.08. Corporate Trustee Required Eligibility.....	44
Section 9.09. Resignation and Removal; Appointment of Successor.....	44
Section 9.10. Acceptance of Appointment by Successor.....	45
Section 9.11. Merger, Conversion, Consolidation, or Succession to Business.....	46
Section 9.12. Preferential Collection of Claims Against Company.....	47
Section 9.13. Appointment of Authenticating Agent.....	47
Section 9.14. Trustee's Application for Instruction from the Company..	48
Article X. Supplemental Indentures And Certain Actions.....	49
Section 10.01. Purposes for Which Supplemental Indentures May Be Entered Into Without Consent of Holders.....	49
Section 10.02. Modification of Indenture With Consent of Holders of at Least a Majority in Principal Amount of Outstanding Securities.....	50
Section 10.03. Execution of Supplemental Indentures.....	51
Section 10.04. Effect of Supplemental Indentures.....	51
Section 10.05. Conformity with Trust Indenture Act.....	51
Section 10.06. Reference in Securities to Supplemental Indentures.....	51
Article XI. Consolidation, Merger, Sale, or Transfer.....	51
Section 11.01. Consolidations and Mergers of Company and Sales Permitted Only on Certain Terms.....	51
Article XII. Satisfaction and Discharge of Indenture.....	52
Section 12.01. Satisfaction and Discharge of Indenture.....	52
Section 12.02. Application of Trust Money.....	53
Article XIII. Miscellaneous Provisions.....	53
Section 13.01. Successors and Assigns of Company Bound by Indenture...	53
Section 13.02. Service of Required Notice to Trustee and Company.....	53
Section 13.03. Service of Required Notice to Holders; Waiver.....	53
Section 13.04. Indenture and Securities to be Construed in Accordance with the Laws of the State of New York.....	54
Section 13.05. Compliance Certificates and Opinions.....	54
Section 13.06. Form of Documents Delivered to Trustee.....	54
Section 13.07. Payments Due on Non-Business Days.....	54
Section 13.08. Provisions Required by Trust Indenture Act to Control..	54
Section 13.09. Invalidity of Particular Provisions.....	55
Section 13.10. Indenture May be Executed In Counterparts.....	55

Section 13.11. Acts of Holders; Record Dates.....55
Section 13.12. Effect of Headings and Table of Contents.....57
Section 13.13. Benefits of Indenture.....57

Indenture, dated as of April 2, 1999, between Louisiana-Pacific Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and The First National Bank of Chicago, a national banking association duly organized and existing under the laws of the United States of America (herein called the "Trustee").

Recitals of the Company

WHEREAS, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes, and other evidences of indebtedness (the "Securities"), to be issued in one or more series up to such principal amount or amounts as may be from time to time authorized in accordance with the terms of this Indenture provided.

WHEREAS, the Securities of each series will be in substantially the form set forth below, or in such other form as may be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by this 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 of the Securities.

[Form of Face of Security]

[Insert any legend required by the Internal Revenue Code and the regulations thereunder.]

Louisiana-Pacific Corporation

CUSIP No.____

No._____

\$_____

Louisiana-Pacific Corporation, a corporation duly organized and existing under the laws 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 _____, or registered assigns, the principal sum on \$_____ on _____ [if the Security is to bear interest prior to Maturity, insert: ", and to pay interest thereon from or from the most recent Interest Payment Date to which interest has been paid or duly provided for, on and _____ in each year, commencing on _____, a% per rate of _____% per annum, until the principal hereof is paid or made available for payment [IF APPLICABLE, INSERT: ", and at the rate of _____% per annum on any overdue principal and premium and on any overdue installment of interest"]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such 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 will be the _____ or _____ (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 will 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 will 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"].

[If the Security is not to bear interest prior to Maturity, insert: "The principal of this Security will not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption, or at Stated Maturity, and in such case the overdue principal of this Security will bear interest at the rate of % per annum which will accrue from the date of such default in payment to the date payment of such principal has been made or duly provided for. Interest on any overdue principal will be payable on demand. Any such interest on any overdue principal that is not so paid on demand will bear interest at the rate of % per annum which will accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest will also be payable on demand."]

Payment of the principal of (and premium, if any) and [if applicable, insert: "any such"] interest on this Security will be made at the office or agency of the Company maintained for the purpose in _____, 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 [IF APPLICABLE, INSERT: "; 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 WILL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH IN THIS PLACE.

This Security will not be valid or become obligatory for any purpose until the certificate of authentication herein has been signed manually by the Trustee under the Indenture referred to on the reverse side hereof.

In Witness Whereof, this instrument has been duly executed in accordance with the Indenture.

Louisiana-Pacific Corporation

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 _____, 1999 (herein called the "Indenture"), between the Company and _____ 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 [IF APPLICABLE, INSERT: ", limited in aggregate principal amount to \$____"].

[If applicable, insert: "The Securities of this series are subject to redemption upon not less than 30 calendar days' notice by mail, [IF APPLICABLE, INSERT: "(a) on _____ in each year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (b)"] at any time [IF APPLICABLE, INSERT: "on or after _____, ___"], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [IF APPLICABLE, INSERT: "on or before _____, __%, and if redeemed"] during the 12-month period beginning _____ of the years indicated,

Year	Redemption Price	Year	Redemption Price
- - - - -	-----	-----	-----

and thereafter at a Redemption Price equal to % of the principal amount, together in the case of any such redemption [IF APPLICABLE, INSERT: "whether through operation of the sinking fund or otherwise)"] with accrued interest to the Redemption Date, but interest installments the Stated Maturity of which is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor 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."]

[If applicable, insert: "The Securities of this series are subject to redemption upon not less than 30 calendar days' notice by mail,[IF APPLICABLE, INSERT: "(a) on _____ in each year commencing with the year _____ and ending with the year _____ through operation of the sinking fund for this series at the following Redemption Prices (expressed as percentages of the principal amount) applicable to redemption through operation of the sinking fund and (b)"] at any time [IF APPLICABLE, INSERT: "on or after _____, ___"], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount) applicable to redemption otherwise than through operation of the sinking fund: If redeemed [IF APPLICABLE, INSERT: "on or before _____, __%, and if redeemed"] during the 12-month period beginning _____ of the years indicated,

	Redemption Price For Redemption Through Operation of the Sinking Fund	Redemption Price For Redemption Otherwise Than Through Operation Of The Sinking Fund
Year	-----	-----
- - - - -		

and thereafter at a Redemption Price _____% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor 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."]

[If applicable, insert: "Notwithstanding the foregoing, the Company may not, prior to _____, redeem any Securities of this series as contemplated by [IF APPLICABLE, INSERT: "Clause (b) of"] the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than _____% per annum."]

[If applicable, insert: "The sinking fund for this series provides for the redemption on _____ in each year beginning with the year _____ and ending with the year _____ of [IF APPLICABLE, INSERT: "not less than \$_____ ("mandatory sinking fund") and not more than"] \$_____ aggregate principal amount of Securities of this series. Securities of this series acquired or redeemed by the Company otherwise than through [IF APPLICABLE, INSERT: "mandatory"] sinking fund payments may be credited against subsequent [IF APPLICABLE, INSERT: "mandatory"] sinking fund payments otherwise required to be made [IF APPLICABLE, INSERT: "in the inverse order in which they become due"]."]]

[If the Security is subject to redemption of any kind, insert: "In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof."]

[If applicable, insert: "The Indenture contains provisions for defeasance at any time of (a) the entire indebtedness evidenced by 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 the Security is not an Original Issue Discount Security, insert: "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."]

[If the Security is an Original Issue Discount Security, insert: "If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount will be equal to [INSERT FORMULA FOR DETERMINING THE AMOUNT]. Upon payment (a) of the amount of principal so declared due and payable and (b) of interest on any overdue principal and overdue interest, all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series will terminate."]

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 affected 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 will 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 will 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 will 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 will 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, will 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 will 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 will be affected by notice to the contrary.

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

C. The Trustee's certificate of authentication will be in substantially the following form:

[Form of Trustee's Certificate Of Authentication for Securities]

Trustee's Certificate of Authentication

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

The First National Bank of Chicago

as Trustee

Dated: _____

By: _____
Authorized Signatory

D. Every Global Security authenticated and delivered hereunder will bear a legend in substantially the following form:

[Form of Legend for Global Securities]

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 will be a Global Security subject to the foregoing, except in such limited circumstances.

E. All acts and things necessary to make the Securities, when the Securities have been executed by the Company and authenticated by the Trustee and delivered as provided in this 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 this Indenture and the issue hereunder of the Securities have in all respects been duly authorized; and the Company, in the exercise of legal right and power in it vested, is executing and delivering this Indenture and proposes to make, execute, issue, and deliver the Securities.

Now, Therefore, this Indenture Witnesseth:

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

Article I. Definitions.

SECTION 1.01. CERTAIN TERMS DEFINED.

(a) The terms defined in this Section 1.01 (except as herein otherwise expressly provided or unless the context of this Indenture otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto have the respective meanings specified in this Section 1.01. All other terms used in this Indenture that are defined in the Trust Indenture Act, either directly or by reference therein (except as herein otherwise expressly provided or unless the context of this Indenture otherwise requires), have the respective meanings assigned to such terms in the Trust Indenture Act as in force at the date of this Indenture as originally executed.

ACT:

The term "Act," when used with respect to any Holder, has the meaning set forth in Section 13.11.

AFFILIATE:

The term "Affiliate" means, with respect to a particular Person, any Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, control of a Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

AUTHENTICATING AGENT:

The term "Authenticating Agent" means any Person authorized by the Trustee pursuant to Section 9.13 to act on behalf of the Trustee to authenticate Securities of one or more series.

BOARD OF DIRECTORS:

The term "Board of Directors" means the Board of Directors of the Company or a duly authorized committee of such Board.

BOARD RESOLUTION:

The term "Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

BUSINESS DAY:

The term "Business Day", when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday, and Friday which is not a day on which banking institutions in that Place of Payment are authorized or required by law or executive order to close and the Federal Reserve Bank's FedWire Service is operating.

CAPITAL LEASE:

The term "Capital Lease" means, with respect to any Person, any lease of property (whether real, personal, or mixed) by such Person or its Subsidiaries as lessee that would be capitalized on a balance sheet of such Person or its Subsidiaries prepared in conformity with GAAP, other than, in the case of such Person or its Subsidiaries, any such lease under which such Person or any of its Subsidiaries is the lessor.

CAPITAL LEASE OBLIGATION:

The term "Capital Lease Obligations" means, with respect to any Person, the capitalized amount of all obligations of such Person and its Subsidiaries under Capital Leases, as determined on a consolidated basis in conformity with GAAP.

COMMISSION:

The term "Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

COMMON STOCK:

The term "Common Stock" means the common stock of the Company.

COMPANY:

The term "Company" means Louisiana-Pacific Corporation, a Delaware corporation, until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" will mean such successor Person.

COMPANY REQUEST OR COMPANY ORDER:

The term "Company Request" or "Company Order" means a written request or order, respectively, signed in the name of the Company by the Chairman or any Vice Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, or any Assistant Secretary of the Company, and delivered to the Trustee.

CORPORATE TRUST OFFICE:

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of initial execution of this Indenture is One First National Plaza, Suite 1L1-0126 Chicago, Illinois 60670-0126, Attention: Corporate Trust Department.

COVENANT DEFEASANCE:

The term "Covenant Defeasance" has the meaning set forth in Section 5.03.

DEFAULT:

The term "Default" means any event which, with notice or passage of time or both, would constitute an Event of Default.

DEFAULTED INTEREST:

The term "Defaulted Interest" has the meaning set forth in Section 2.09.

DEFEASANCE:

The term "Defeasance" has the meaning set forth in Section 5.02.

DEFEASIBLE SERIES:

The term "Defeasible Series" has the meaning set forth in Section 5.01.

DEPOSITARY:

The term "Depositary" means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depositary for such Securities as contemplated by Section 2.01.

EVENT OF DEFAULT:

The term "Event of Default" has the meaning set forth in Section 8.01(a).

EXCHANGE ACT:

The term "Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, as the same may be in effect from time to time.

GAAP:

The term "GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time set forth in the opinions and pronouncements of the Accounting Principles Board and The American Institute of Certified Public Accountants and the statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by any successor entity as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination.

GLOBAL SECURITY:

The term "Global Security" means a Security that evidences all or part of the Securities of any series and is authenticated and delivered to, and registered in the name of, the Depositary for such Securities or a nominee thereof.

HOLDER:

The term "Holder" means a person in whose name a particular Security is registered in the Security Register.

INDEBTEDNESS:

The term "Indebtedness" means, as applied to any Person, without duplication: (a) all obligations of such Person for borrowed money; (b) all obligations of such Person for the deferred purchase price of property or services (other than property and services purchased, and expense accruals and deferred compensation items arising, in the ordinary course of business); (c) all obligations of such Person evidenced by notes, bonds, debentures, mandatorily redeemable preferred stock, or other similar instruments (other than performance, surety, and appeals bonds arising in the ordinary course of business); (d) all payment obligations created or arising under any

conditional sale, deferred price, or other title retention agreement with respect to property acquired by such Person (unless the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (e) any Capital Lease Obligation of such Person; (f) all reimbursement, payment, or similar obligations, contingent or otherwise, of such Person under acceptance, letter of credit, or similar facilities (other than letters of credit in support of trade obligations or incurred in connection with public liability insurance, workers' compensation, unemployment insurance, old-age pensions, and other social security benefits other than in respect of employee benefit plans subject to ERISA); (g) all obligations of such Person, contingent or otherwise, under any guarantee by such Person of the obligations of another Person of the type referred to in clauses (a) through (f) above; and (h) all obligations referred to in clauses (a) through (f) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage or security interest in property (including without limitation accounts, contract rights, and general intangibles) owned by such Person and as to which such Person has not assumed or become liable for the payment of such obligations other than to the extent of the property subject to such mortgage or security interest; PROVIDED, HOWEVER, that Indebtedness of the type referred to in clauses (g) and (h) above shall be included within the definition of "Indebtedness" only to the extent of the least of: (i) the amount of the underlying Indebtedness referred to in the applicable clause (a) through (f) above; (ii) in the case of clause (g), the limit on recoveries, if any, from such Person under obligations of the type referred to in clause (g) above; and (iii) in the case of clause (h), the aggregate value (as determined in good faith by the board of directors or similar governing body of such Person) of the property of such Person subject to such mortgage or security interest.

INDENTURE:

The term "Indenture" means this Indenture, as this Indenture may be amended, supplemented, or otherwise modified from time to time, including, for all purposes of this Indenture and any indenture supplemental hereto, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture, respectively. The term "Indenture" also includes the terms of particular series of Securities established in accordance with Section 2.01.

INTEREST:

The term "interest," (i) when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest which accrues from and after and is payable after Maturity and (ii) when used with respect to any Security, means the amount of all interest accruing on such Security, including any default interest and any interest that would have accrued after any Event of Default but for the occurrence of such Event of Default, whether or not a claim for such interest would be otherwise allowable under applicable law.

INTEREST PAYMENT DATE:

The term "Interest Payment Date," when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

MATERIAL ADVERSE EFFECT:

The term "Material Adverse Effect" means a material adverse effect on the business, assets, financial condition or results of operations of the Company (taken together with its Subsidiaries as a whole).

MATURITY:

The term "Maturity," when used with respect to any Security, means the date on which the principal of that Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption, or otherwise.

NOTICE OF DEFAULT:

The term "Notice of Default" means a written notice of the kind set forth in Section 8.01(a)(iv).

OFFICER'S CERTIFICATE:

The term "Officer's Certificate" means a certificate executed on behalf of the Company by a Responsible Officer, and delivered to the Trustee.

OPINION OF COUNSEL:

The term "Opinion of Counsel" means an opinion in writing signed by legal counsel, who, subject to any express provisions hereof, may be an employee of or counsel for the Company or any Subsidiary, reasonably acceptable to the Trustee.

ORIGINAL ISSUE DISCOUNT SECURITY:

The term "Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 8.01(b).

OUTSTANDING:

The term "Outstanding" means, when used with reference to Securities as of a particular time, all Securities theretofore issued by the Company and authenticated and delivered by the Trustee under this Indenture, except: (a) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation, (b) Securities for the payment or redemption of which

money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company is acting as its own Paying Agent) for the Holders of such Securities; PROVIDED that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made, and (c) Securities in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company; PROVIDED, HOWEVER, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, (i) the principal amount of an Original Issue Discount Security that will be deemed to be Outstanding will be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof to such date pursuant to Section 8.01(b), (ii) the principal amount of a Security denominated in one or more foreign currencies or currency units will be the U.S. dollar equivalent, determined in the manner contemplated by Section 2.01 on the date of original issuance of such Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the date of original issuance of such Security of the amount determined as provided in clause (i) above) of such Security, and (iii) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor will be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Securities which a Responsible Officer of the Trustee actually knows to be so owned will be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

PAYING AGENT:

The term "Paying Agent" means any Person authorized by the Company to pay the principal of or any premium or interest on any Securities on behalf of the Company.

PERSON:

The term "Person" means any individual, partnership, corporation, limited liability company, joint stock company, business trust, trust, unincorporated association, joint venture, or other entity, or government or political subdivision or agency thereof.

PLACE OF PAYMENT:

The term "Place of Payment," when used with respect to the Securities of any series, means the place or places specified for the payment of the principal of and any premium and interest on the Securities of that series as contemplated by Section 2.01.

PREDECESSOR SECURITY:

The term "Predecessor Security," when used with respect to any particular Security, means every previous Security evidencing all or a portion of the same debt as that evidenced by such Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 2.07 in exchange for or in lieu of a mutilated, destroyed, lost, or stolen Security will be deemed to evidence the same debt as the mutilated, destroyed, lost, or stolen Security.

REDEMPTION DATE:

The term "Redemption Date," when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

REDEMPTION PRICE:

The term "Redemption Price," when used with respect to any Security to be redeemed, means the price (including premium, if any) at which it is to be redeemed pursuant to this Indenture.

REGULAR RECORD DATE:

The term "Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 2.01.

RESPONSIBLE OFFICER:

The term "Responsible Officer," when used (a) with respect to the Company, means the Chairman or any Vice Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary, or any Assistant Secretary of the Company and (b) with respect to the Trustee, means any officer of the Trustee assigned by the Trustee to administer corporate trust matters and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

SECURITIES:

The term "Securities" has the meaning set forth in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

SECURITY REGISTER AND SECURITY REGISTRAR:

The terms "Security Register" and "Security Registrar" have the respective meanings set forth in Section 2.05.

SPECIAL RECORD DATE:

The term "Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 2.09.

STATED MATURITY:

The term "Stated Maturity," when used with respect to any Security, means the date specified in such Security as the fixed date on which the principal of such Security or any installment of interest thereon is due and payable.

SUBSIDIARY:

The term "Subsidiary" means, with respect to any Person, any corporation, partnership, or other business entity 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 such Person, by such Person and one or more of its other Subsidiaries, or by one or more of such Person's other Subsidiaries.

TRUST INDENTURE ACT:

The term "Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, as in force at the date as of which this instrument was executed; PROVIDED, HOWEVER, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

TRUSTEE:

The term "Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the

applicable provisions of this Indenture, and thereafter "Trustee" will mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series will mean each Trustee with respect to Securities of that series.

U.S. GOVERNMENT OBLIGATION:

The term "U.S. Government Obligation" means (a) any security that is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof and (b) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any U.S. Government Obligation specified in clause (a), which U.S. Government Obligation is held by such custodian for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any such U.S. Government Obligation, PROVIDED that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

VICE PRESIDENT:

The term "Vice President," when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president."

(b) The words "Article" and "Section" refer to an Article and Section, respectively, of this Indenture as originally executed. The words "herein", "hereof," and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision. Certain terms used principally in Articles V, VI, and IX are defined in those Articles. Terms in the singular include the plural and terms in the plural include the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP.

ARTICLE II. THE SECURITIES.

SECTION 2.01. DESIGNATION AND AMOUNT OF SECURITIES.

(a) The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited.

(b) The Securities may be issued in one or more series. There will be established in or pursuant to a Board Resolution and, subject to Section 2.04, set forth or determined in the manner provided in an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series: (i) the title of the Securities of the series (which will distinguish the Securities of the series from Securities of any other series); (ii) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in the exchange for, or in lieu of, other Securities of the series pursuant to Section 2.05, 2.06, 2.07, 3.05, or 10.06 and except for any Securities which, pursuant to Section 2.04, are deemed never to have been authenticated and delivered hereunder); (iii) the Person to whom any interest on a Security of the series will be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest; (iv) the date or dates on which the principal of the Securities of the series is payable; (v) the rate or rates at which the Securities of the series will bear interest, if any, the date or dates from which such interest will accrue, the Interest Payment Dates on which any such interest will be payable, and the Regular Record Date for any interest payable on any Interest Payment Date; (vi) the place or places where the principal of and any premium and interest on Securities of the series will be payable; (vii) the period or periods within which, the price or prices at which, and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company; (viii) the obligation, if any, of the Company to redeem or purchase Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a Holder thereof and the period or periods within which, the price or prices at which, and the terms and conditions upon which Securities of the series will be redeemed or purchased, in whole or in part, pursuant to such obligation; (ix) if other than denominations of \$1,000 and integral multiples thereof, the denominations in which Securities of the series will be issuable; (x) the currency, currencies, or currency units in which payment of the principal of and any premium and interest on any Securities of the series will be payable if other than the currency of the United States of America and the manner of determining the equivalent thereof in the currency of the United States of America for purposes of the definition of "Outstanding" in Section 1.01; (xi) if the amount of payments of principal of or any premium or interest on any Securities of the series may be determined with reference to an index, based upon a formula, or in some other manner, the manner in which such amounts will be determined; (xii) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or a Holder thereof, in one or more currencies or currency units other than that or those in which the Securities are stated to be payable, the currency, currencies, or currency units in which payment of the principal of and any premium and interest on Securities of such series as to which such election is made will be payable, and the periods within which and the terms and conditions upon which such election is to be made; (xiii) if other than the principal amount thereof, the portion of the principal amount of Securities of the series which will be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 8.01(b); (xiv) if applicable, that the Securities of the series will be subject to either or both of Defeasance or Covenant Defeasance as provided in Article V, provided that no series of Securities that is convertible into Common Stock pursuant to Section 2.01(b)(xvi) or convertible into or exchangeable for any other securities pursuant to Section 2.01(b)(xvii) will be subject to Defeasance pursuant to Section 5.02; (xv) if and as applicable, that the Securities of the series will be issuable in whole or in part in the form of

one or more Global Securities and, in such case, the Depositary or Depositaries for such Global Security or Global Securities and any circumstances other than those set forth in Section 2.05 in which any such Global Security may be transferred to, and registered and exchanged for Securities registered in the name of, a Person other than the Depositary for such Global Security or a nominee thereof and in which any such transfer may be registered; (xvi) the terms and conditions, if any, pursuant to which the Securities are convertible into Common Stock; (xvii) the terms and conditions, if any, pursuant to which the Securities are convertible into or exchangeable for any other securities, including (without limitation) securities of Persons other than the Company; (xviii) if and as applicable, that the Securities of the series will be subordinated and subject in right of payment to the prior payment of other Indebtedness; and (xix) any other terms of, or provisions, covenants, rights or other matters applicable to, the series (which terms, provisions, covenants, rights or other matters will not be inconsistent with the provisions of this Indenture, except as permitted by Section 10.01(e)).

(c) All Securities of any one series will be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to below and (subject to Section 2.04) set forth or determined in the manner provided in the Officer's Certificate referred to above or in any such indenture supplemental hereto.

(d) If any of the terms of the series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action will be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee concurrently with or prior to the delivery of the Officer's Certificate setting forth the terms of the series.

SECTION 2.02. FORM OF SECURITIES AND TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

(a) The Securities of each series will be in substantially the form set forth in or otherwise contemplated by the recitals to this Indenture, with appropriate variations to reflect the specific terms of such series. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action will be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee concurrently with or prior to the delivery of the Company Order contemplated by Section 2.04 for the authentication and delivery of such Securities.

(b) The definitive Securities will be printed, lithographed, or engraved on steel engraved borders or may be produced in any other manner permitted by the rules of any securities exchange on which the Securities may be listed, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

(c) The Trustee's certificate of authentication will be in substantially the form set forth in the recitals to this Indenture.

(d) Every Global Security authenticated and delivered hereunder will bear a legend in substantially the form set forth in the recitals to this Indenture.

SECTION 2.03. DATE AND DENOMINATIONS.

Each Security will be dated the date of its authentication. The Securities of each series will be issuable only in registered form without coupons in such denominations as may be specified as contemplated by Section 2.01. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series will be issuable in denominations of \$1,000 and integral multiples thereof.

SECTION 2.04. EXECUTION, AUTHENTICATION AND DELIVERY OF SECURITIES.

(a) The Securities will 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 under its corporate seal. The signature of any of these officers on the Securities may be manual or facsimile. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted, or otherwise reproduced on the Securities.

(b) Only such Securities bearing the Trustee's certificate of authentication, signed manually by the Trustee, will be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such execution of the certificate of authentication by the Trustee upon any Securities executed by the Company will be conclusive evidence that the Securities so authenticated have been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 2.08, for all purposes of this Indenture such Security will be deemed never to have been authenticated and delivered hereunder and will never be entitled to the benefits of this Indenture.

(c) Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company will bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

(d) At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee will authenticate and deliver such Securities in accordance with such Company Order. If the terms or form of the Securities of the series have been established in or pursuant to one or more Board Resolutions as permitted by Sections 2.01 and 2.02, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee will be entitled to receive, and (subject to Section 9.01) will be fully protected in relying upon, an Opinion of Counsel stating (i) if the terms of such Securities have been established by or pursuant to a Board Resolution as permitted by Section 2.01, that such terms have been established in conformity with the provisions of this Indenture, (ii) if the form of such Securities has been

established by or pursuant to a Board Resolution as permitted by Section 2.02, that such form has been established in conformity with the provisions of this Indenture, and (iii) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Company enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws relating to or affecting creditors' rights and by general principles of equity.

(e) Notwithstanding the provisions of Sections 2.01 and 2.04(d), if all Securities of a series are not to be originally issued at one time, it will not be necessary to deliver the Officer's Certificate otherwise required pursuant to Section 2.01 or the Company Order and Opinion of Counsel otherwise required pursuant to Section 2.04(d) at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

SECTION 2.05. REGISTRATION OF TRANSFER AND EXCHANGE.

(a) The Company will cause to be kept at the Corporate Trust Office a register (the register maintained in such office and in any other office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company will provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

(b) Upon surrender for registration of transfer of any Security of any series at the office or agency in a Place of Payment for that series, the Company will execute, and the Trustee will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor.

(c) At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company will execute, and the Trustee will authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

(d) Every Security presented or surrendered for registration of transfer or exchange will (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument or instruments of transfer, in form reasonably satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing. No service charge will be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 2.06, 3.05, or 10.06 not

involving any transfer. The Company will not be required (i) to issue, register the transfer of, or exchange Securities of any series during a period beginning at the opening of business 15 calendar days before the mailing of a notice of redemption of Securities of that series selected for redemption under Section 3.02(c) and ending at the close of business on the day of such mailing or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except, in the case of any Securities to be redeemed in part, the portion thereof not being redeemed.

(e) All Securities issued upon any registration of transfer or exchange of Securities will be valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

(f) Notwithstanding any other provision in this Indenture, no Global Security may be transferred to, or registered or exchanged for Securities registered in the name of, any Person other than the Depository for such Global Security or any nominee thereof, and no such transfer may be registered, unless (i) such Depository (A) notifies the Company that it is unwilling or unable to continue as Depository for such Global Security or (B) ceases to be a clearing agency registered under the Exchange Act, (ii) the Company executes and delivers to the Trustee a Company Order that such Global Security shall be so transferable, registrable, and exchangeable, and such transfers shall be registrable, (iii) there shall have occurred and be continuing an Event of Default with respect to the Securities evidenced by such Global Security, or (iv) there shall exist such other circumstances, if any, as have been specified for this purpose as contemplated by Section 2.01. Notwithstanding any other provision in this Indenture, a Global Security to which the restriction set forth in the preceding sentence shall have ceased to apply may be transferred only to, and may be registered and exchanged for Securities registered only in the name or names of, such Person or Persons as the Depository for such Global Security shall have directed and no transfer thereof other than such a transfer may be registered. Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security to which the restriction set forth in the first sentence of this Section 2.05(f) shall apply, whether pursuant to this Section 2.05, Section 2.06, 2.07, 3.05, or 10.06 or otherwise, will be authenticated and delivered in the form of, and will be, a Global Security.

SECTION 2.06. TEMPORARY SECURITIES.

Pending the preparation of definitive Securities of any series, the Company may execute and register, and upon Company Order the Trustee will authenticate and deliver, temporary Securities (printed, lithographed, or typewritten) of any authorized denomination, and substantially in the form of the definitive Securities but with such omissions, insertions, and variations as may be appropriate for temporary Securities, all as may be determined by the officers of the Company executing such Securities as evidenced by their execution of such Securities; PROVIDED, HOWEVER, that the Company will use reasonable efforts to have definitive Securities of that series available at the times of any issuance of Securities under this Indenture. Every temporary Security will be executed and registered by the Company and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities. The Company will execute and register and furnish definitive Securities

of such series as soon as practicable and thereupon any or all temporary Securities of such series may be surrendered in exchange therefor at the office or agency of the Company in the Place of Payment for that series, and the Trustee will authenticate and deliver in exchange for such temporary Securities of such series one or more definitive Securities of the same series, of any authorized denominations, and of a like aggregate principal amount and tenor. Such exchange will be made by the Company at its own expense and without any charge to the Holder therefor. Until so exchanged, the temporary Securities of any series authenticated and delivered hereunder will be entitled to the same benefits under this Indenture as definitive Securities of the same series authenticated and delivered hereunder.

SECTION 2.07. MUTILATED, DESTROYED, LOST, AND STOLEN SECURITIES.

(a) If any mutilated Security is surrendered to the Trustee, the Company will execute and the Trustee will authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

(b) If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss, or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company will execute and the Trustee will authenticate and deliver, in lieu of any such destroyed, lost, or stolen Security, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

(c) In case any such mutilated, destroyed, lost, or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

(d) Upon the issuance of any new Security under this Section 2.07, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

(e) Every new Security of any series issued pursuant to this Section 2.07 in exchange for any mutilated Security or in lieu of any destroyed, lost, or stolen Security will constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost, or stolen Security shall be at any time enforceable by anyone, and will be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

(f) The provisions of this Section 2.07 are exclusive and will preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Securities.

SECTION 2.08. CANCELLATION OF SURRENDERED SECURITIES.

All Securities surrendered for payment, redemption, registration of transfer or exchange, or for credit against any sinking fund payment will, if surrendered to any Person other than the Trustee, be delivered to the Trustee and will be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered will be promptly cancelled by the Trustee. No Securities will be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section 2.08, except as expressly permitted by this Indenture. The Trustee shall destroy all cancelled Securities held by the Trustee and shall send a certificate of such destruction to the Company.

SECTION 2.09. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

(a) Except as otherwise provided as contemplated by Section 2.01 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date will be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

(b) Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") will forthwith cease to be payable to the Holder on the relevant regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company together with interest thereon (to the extent permitted by law) at the rate of interest applicable to such Security, at its election in each case, as provided in clause (i) or (ii) below:

(i) The Company may elect to make payment of any Defaulted Interest (and interest thereon, if any) to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which will be fixed in the following manner. The Company will notify the Trustee in writing of the amount of Defaulted Interest (and interest thereon, if any) proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company will deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest (and interest thereon, if any) or will make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest (and interest thereon, if any) as in this clause (i) provided. Thereupon the Trustee will fix a Special Record Date for the payment of such Defaulted Interest (and interest thereon, if any) which will be not more than 15 calendar days and not less than 10 calendar days prior to the date of the proposed payment and not less than 10 calendar days after the receipt by the Trustee of the notice of the proposed payment. The Trustee will promptly notify the Company of such Special Record Date

and, in the name and at the expense of the Company, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at his address as it appears in the Security Register, not less than 10 calendar days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest (and interest thereon, if any) and the Special Record Date therefor having been so mailed, such Defaulted Interest will be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and will no longer be payable pursuant to the following clause (ii).

(ii) The Company may make payment of any Defaulted Interest (and interest thereon, if any) on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause (ii), such manner of payment shall be deemed practicable by the Trustee.

(c) Subject to the foregoing provisions of this Section 2.09, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security will carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 2.10. PERSONS DEEMED OWNERS.

Prior to due presentment of a 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 such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 2.09) any interest on such Security and for all other purposes whatsoever, whether or not such Security shall be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee will be affected by notice to the contrary.

SECTION 2.11. COMPUTATION OF INTEREST.

Except as otherwise specified as contemplated by Section 2.01 for Securities of any series, interest on the Securities of each series will be computed on the basis of a 360-day year consisting of twelve 30-day months.

SECTION 2.12. CUSIP NUMBERS.

The Company in issuing any series of the Securities may use CUSIP numbers, if then generally in use, and thereafter with respect to such series, the Trustee may use such numbers in any notice of redemption or exchange with respect to such series PROVIDED that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption

shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

ARTICLE III. REDEMPTION OF SECURITIES.

SECTION 3.01. APPLICABILITY OF ARTICLE.

Securities of any series which are redeemable before their Stated Maturity will be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 2.01 for Securities of any series) in accordance with this Article III.

SECTION 3.02. ELECTION TO REDEEM; NOTICE TO TRUSTEE.

(a) The election of the Company to redeem any Securities will be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all the Securities of any series, the Company will, at least 60 calendar days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company will furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction.

(b) Notice of redemption of Securities to be redeemed at the election of the Company will be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company and will be irrevocable. Notice of redemption will be given by mail, first-class postage prepaid, not less than 30 nor more than 60 calendar days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register. All notices of redemption will state (i) the Redemption Date, (ii) the Redemption Price, (iii) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption of any Securities, the principal amounts) of the particular Securities to be redeemed, (iv) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date, (v) the place or places where such Securities are to be surrendered for payment of the Redemption Price, (vi) that the redemption is for a sinking fund, if such is the case, and (vii) the specific provision of this Indenture pursuant to which such Securities are to be redeemed.

(c) If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed will be selected not more than 60 calendar days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method as the Trustee may deem fair and appropriate and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination

for Securities of that series. The Trustee will promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

(d) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities will relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 3.03. DEPOSIT OF REDEMPTION PRICE.

Prior to 10:00 a.m. on any Redemption Date specified in the notice of redemption given as provided in Section 3.02, the Company will deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 6.03) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) any accrued interest on, all of the Securities that are to be redeemed on that date.

SECTION 3.04. SECURITIES PAYABLE ON REDEMPTION DATE.

(a) Notice of redemption having been given as aforesaid, the Securities so to be redeemed will, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company defaults in the payment of the Redemption Price and accrued interest) such Securities will cease to accrue interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security will be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; PROVIDED, HOWEVER, that, unless otherwise specified as contemplated by Section 2.01, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates in accordance with their terms and the provisions of Section 2.09.

(b) If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium will, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 3.05. SECURITIES REDEEMED IN PART.

Any Security that is to be redeemed only in part will be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company will execute, and the Trustee will authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

Article IV. Sinking Funds.

SECTION 4.01. APPLICABILITY OF ARTICLE.

The provisions of this Article IV will be applicable to any sinking fund for the retirement of Securities of a series except as otherwise specified as contemplated by Section 2.01 for Securities of such series. The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "mandatory sinking fund payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the amount of any sinking fund payment may be subject to reduction as provided in Section 4.02. Each sinking fund payment with respect to Securities of a particular series will be applied to the redemption of Securities of such series as provided for by the terms of Securities of such series.

SECTION 4.02. SATISFACTION OF SINKING FUND PAYMENTS WITH SECURITIES.

The Company (a) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (b) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series, provided that such Securities have not been previously so credited. Such Securities will be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment will be reduced accordingly.

SECTION 4.03. REDEMPTION OF SECURITIES FOR SINKING FUND.

Not less than 60 calendar days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officer's Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, that is to be satisfied by payment of cash and the portion thereof, if any, that is to be satisfied by delivering and crediting Securities of that series pursuant to Section 4.02 and will also deliver to the Trustee any Securities to be so delivered. Not less than 30 calendar days before each such sinking fund payment date, the Trustee will select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 3.02(c) and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 3.02(b). Such notice having been duly given, the redemption of such Securities will be made upon the terms and in the manner stated in Sections 3.04 and 3.05.

ARTICLE V. DEFEASANCE AND COVENANT DEFEASANCE.

SECTION 5.01. COMPANY'S OPTION TO EFFECT DEFEASANCE OR COVENANT DEFEASANCE.

The Company may elect, at its option by Board Resolution at any time, to have either Section 5.02 or Section 5.03 applied to the Outstanding Securities of any series designated pursuant to Section 2.01 as being defeasible pursuant to this Article V (hereinafter called "Defeasible Series"), upon compliance with the conditions set forth below in this Article V, PROVIDED that Section 5.02 will not apply to any series of Securities that is convertible into Common Stock pursuant to Section 2.01(b)(xvi) or convertible into or exchangeable for any other securities pursuant to Section 2.01(b)(xvii).

SECTION 5.02. DEFEASANCE AND DISCHARGE.

Upon the Company's exercise of the option provided in Section 5.01 to have this Section 5.02 applied to the Outstanding Securities of any Defeasible Series and subject to the proviso to Section 5.01, the Company will be deemed to have been discharged from its obligations with respect to the Outstanding Securities of such series as provided in this Section 5.02 on and after the date the conditions set forth in Section 5.04 are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company will be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and to have satisfied all its other obligations under the Securities of such series and this Indenture insofar as the Securities of such series are concerned (and the Trustee, at the expense of the Company, will execute proper instruments acknowledging the same), subject to the following which will survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of Securities of such series to receive, solely from the trust fund described in Section 5.04 and as more fully set forth in Section 5.04, payments in respect of the principal of and any premium and interest on such Securities of such series when payments are due, (b) the Company's obligations with respect to the Securities of such series under Sections 2.05, 2.06, 2.07, 6.02, 6.03, and 10.06, (c) the rights, powers, trusts, duties, and immunities of the Trustee hereunder, and (d) this Article V. Subject to compliance with this Article V, the Company may exercise its option provided in Section 5.01 to have this Section 5.02 applied to the Outstanding Securities of any Defeasible Series notwithstanding the prior exercise of its option provided in Section 5.01 to have Section 5.03 applied to the Outstanding Securities of such series.

SECTION 5.03. COVENANT DEFEASANCE.

Upon the Company's exercise of the option provided in Section 5.01 to have this Section 5.03 applied to the Outstanding Securities of any Defeasible Series, (a) the Company will be released from its obligations under Sections 6.04 through 6.07, inclusive, Section 11.01, and the provisions of any indenture supplemental hereto specified in such supplemental indenture, and (b) the occurrence of any event specified in Sections 8.01(a)(iii), 8.01(a)(iv) (with respect to any of Sections 6.04 through 6.07, inclusive, Section 11.01, and the provisions of any indenture supplemental hereto specified in such supplemental indenture), 8.01(a)(v), and 8.01(a)(viii) will be deemed not to be or result in an Event of Default, in each case with respect to the Outstanding Securities of such series as provided in this Section on and after the date the conditions set forth

in Section 5.04 are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that the Company may omit to comply with and will have no liability in respect of any term, condition, or limitation set forth in any such specified Section (to the extent specified above in the case of Section 8.01(a)(iv) or in any such specified provision of such supplemental indenture), whether directly or indirectly by reason of any reference elsewhere herein to any such Section or provision or by reason of any reference in any such Section or provision to any other provision herein or in any other document, but the remainder of this Indenture and the Securities of such series will be unaffected thereby.

SECTION 5.04. CONDITIONS TO DEFEASANCE OR COVENANT DEFEASANCE.

The following will be the conditions to application of either Section 5.02 or Section 5.03 to the Outstanding Securities of any Defeasible Series:

(a) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee that satisfies the requirements contemplated by Section 9.08 and agrees to comply with the provisions of this Article V applicable to it) as trust funds in trust for the benefit of the Holders of Outstanding Securities of such series (i) money in an amount, or (ii) U.S. Government Obligations that through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, without reinvestment, not later than one day before the due date of any payment, money in an amount, or (iii) a combination thereof, in each case sufficient to pay and discharge, and which will be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on the Securities of such series on the respective Stated Maturities or on any earlier date or dates on which the Securities of such series shall be subject to redemption and the Company shall have given the Trustee irrevocable instructions satisfactory to the Trustee to give notice to the Holders of the redemption of the Securities of such series, all in accordance with the terms of this Indenture and the Securities of such series.

(b) In the case of an election under Section 5.02, the Company shall have delivered to the Trustee an Opinion of Counsel (from a counsel who shall not be an employee of the Company) to the effect that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the date of this Indenture there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon, such opinion shall confirm that, the Holders of the Outstanding Securities of such series will not recognize gain or loss for federal income tax purposes as a result of the deposit, Defeasance, and discharge to be effected with respect to the Securities of such series and will be subject to federal income tax on the same amount, in the same manner, and at the same times as would be the case if such deposit, Defeasance, and discharge were not to occur.

(c) In the case of an election under Section 5.03, the Company shall have delivered to the Trustee an Opinion of Counsel (from a counsel who shall not be an employee of the Company) to the effect that the Holders of the Outstanding Securities of such series will not recognize gain or loss for federal income tax purposes as a result of

the deposit and Covenant Defeasance to be effected with respect to the Securities of such series and will be subject to federal income tax on the same amount, in the same manner, and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.

(d) The Company shall have delivered to the Trustee an Officer's Certificate to the effect that the Securities of such series, if then listed on any securities exchange, will not be delisted solely as a result of such deposit.

(e) No Event of Default or event that (after notice or lapse of time or both) would become an Event of Default shall have occurred and be continuing at the time of such deposit or, with regard to any Event of Default or any such event specified in Sections 8.01(a)(vi) and (vii), at any time on or prior to the 90th calendar day after the date of such deposit (it being understood that this condition will not be deemed satisfied until after such 90th calendar day).

(f) Such Defeasance or Covenant Defeasance will not cause the Trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Securities are in default within the meaning of such Act).

(g) Such Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.

(h) The Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

(i) Such Defeasance or Covenant Defeasance will not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act of 1940, as amended, unless such trust will be qualified under such Act or exempt from regulation thereunder.

SECTION 5.05. DEPOSITED MONEY AND U.S. GOVERNMENT OBLIGATIONS TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS.

(a) Subject to the provisions of Section 6.03(e), all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section 5.05 and Section 5.06, the Trustee and any such other trustee are referred to collectively as the "Trustee") pursuant to Section 5.04 in respect of the Securities of any Defeasible Series will be held in trust and applied by the Trustee, in accordance with the provisions of the Securities of such series and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of Securities of such series, of all sums due and to become due thereon in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

(b) The Company will pay and indemnify the Trustee against any tax, fee, or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 5.04 or the principal and interest received in respect thereof other than any such tax, fee, or other charge that by law is for the account of the Holders of Outstanding Securities.

(c) Notwithstanding anything in this Article V to the contrary, the Trustee will deliver or pay to the Company from time to time upon a Company Request any money or U.S. Government Obligations held by it as provided in Section 5.04 with respect to Securities of any Defeasible Series that are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Defeasance or Covenant Defeasance with respect to the Securities of such series.

SECTION 5.06. REINSTATEMENT.

If the Trustee or the Paying Agent is unable to apply any money in accordance with this Article V with respect to the Securities of any series by reason of any order or judgment of any court or governmental authority enjoining, restraining, or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Securities of such series will be revived and reinstated as though no deposit had occurred pursuant to this Article V with respect to Securities of such series until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 5.05 with respect to Securities of such series in accordance with this Article V; PROVIDED, HOWEVER, that if the Company makes any payment of principal of or any premium or interest on any Security of such series following the reinstatement of its obligations, the Company will be subrogated to the rights of the Holders of Securities of such series to receive such payment from the money so held in trust.

ARTICLE VI. PARTICULAR COVENANTS OF THE COMPANY.

SECTION 6.01. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST ON SECURITIES.

The Company, for the benefit of each series of Securities, will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of such Securities and this Indenture.

SECTION 6.02. MAINTENANCE OF OFFICE OR AGENCY.

(a) The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices, and demands may be made or served at the Corporate Trust Office, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices, and demands.

(b) The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; PROVIDED, HOWEVER, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 6.03. MONEY FOR SECURITIES PAYMENTS TO BE HELD IN TRUST.

(a) If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

(b) Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to each due date of the principal of or any premium or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

(c) The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent will agree with the Trustee, subject to the provisions of this Section 6.03, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, and upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

(d) The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent will be released from all further liability with respect to such money.

(e) Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium, or interest has become due and payable will be paid to the Company upon a Company Request (or, if then held by the Company, will be discharged from such trust); and the Holder of such Security will thereafter, as an unsecured general creditor, look only to the Company for payment thereof,

and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, will thereupon cease; PROVIDED, HOWEVER, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in the Borough of Manhattan, The City of New York, notice that such money remains unclaimed and that, after a date specified therein, which will not be less than 30 calendar days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

SECTION 6.04. PAYMENT OF TAXES AND OTHER CLAIMS.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (a) all taxes, assessments, and governmental charges levied or imposed upon the Company or any Subsidiary of the Company or upon the income, profits, or property of the Company or any Subsidiary of the Company, and (b) all lawful claims for labor, materials, and supplies, in each case which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary of the Company and might have a Material Adverse Effect; PROVIDED, HOWEVER, that the Company will not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge, or claim the amount, applicability, or validity of which is being contested in good faith by appropriate proceedings.

SECTION 6.05. MAINTENANCE OF PROPERTIES.

The Company will cause all properties used or useful in the conduct of its business or the business of any Subsidiary of the Company to be maintained and kept in good condition, repair, and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments, and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; PROVIDED, HOWEVER, that nothing in this Section 6.05 will prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary of the Company and will not result in a Material Adverse Effect.

SECTION 6.06. EXISTENCE.

Subject to Article XI, the Company will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory), and franchises; PROVIDED, HOWEVER, that no Subsidiary of the Company will be required to preserve its existence, and neither the Company nor any Subsidiary of the Company will be required to preserve any such right or franchise, if the Board of Directors determines that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof will not result in a Material Adverse Effect.

SECTION 6.07. COMPLIANCE WITH LAWS.

The Company will, and will cause each of its Subsidiaries to, comply with all applicable federal, state, local, or foreign laws, rules, regulations, or ordinances, including without limitation such laws, rules, regulations, or ordinances relating to pension, environmental, employee, and tax matters, in each case to the extent that the failure so to comply would have a Material Adverse Effect.

SECTION 6.08. STATEMENT BY OFFICERS AS TO DEFAULT.

The Company will deliver to the Trustee, within 120 calendar days after the end of each fiscal year of the Company ending after the date hereof, an Officer's Certificate signed by the principal executive officer, principal financial officer, or principal accounting officer of the Company stating whether or not to the knowledge of such person after due inquiry the Company is in default in the performance and observance of any of the terms, provisions, and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company is in default, specifying all such defaults and the nature and status thereof of which such person may have such knowledge.

SECTION 6.09. WAIVER OF CERTAIN COVENANTS.

The Company may omit in any particular instance to comply with any term, provision, or condition set forth in Sections 6.04 through 6.07, inclusive, and the provisions of any supplemental indenture specified in such supplemental indenture, with respect to the Securities of any series if the Holders of a majority in principal amount of the Outstanding Securities of such series 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 will 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 will remain in full force and effect.

ARTICLE VII. SECURITIES HOLDERS' LISTS AND REPORTS BY
THE COMPANY AND THE TRUSTEE.

SECTION 7.01. COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF HOLDERS.

The Company will furnish or cause to be furnished to the Trustee (a) semi-annually, not more than 15 calendar days after the applicable Regular Record Date, a list for each series of Securities, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of such series as of such Regular Record Date and (b) at such other times as the Trustee may request in writing, within 30 calendar days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 calendar days prior to the time such list is furnished; EXCLUDING from any such list names and addresses received by the Trustee in its capacity as Security Registrar.

SECTION 7.02. PRESERVATION OF INFORMATION; COMMUNICATION TO HOLDERS.

(a) The Trustee will preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.01 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished.

(b) The rights of the Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, will be as provided by the Trust Indenture Act.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them will be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

SECTION 7.03. REPORTS BY TRUSTEE.

The Trustee will transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. A copy of each such report will, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission, and with the Company. The Company will promptly notify the Trustee when any Securities are listed on any stock exchange or of any delisting thereof.

SECTION 7.04. REPORTS BY COMPANY.

The Company will file with the Trustee and the Commission, and transmit to Holders, such information, documents, and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto; PROVIDED that any such information, documents, or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act will be filed with the Trustee within 15 calendar days after the same is so required to be filed with the Commission.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to conclusively rely exclusively on Officers' Certificates).

Article VIII. Default.

SECTION 8.01. EVENT OF DEFAULT.

(a) "Event of Default," wherever used herein with respect to Securities of any series, 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):

(i) default in the payment of any interest on any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 calendar days;

(ii) default in the payment of the principal of (or premium, if any, on) any Security of that series when it becomes due and payable;

(iii) default in the making of any sinking fund payment when and as due by the terms of a Security of that series;

(iv) default in the performance, or breach, of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section 8.01 specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than that series), and continuance of such default or breach for a period of 60 calendar days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(v) any nonpayment at maturity or other default is made under any agreement or instrument relating to any other Indebtedness of the Company (the unpaid principal amount of which is not less than \$25.0 million), and, in any such case, such default (A) continues beyond any period of grace provided with respect thereto and (B) 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, the Trustee will 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;

(vi) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment, or composition of or in respect of the Company under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 60 consecutive calendar days;

(vii) the commencement by the Company of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief with respect to the Company under any applicable federal or state bankruptcy, insolvency, reorganization, or other similar law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of the Company or of any substantial part of its property pursuant to any such law, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(viii) any other Event of Default provided with respect to Securities of that series.

(b) If an Event of Default (other than an Event of Default arising under Section 8.01(a)(vi) or (vii)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount (or, if any of the Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof) of all of the Securities of that series to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) will become immediately due and payable. If an Event of Default under Section 8.01(a)(vi) or (vii) occurs, then the principal of, premium, if any, and accrued interest on the Securities shall become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(c) At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money

due has been obtained by the Trustee as hereinafter in this Article VIII provided, the Holders of a majority in principal amount of the outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if (i) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities of that series, (B) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and (D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel and (ii) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 8.01(d). No such rescission will affect any subsequent default or impair any right consequent thereon.

(d) The Holders of a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default (i) in the payment of the principal of or any premium or interest on any Security of such series or (ii) in respect of a covenant or provision hereof which under Article X cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected. Upon any such waiver, such default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, for every purpose of this Indenture, but no such waiver will extend to any subsequent or other default or impair any right consequent thereon.

SECTION 8.02. COVENANT OF COMPANY TO PAY TO TRUSTEE WHOLE AMOUNT DUE ON SECURITIES ON DEFAULT IN PAYMENT OF INTEREST OR PRINCIPAL; SUITS FOR ENFORCEMENT BY TRUSTEE.

(a) The Company covenants that if (i) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 calendar days or (ii) default is made in the payment of the principal of (or premium, if any, on) any Security when it becomes due and payable, the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as will be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company and collect in the manner provided by law out of the property of the Company, wherever situated, the moneys adjudged or decreed to be payable.

(b) If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

(c) In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee will be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee will be authorized to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same, and any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel, and any other amounts due the Trustee under Section 9.06.

(d) No provision of this Indenture will be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; PROVIDED, HOWEVER, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

(e) All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee will be brought in its own name as trustee of an express trust, and any recovery of judgment will, after provision for the payment of the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 8.03. APPLICATION OF MONEY COLLECTED BY TRUSTEE.

Any money collected by the Trustee pursuant to this Article VIII will be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 9.06;

SECOND: To the payment of the amounts then due and unpaid for principal of and any premium and interest on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, except to the extent that the Securities of a series are by their express terms subordinated and subject in right of payment to the prior payment of other indebtedness, according to the amounts due and payable on such Securities for principal and any premium and interest, respectively; and

THIRD: To the Company, its successors or assigns, or to such other Person that may be lawfully entitled to receive the same.

SECTION 8.04. LIMITATION ON SUITS BY HOLDERS OF SECURITIES.

No Holder of any Security of any series will have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (a) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series, (b) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder, (c) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request, (d) the Trustee for 60 calendar days after its receipt of such notice, request, and offer of indemnity has failed to institute any such proceeding, and (e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series, it being understood and intended that no one or more of such Holders will have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb, or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 8.05. RIGHTS AND REMEDIES CUMULATIVE; DELAY OR OMISSION IN EXERCISE OF RIGHTS NOT A WAIVER OF EVENT OF DEFAULT.

(a) Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Securities in the last paragraph of Section 2.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy will, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, will not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(b) No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default will impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VIII or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 8.06. RIGHTS OF HOLDERS OF MAJORITY IN PRINCIPAL AMOUNT OF OUTSTANDING SECURITIES TO DIRECT TRUSTEE.

The Holders of a majority in principal amount of the Outstanding Securities of any series will have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, PROVIDED that (a) such direction will not be in conflict with any rule of law or with this Indenture and (b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 8.07. REQUIREMENT OF AN UNDERTAKING TO PAY COSTS IN CERTAIN SUITS UNDER THE INDENTURE OR AGAINST THE TRUSTEE.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered, or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; PROVIDED that neither this Section 8.07 nor the Trust Indenture Act will be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company or by the Trustee.

SECTION 8.08. NOTICE OF DEFAULTS.

If a Default occurs hereunder with respect to Securities of any series, the Trustee will give the Holders of Securities of such series notice of such Default as and to the extent provided by the Trust Indenture Act; PROVIDED, HOWEVER, that in the case of any Default of the character specified in Section 8.01(a)(iv) with respect to Securities of such series no such notice to Holders will be given until at least 30 calendar days after the occurrence thereof. The Company will give the Trustee notice of any uncured Event of Default within 10 days after any Responsible Officer of the Company becomes aware of or receives actual notice of such Event of Default.

SECTION 8.09. UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM, AND INTEREST.

Notwithstanding any other provision in this Indenture, the Holder of any Security will have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 2.09) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the

Redemption Date) and to institute suit for the enforcement of any such payment, and such rights may not be impaired without the consent of such Holder.

SECTION 8.10. RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee, and the Holders will be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders will continue as though no such proceeding had been instituted.

SECTION 8.11. TRUSTEE MAY FILE PROOFS OF CLAIMS.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceeding relative to the Company or the Subsidiaries (or any other obligor upon the Securities), their creditors or their property and shall be entitled and empowered to collect and receive any monies or other property payable or deliverable on any such claim and to distribute the same, and any custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

ARTICLE IX. CONCERNING THE TRUSTEE.

SECTION 9.01. CERTAIN DUTIES AND RESPONSIBILITIES.

The duties and responsibilities of the Trustee will be as provided by the Trust Indenture Act. Notwithstanding the foregoing, no provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee will be subject to the provisions of this Section 9.01.

SECTION 9.02. CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 9.01: (a) the Trustee may conclusively rely and will be protected in acting or refraining from acting upon, whether in its original or facsimile form, any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; (b) any request or direction of the Company mentioned herein will be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board will be sufficiently evidenced by a Board Resolution; (c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate; (d) the Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon; (e) the Trustee will be under no obligation to exercise any of the rights or powers vested in it by this Indenture, at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction; (f) the Trustee will not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it will be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney, at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation; (g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee will not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and (h) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 9.03. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee or any Authenticating Agent will not be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 9.04. MAY HOLD SECURITIES.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar, or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 9.07 and 9.12, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar, or such other agent.

SECTION 9.05. MONEY HELD IN TRUST.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required herein or by law. The Trustee will be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 9.06. COMPENSATION AND REIMBURSEMENT.

The Company will (a) pay to the Trustee from time to time such compensation for all services rendered by it hereunder as the parties shall agree from time to time (which compensation will not be limited to any provision of law in regard to the compensation of a trustee of an express trust); (b) except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with provision of this Indenture (including the reasonable compensation and the expenses and disbursements of agents and counsel), except any such expense, disbursement, or advance as may be attributable to its negligence or bad faith; and (c) indemnify each of the Trustee and any predecessor Trustee for, and hold the Trustee harmless against, any and all loss, liability, claim, or expense incurred without negligence or bad faith on its part arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 8.01(a)(vi) or Section 8.01(a)(vii), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any applicable Federal or state bankruptcy, insolvency or other similar law.

SECTION 9.07. DISQUALIFICATION; CONFLICTING INTERESTS.

If the Trustee has or acquires a conflicting interest within the meaning of the Trust Indenture Act, the Trustee will either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture.

SECTION 9.08. CORPORATE TRUSTEE REQUIRED ELIGIBILITY.

There will at all times be one or more Trustees hereunder with respect to the Securities of each series, at least one of which will be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$100,000,000. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of a supervising or examining state or federal authority, then for the purposes of this Section 9.08, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 9.08, it will resign immediately in the manner and with the effect hereinafter specified in this Article IX.

SECTION 9.09. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article IX will become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 9.10.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 9.10 shall not have been delivered to the Trustee within 30 calendar days after the giving of such notice of resignation, the resigning Trustee may at the expense of the Company petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If, at any time, (i) the Trustee fails to comply with Section 9.07 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, (ii) the Trustee ceases to be eligible under Section 9.08 and fails to resign after written request therefor by the Company or by any such Holder, or (iii) the Trustee becomes incapable of acting or is adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property is appointed or any public officer takes charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation, then, in any such case, (A) the Company by a Board Resolution may remove the Trustee with respect to all Securities or (B) subject to Section 8.07, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee resigns, is removed, or becomes incapable of acting, or if a vacancy occurs in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company by a Board Resolution will promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there will be only one Trustee with respect to the Securities of any particular series) and will comply with the applicable requirements of Section 9.10. If, within one year after such resignation, removal, or incapability or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series is appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed will, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 9.10, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 9.10, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, at the expense of the Company, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company will give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all holders of Securities of such series in the manner provided in Section 13.03. Each notice will include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 9.10. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed will execute, acknowledge, and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee will become effective and such successor Trustee, without any further act, deed, or conveyance, will become vested with all the rights, powers, trusts, and duties of the retiring Trustee, but, on the request of the Company or the successor Trustee, such retiring Trustee will, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers, and duties of the retiring Trustee and will duly assign, transfer, and deliver to such Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee, and each successor Trustee with respect to the Securities of one or more series will execute and deliver an indenture supplemental hereto wherein such successor Trustee will accept such appointment and which (i) will contain such provisions as may be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts, and duties of the retiring

Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (ii) will contain such provisions as may be deemed necessary or desirable to confirm that all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring will continue to be vested in the retiring Trustee, and (iii) will add to or change any of the provisions of this Indenture as may be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture will constitute such Trustees co-trustees of the same trust and that each such Trustee will be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustees and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee will become effective to the extent provided therein and each such successor Trustee, without any further act, deed, or conveyance, will become vested with all the rights, powers, trusts, and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but on request of the Company or any successor Trustee, such retiring Trustee will duly assign, transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company will execute any and all instruments reasonably required to more fully and certainly vest in and confirm to such successor Trustee all applicable rights, powers, and trusts referred to in the preceding paragraphs of this Section 9.10.

(d) No successor Trustee will accept its appointment unless at the time of such acceptance such successor Trustee is qualified and eligible under this Article IX.

SECTION 9.11. MERGER, CONVERSION, CONSOLIDATION, OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Trustee may be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, will be the successor of the Trustee hereunder, provided such corporation is otherwise qualified and eligible under this Article IX, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 9.12. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

If and when the Trustee is or becomes a creditor of the Company (or any other obligor upon the Securities), the Trustee will be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

SECTION 9.13. APPOINTMENT OF AUTHENTICATING AGENT.

(a) The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which will be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer, or partial redemption thereof or pursuant to Section 2.07, and Securities so authenticated will be entitled to the benefits of this Indenture and will be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference will be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof, or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 9.13, the combined capital and surplus of such Authenticating Agent will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 9.13, such Authenticating Agent will resign immediately in the manner and with the effect specified in this Section 9.13.

(b) Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which such Authenticating Agent may be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, will continue to be an Authenticating Agent, provided such corporation is otherwise eligible under this Section 9.13, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

(c) An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions this Section 9.13, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and will mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder will become vested with all the rights, powers, and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent will be appointed unless eligible under the provisions of this Section 9.13.

(d) The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section 9.13.

(e) If an appointment with respect to one or more series of Securities is made pursuant to this Section 9.13, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative form of certificate of authentication in the following form:

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

_____, as Trustee

Dated: _____

By: _____
As Authenticating Agent

By: _____
Authorized Signatory

SECTION 9.14. TRUSTEE'S APPLICATION FOR INSTRUCTION FROM THE COMPANY.

Any application by the Trustee for written instructions from the Company may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action is proposed to be taken or such omission is proposed to be effective. In the case of any proposed action or omission expressly authorized by this Indenture, the Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than three Business Days after the date any officer of the Company actually receives such application by telecopy, e-mail, or otherwise (provided that such receipt shall have been confirmed by the Trustee), unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

ARTICLE X. SUPPLEMENTAL INDENTURES AND CERTAIN
Actions.

SECTION 10.01. PURPOSES FOR WHICH SUPPLEMENTAL INDENTURES MAY BE ENTERED INTO
WITHOUT CONSENT OF HOLDERS.

Without the consent of or notice to any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities, all to the extent otherwise permitted hereunder;

(b) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company;

(c) to add any additional Events of Default;

(d) to add to or change any of the provisions of this Indenture to such extent as may be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form;

(e) to add to, change, or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, PROVIDED that any such addition, change, or elimination (i) will neither (A) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (B) modify the rights of the Holder of any such Security with respect to such provision or (ii) will become effective only when there is no such Security Outstanding;

(f) to establish the terms or form of Securities of any series as permitted by Sections 2.01 and 2.02;

(g) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as may be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 9.10; or

(h) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, PROVIDED that such action pursuant to this clause (h) will not adversely affect the interests of the Holders of Securities of any series in any material respect.

SECTION 10.02. MODIFICATION OF INDENTURE WITH CONSENT OF HOLDERS OF AT LEAST A MAJORITY IN PRINCIPAL AMOUNT OF OUTSTANDING SECURITIES.

(a) With the consent of the Holders of a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; PROVIDED, HOWEVER, that no such supplemental indenture will, without the consent of the Holder of each Outstanding Security affected thereby:

(i) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 8.01(b), or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date);

(ii) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture; or

(iii) modify any of the provisions of this Section 10.02, Section 8.01(d) or Section 6.09, except to increase the percentage in principal amount of Holders required under any such Section or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby, PROVIDED, HOWEVER, that this clause (iii) will not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section 10.02 and Section 6.09, or the deletion of this proviso, in accordance with the requirements of Sections 9.10 and 10.01(g).

(b) A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of

such series with respect to such covenant or other provision, will be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

(c) It will not be necessary for any Act of Holders under this Section 10.02 to approve the particular form of any proposed supplemental indenture, but it will be sufficient if such Act approves the substance thereof.

SECTION 10.03. EXECUTION OF SUPPLEMENTAL INDENTURES.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article X or the modifications thereby of the trusts created by this Indenture, the Trustee will be entitled to receive, and (subject to Section 9.01) will be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but will not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise.

SECTION 10.04. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution of any supplemental indenture under this Article X, this Indenture will be modified in accordance therewith, and such supplemental indenture will form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder will be bound thereby.

SECTION 10.05. CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article X will conform to the requirements of the Trust Indenture Act.

SECTION 10.06. REFERENCE IN SECURITIES TO SUPPLEMENTAL INDENTURES.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article X may, and will if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE XI. CONSOLIDATION, MERGER, SALE, OR TRANSFER.

SECTION 11.01. CONSOLIDATIONS AND MERGERS OF COMPANY AND SALES PERMITTED ONLY ON CERTAIN TERMS.

(a) The Company shall not consolidate with or merge with or into any other Person, or transfer (by lease, assignment, sale, or otherwise) all or substantially all of its

properties and assets to another Person unless (i) either (A) the Company shall be the continuing or surviving Person in such a consolidation or merger or (B) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or to which all or substantially all of the properties and assets of the Company are transferred (the Company or such other Person being referred to as the "Surviving Person") shall be a corporation organized and validly existing under the laws of the United States, any state thereof, or the District of Columbia, and shall expressly assume, by an indenture supplemental hereto, all of the obligations of the Company under the Securities and the Indenture, (ii) immediately after the transaction and the incurrence or anticipated incurrence of any Indebtedness to be incurred in connection therewith, no Default will exist, and (iii) an Officer's Certificate has been delivered to the Trustee to the effect that the conditions set forth in the preceding clauses (i) and (ii) have been satisfied and an Opinion of Counsel (from a counsel who shall not be an employee of the Company) has been delivered to the Trustee to the effect that the conditions set forth in the preceding clause (i) have been satisfied.

(b) The Surviving Person will succeed to and be substituted for the Company with the same effect as if it had been named herein as a party hereto, and thereafter the predecessor corporation will be relieved of all obligations and covenants under this Indenture and the Securities.

ARTICLE XII. SATISFACTION AND DISCHARGE OF INDENTURE.

SECTION 12.01. SATISFACTION AND DISCHARGE OF INDENTURE.

This Indenture will upon a Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, at the expense the Company, will execute proper instruments acknowledging satisfaction and discharge of this Indenture, when: (a) either (i) all Securities theretofore authenticated and delivered (other than (A) Securities which have been destroyed, lost, or stolen and which have been replaced or paid as provided in Section 2.07 and (B) Securities for the payment of which money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 6.03) have been delivered to the Trustee for cancellation or (ii) all such Securities not theretofore delivered to the Trustee for cancellation (A) have become due and payable, (B) will become due and payable at their Stated Maturity within one year, or (C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company, in the case of clause (A), (B), or (C) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be; (b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and (c) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 9.06, the obligations of the Trustee to any Authenticating Agent under Section 9.13, and, if money shall have been deposited with the Trustee pursuant to subclause (ii) of clause (a) of this Section 12.01, the obligations of the Trustee under Sections 6.03(e) and 12.02, will survive.

SECTION 12.02. APPLICATION OF TRUST MONEY.

Subject to provisions of Section 6.03(e), all money deposited with the Trustee pursuant to Section 12.01 will be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for the payment of which such money has been deposited with the Trustee; and such money shall be segregated from other funds to the extent required by law.

ARTICLE XIII. MISCELLANEOUS PROVISIONS.

SECTION 13.01. SUCCESSORS AND ASSIGNS OF COMPANY BOUND BY INDENTURE.

All the covenants, stipulations, promises, and agreements in this Indenture contained by or on behalf of the Company will bind its successors and assigns, whether so expressed or not.

SECTION 13.02. SERVICE OF REQUIRED NOTICE TO TRUSTEE AND COMPANY.

Any request, demand, authorization, direction, notice, consent, waiver, Act of Holders, or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with (a) the Trustee by any Holder or by the Company will be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Trustee at its Corporate Trust Office, or (b) the Company by the Trustee or by any Holder will be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at 111 S.W. Fifth Avenue, Portland, Oregon 97204 (marked for the attention of both the Chief Financial Officer and the General Counsel) or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 13.03. SERVICE OF REQUIRED NOTICE TO HOLDERS; WAIVER.

Where this Indenture provides for notice to Holders of any event, such notice will be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder will affect the sufficiency of such notice with respect to other Holders. Where

this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver will be the equivalent of such notice. Waivers of notice by Holders will be filed with the Trustee, but such filing will not be a condition precedent to the validity of any action taken in reliance upon such waiver. In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as may be made with the approval of the Trustee will constitute a sufficient notification for every purpose hereunder.

SECTION 13.04. INDENTURE AND SECURITIES TO BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

This Indenture and the Securities will be deemed to be a contract made under the laws of the State of New York, and for all purposes will be construed in accordance with the laws of said State without giving effect to principles of conflict of laws of such State.

SECTION 13.05. COMPLIANCE CERTIFICATES AND OPINIONS.

Upon any application or request by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company will furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion will be given in the form of an Officer's Certificate, if to be given by an officer of the Company, or an Opinion of Counsel, if to be given by counsel, and will comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

SECTION 13.06. FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Where any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 13.07. PAYMENTS DUE ON NON-BUSINESS DAYS.

In any case where any Interest Payment Date, Redemption Date, or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of the Securities of any series which specifically states that such provision will apply in lieu of this Section 13.07)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment, without additional interest, with the same force and effect as if made on the

applicable Interest Payment Date or Redemption Date or at the applicable Stated Maturity, as the case may be.

SECTION 13.08. PROVISIONS REQUIRED BY TRUST INDENTURE ACT TO CONTROL.

If any provision of this Indenture limits, qualifies, or conflicts with the duties imposed on any Person by Sections 310 through 317, inclusive, of the Trust Indenture Act (including provisions automatically deemed included in this Indenture pursuant to the Trust Indenture Act unless this Indenture provides that such provisions are excluded), which are deemed to be a part of and govern this Indenture, whether or not contained herein, then such imposed duties will control.

SECTION 13.09. INVALIDITY OF PARTICULAR PROVISIONS.

In case any one or more of the provisions contained in this Indenture or in the Securities is for any reason held to be invalid, illegal, or unenforceable in any respect, such validity, illegality, or enforceability will not affect any other provision of this Indenture or of the Securities, but this Indenture and such Securities will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein or therein.

SECTION 13.10. INDENTURE MAY BE EXECUTED IN COUNTERPARTS.

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

SECTION 13.11. ACTS OF HOLDERS; RECORD DATES.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided or permitted by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action will become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent will be sufficient for any purpose of this Indenture and (subject to Section 9.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 13.11.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit will also constitute sufficient proof of his authority. The fact and date of

the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Securities will be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver, or other Act of the Holder of any Security will bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange thereof or in lieu thereof in respect of anything done, omitted, or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) The Company may, in the circumstances permitted by the Trust Indenture Act, set any day as the record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to give or take any request, demand, authorization, direction, notice, consent, waiver, or other action provided or permitted by this Indenture to be given or taken by Holders of Securities of such series. With regard to any record date set pursuant to this paragraph, the Holders of Outstanding Securities of the relevant series on such record date (or their duly appointed agents), and only such Persons, will be entitled to give or take the relevant action, whether or not such Holders remain Holders after such record date. With regard to any action that may be given or taken hereunder only by Holders of a requisite principal amount of Outstanding Securities of any series (or their duly appointed agents) and for which a record date is set pursuant to this paragraph, the Company may, at its option, set an expiration date after which no such action purported to be given or taken by any Holder will be effective hereunder unless given or taken on or prior to such expiration date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date (or their duly appointed agents). On or prior to any expiration date set pursuant to this paragraph, the Company may, on one or more occasions at its option, extend such date to any later date. Nothing in this paragraph will prevent any Holder (or any duly appointed agent thereof) from giving or taking, after any such expiration date, any action identical to, or, at any time, contrary to or different from, the action or purported action to which such expiration date relates, in which event the Company may set a record date in respect thereof pursuant to this paragraph. Nothing in this Section 13.11(e) will be construed to render ineffective any action taken at any time by the Holders (or their duly appointed agents) of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is so taken. Notwithstanding the foregoing or the Trust Indenture Act, the Company will not set a record date for, and the provisions of this Section 13.11(e) will not apply with respect to, any notice, declaration, or direction referred to in the next paragraph.

(f) Upon receipt by the Trustee from any Holder of Securities of a particular series of (a) any notice of default or breach referred to in Section 8.01(a)(iv) or 8.01(a)(v) with respect to Securities of such series, if such default or breach has occurred and is continuing and the Trustee shall not have given such notice to the Company, (b) any declaration of acceleration referred to in Section 8.01(b), if an Event of Default with respect to Securities of such series has occurred and is continuing and the Trustee shall not have given such a declaration to the Company, or (c) any direction referred to in Section 8.06 with respect to Securities of such series,

if the Trustee shall not have taken the action specified in such direction, then a record date will automatically and without any action by the Company or the Trustee be set for determining the Holders of Outstanding Securities of such series entitled to join in such notice, declaration, or direction, which record date will be the close of business on the tenth calendar day following the day on which the Trustee receives such notice, declaration, or direction. Promptly after such receipt by the Trustee, and in any case not later than the fifth calendar day thereafter, the Trustee will notify the Company and the Holders of Outstanding Securities of such series of any such record date so fixed. The Holders of Outstanding Securities of such series on such record date (or their duly appointed agents), and only such Persons, will be entitled to join in such notice, declaration, or direction, whether or not such Holders remain Holders after such record date; PROVIDED that, unless such notice, declaration, or direction shall have become effective by virtue of Holders of the requisite principal amount of Outstanding Securities of such series on such record date (or their duly appointed agents) having joined therein on or prior to the 90th calendar day after such record date, such notice, declaration, or direction will automatically and without any action by any Person be cancelled and of no further effect. Nothing in this Section 13.11(f) will be construed to prevent a Holder (or a duly appointed agent thereof) from giving, before or after the expiration of such 90-day period, a notice, declaration, or direction contrary to or different from, or, after the expiration of such period, identical to, the notice, declaration, or direction to which such record date relates, in which event a new record date in respect thereof will be set pursuant to this Section 13.11(f). Nothing in this Section 13.11(f) will be construed to render ineffective any notice, declaration, or direction of the type referred to in this Section 13.11(f) given at any time to the Trustee and the Company by Holders (or their duly appointed agents) of the requisite principal amount of Outstanding Securities of the relevant series on the date such notice, declaration, or direction is so given.

(g) Without limiting the foregoing, a Holder entitled hereunder to give or take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any different part of such principal amount.

SECTION 13.12. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings herein and the Table of Contents are for convenience only and will not affect the construction hereof.

SECTION 13.13. BENEFITS OF INDENTURE.

Nothing in this Indenture or in the Securities, express or implied, will give to any Person, other than the parties hereto and their successors hereunder and the Holders any benefit or any legal or equitable right, remedy, or claim under this Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this 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 Wilkerson

Name: Gary Wilkerson
Title: Vice President

Attest:

/s/ Anton C. Kirchhof

Name: Anton C. Kirchhof
Title: Secretary

The First National Bank of Chicago, as Trustee

By: /s/ Diane Swanson

Name: Diane Swanson
Title: Assistant Vice President

[Seal]

Attest:

/s/ Janice Ott Rotunno

Name: Janice Ott Rotunno
Title: Vice President and Assistant Secretary

STATE OF ILLINOIS)
) ss.:
COUNTY OF COOK)

On this 2nd day of April, 1999, before me personally came Diane Swanson and Janice D. Rutunno, to me known, who, being by me duly sworn, did depose and say that he/she is Assistant Vice President and Vice President of Louisiana-Pacific Corporation, one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ Diane Mary Wuertz

Notary Public

STATE OF OREGON)
) ss.:
COUNTY OF MULTNONAH)

On this 7th day of April, 1999, before me personally came Gary Wilkerson, to me known, who, being by me duly sworn, did depose and say that he/she is Vice President of Louisiana-Pacific Corporation, one of the entities described in and which executed the above instrument; that he/she knows the seal of said entity; that the seal or a facsimile thereof affixed to said instrument is such seal; that it was so affixed by authority of the Board of Directors of said entity, and that he/she signed his/her name thereto by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

/s/ Rose Stone

Notary Public

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LOUISIANA-PACIFIC CORPORATION

1997 INCENTIVE STOCK AWARD PLAN

Effective March 1, 1997

(Restated as of May 6, 2001)

LOUISIANA-PACIFIC CORPORATION
1997 INCENTIVE STOCK AWARD PLAN

TABLE OF CONTENTS

ARTICLE 1. ESTABLISHMENT AND PURPOSE	1
1.1 Establishment	1
1.2 Purpose	1
ARTICLE 2. DEFINITIONS	1
2.1 Defined Terms	1
ARTICLE 3. ADMINISTRATION	2
3.1 General	2
3.2 Authority of the Committee	2
3.3 Liability of Committee Members	2
ARTICLE 4. DURATION OF THE PLAN AND SHARES SUBJECT TO THE PLAN	2
4.1 Duration of the Plan	2
4.2 Other Stock Plans	2
4.3 General Limitation on Awards	3
4.4 Cancellation or Expiration of Awards	3
ARTICLE 5. ELIGIBILITY	3
ARTICLE 6. AWARDS	3
6.1 Types of Awards	3
6.2 Award Agreements	3
6.3 Nonuniform Determinations	3
6.4 Provisions Governing All Awards	3
ARTICLE 7. STOCK OPTIONS	4
ARTICLE 8. STOCK APPRECIATION RIGHTS	4
ARTICLE 9. PERFORMANCE SHARES	5
9.1 General	5
9.2 Performance Goals for Executive Officers	5
ARTICLE 10. RESTRICTED STOCK	5
ARTICLE 11. OTHER STOCK-BASED AND COMBINATION AWARDS	6
ARTICLE 12. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION	6
ARTICLE 13. AMENDMENT AND TERMINATION	6
ARTICLE 14. MISCELLANEOUS	6
14.1 Tax Withholding	6
14.2 Securities Law Restrictions	6
14.3 Governing Law	7
ARTICLE 15. STOCKHOLDER APPROVAL	7

1997 INCENTIVE STOCK AWARD PLAN

ARTICLE 1. ESTABLISHMENT AND PURPOSE

1.1 *Establishment.* LOUISIANA-PACIFIC CORPORATION ("Corporation"), hereby establishes the Louisiana-Pacific Corporation 1997 Incentive Stock Award Plan (the "Plan"), effective as of March 1, 1997, subject to stockholder approval as provided in Article 15.

1.2 *Purpose.* The purpose of the Plan is to promote the long-term interests of Corporation and its stockholders by enabling Corporation to attract, retain, and reward key employees of Corporation and its subsidiaries and to strengthen the mutuality of interests between such employees and Corporation's stockholders. The Plan is designed to serve this purpose by offering stock options and other equity-based incentive awards and encourage key employees to acquire an ownership in Corporation.

ARTICLE 2. DEFINITIONS

2.1 *Defined Terms.* The following definitions are applicable to the Plan:

"**Award**" means an award or grant made to a Participant pursuant to the Plan.

"**Award Agreement**" means an agreement as described in Section of the Plan.

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

"**Code**" means the Internal Revenue Code of 1986, as amended and in effect from time to time, or any successor thereto, together with rules, regulations, and interpretations promulgated thereunder. Where the context so requires, any reference to a particular Code section will be construed to refer to the successor provision to such Code section.

"**Committee**" means the Compensation Committee of the Board.

"**Common Stock**" means the common stock, \$1 par value, of Corporation or any security of Corporation issued in substitution, exchange, or lieu thereof.

"**Corporation**" means Louisiana-Pacific Corporation, a Delaware corporation, or any successor corporation thereto.

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**Fair Market Value**" means on any given date, the closing price per share of Common Stock as reported for such day by the principal exchange or trading market on which Common Stock is traded (as determined by the Committee) or, if Common Stock was not traded on such date, on the next preceding day on which Common Stock was traded. If the Common Stock is not listed on a stock exchange or if trading activities for Common Stock are not reported, the Fair Market Value will be determined by the Committee.

"**Participant**" means an employee of Corporation or a Subsidiary who is granted an Award under the Plan.

"**Plan**" means this Louisiana-Pacific Corporation 1997 Incentive Stock Award Plan, as set forth herein and as it may be hereafter amended and from time to time.

"**Share**" means a share of Common Stock.

"**Subsidiary**" means any corporation in which Corporation directly or indirectly controls 50 percent or more of the total combined voting power of all classes of stock having voting power.

1

"**Vest**" or "**Vested**" means:

(a) In the case of an Award that requires exercise, to be or to become immediately and fully exercisable and free of all restrictions;

(b) In the case of an Award that is subject to forfeiture, to be or to become nonforfeitable, freely transferable, and free of all restrictions;

(c) In the case of an Award that is required to be earned by attaining specified performance goals, to be or to become earned and nonforfeitable, freely transferable, and free of all restrictions; or

(d) In the case of any other Award as to which payment is not dependent solely upon the exercise of a right, election, exercise, or option, to be or to become immediately payable and free of all restrictions.

ARTICLE 3. ADMINISTRATION

3.1 *General.* The Plan will be administered by the Committee. The Committee will have full power and authority to administer the Plan in its sole discretion. A majority of the members of the Committee will constitute a quorum and action approved by a majority will be the act of the Committee.

3.2 *Authority of the Committee.* Subject to the terms of the Plan, the Committee:

(a) Will select the Participants, determine the types of Awards to be granted to Participants, determine the shares or share units subject to Awards, and determine the terms and conditions of individual Award Agreements;

(b) Has the authority to interpret the Plan, to establish, amend, and revoke any rules and regulations relating to the Plan, to make all other determinations necessary or advisable for the administration of the Plan; and

(c) May correct any deficit, supply any omission, or reconcile any inconsistency in the Plan or in any Award Agreement in the manner and to the extent the Committee deems desirable to carry out the purposes of the Plan.

Decisions of the Committee, or any delegate as permitted by the Plan, will be final, conclusive, and binding on all Participants.

3.3 *Liability of Committee Members.* No member of the Committee will be liable for any action or determination made in good faith with respect to the Plan, any Award, or any Participant.

ARTICLE 4. DURATION OF THE PLAN AND SHARES SUBJECT TO THE PLAN

4.1 *Duration of the Plan.* The Plan is effective March 1, 1997, subject to approval by Corporation's stockholders as provided in Article 15. The Plan will remain in effect until Awards have been granted covering all the available Shares and all outstanding Awards have been exercised, settled, or terminated in accordance with the terms of the applicable Award Agreement, or the Plan is otherwise terminated by the Board. Termination of the Plan will not affect outstanding Awards.

4.2 *Other Stock Plans.* The Plan is separate from the following existing plans (the "Prior Plans"):

Louisiana-Pacific Corporation 1991 Employee Stock Option Plan;
Louisiana-Pacific Corporation 1984 Employee Stock Option Plan; and
Louisiana-Pacific Corporation Key Employee Restricted Stock Plan.

2

The Plan will neither affect the operation of the Prior Plans nor be affected by the Prior Plans, except that no further stock options or restricted stock awards will be granted under any of the Prior Plans after the date the Plan is approved by Corporation's stockholders as described in Article 15.

4.3 *General Limitation on Awards.* Subject to adjustment pursuant to Article 12 of the Plan, the maximum number of Shares for which Awards may be granted under the Plan may not exceed 10,000,000 Shares.

4.4 *Cancellation or Expiration of Awards.* If an Award under the Plan is canceled or expires for any reason prior to having been fully vested or exercised by a Participant or is settled in cash in lieu of Shares or is exchanged for other Awards, all Shares covered by such Awards will again become available for additional Awards under the Plan.

ARTICLE 5. ELIGIBILITY

Officers and other key employees of Corporation and its Subsidiaries (including employees who may also be directors of Corporation or a Subsidiary) who, in the Committee's judgment, are or will be contributors to the long-term success of Corporation will be eligible to receive Awards under the Plan.

ARTICLE 6. AWARDS

6.1 *Types of Awards.* Awards under the Plan may consist of: stock options (either incentive stock options, within the meaning of Section 422 of the Code, or nonstatutory stock options), stock appreciation rights, performance shares, restricted stock grants, and other stock-based awards (as described in Article 11 of the Plan). Awards of performance shares and restricted stock may provide the Participant with dividends or dividend equivalents and voting rights prior to vesting.

6.2 *Award Agreements.* Each Award will be evidenced by a written Award Agreement between Corporation and the Participant. Award Agreements may, subject to the provisions of the Plan, contain any provision approved by the Committee. Any Award Agreement may make provision for any matter that is within the discretion of the Committee or may retain the Committee's discretion to approve or authorize any action with respect to the Award during the term of the Award Agreement.

6.3 *Nonuniform Determinations.* The Committee's determinations under the Plan or under one or more Award Agreements, including without limitation, (a) the selection of Participants to receive Awards, (b) the type, form, amount, and timing of Awards, (c) the terms of specific Award Agreements, and (d) elections and determinations made by the Committee with respect to exercise or payments of Awards, need not be uniform and may be made by the Committee selectively among Participants and Awards, whether or not Participants are similarly situated.

6.4 *Provisions Governing All Awards.* All Awards will be subject to the following provisions:

(a) *Transferability.* Except as otherwise provided in this Section 6.4(a), each Award (but not Shares issued following Vesting or exercise of an Award) will not be transferable other than by will or the laws of descent and distribution and Awards requiring exercise will be exercisable during the lifetime of the Participant only by the Participant or, in the event the Participant becomes legally incompetent, by the Participant's guardian or legal representative. Notwithstanding the foregoing, the Committee, in its discretion, may include in any Award Agreement a provision that the Award is transferable, without payment of consideration, to immediate family members of the Participant or to a trust for the benefit of or a partnership composed solely of such family members.

(b) *Employment Rights.* Neither the adoption of the Plan nor the granting of any Award will confer on any person the right to continued employment with Corporation or any Subsidiary, nor will it interfere in any way with the right of Corporation or a Subsidiary to terminate such person's employment at any time for any reason, with or without cause.

3

(c) *Effect of Change in Control.* The Committee may, in its discretion, include in any Award Agreement a provision that upon the effective date of a change in control of Corporation (as that term may be defined in the Award Agreement), all or a specified portion of the Award (i) will become fully Vested, (ii) will terminate, or (iii) may be converted into shares of an acquiror. In any such change in control provision, the Committee may provide whether or to what extent such acceleration in the Vesting of an Award will be conditioned to avoid resulting in an "excess parachute payment" within the meaning of Section 280G(b) of the Code.

ARTICLE 7. STOCK OPTIONS

The option price for each stock option may not be less than 100 percent of the Fair Market Value of the Common Stock on the date of grant. Stock options will be exercisable for such period as specified by the Committee in the applicable Award Agreement, but in no event may options be exercisable for a period of more than ten years after their date of grant. The option price of each Share as to which a stock option is exercised must be paid in full at the time of exercise. The Committee may, in its discretion, provide in any Award Agreement for a stock option that payment of the option price may be made in cash, by tender of Shares owned by the Participant valued at Fair Market Value as of the date of exercise, subject to such guidelines for the tender of Shares as the Committee may establish, in such other consideration as the Committee deems appropriate, or a combination of cash, shares of Common Stock, and such other consideration. The number of Shares subject to options and stock appreciation rights granted under the Plan to any individual Participant during any one-year period may not exceed 300,000 Shares. Except for adjustments in price pursuant to Article 12 hereof, at no time shall the option price of a stock option granted hereunder be subsequently repriced during the period of its exercisability.

In the case of an Option designated as an incentive stock option, the terms of the option and the Award Agreement must conform with the statutory and regulatory requirements specified pursuant to Section 422 of the Code, as in effect on the date such incentive stock option is granted.

The Committee may, in its discretion, include in an Award Agreement for any option a provision that in the event previously acquired Shares are surrendered by a Participant in payment of all or a portion of either (a) the option exercise price or (b) the Participant's federal, state, or local tax withholding obligation with respect to such exercise, the Participant will automatically be granted a replacement or reload option (with an option price equal to the Fair Market Value of a Share on the date of such exercise) for a number of Shares equal to all or a portion of the number of Shares surrendered. Such replacement option will be subject to such terms and conditions as the Committee determines.

ARTICLE 8. STOCK APPRECIATION RIGHTS

Stock appreciation rights may be granted in tandem with a stock option, in addition to a stock option, or may be freestanding and unrelated to a stock option. Stock appreciation rights granted in tandem or in addition to a stock option may be granted either at the same time as the stock option or at a later time. No stock appreciation right may be exercisable earlier than six months after grant, except in the event of the Participant's death or disability. A stock appreciation right will entitle the Participant to receive from Corporation an amount equal to the increase in the Fair Market Value of a Share on the exercise of the stock appreciation right over the grant price. The Committee may determine in its discretion whether the stock appreciation right may be settled in cash, shares, or a combination of cash and shares.

4

ARTICLE 9. PERFORMANCE SHARES

9.1 *General.* Performance shares may be granted in the form of actual Shares or Share units having a value equal to Shares. An Award of performance shares will be granted to a Participant subject to such terms and conditions set forth in the Award Agreement as the Committee deems appropriate, including, without limitation, the condition that the performance shares or a portion thereof will Vest only in the event specified performance goals are met within a specified performance period, as set forth in the Award Agreement. An Award Agreement for a performance share Award may also, in addition to specifying performance goals, condition Vesting of such Award on continued employment for a period specified in the Award Agreement. In the event that a stock certificate is issued in respect of performance shares, the certificate will be registered in the name of the Participant but will be held by Corporation until the time the performance shares become Vested. The performance conditions and the length of the performance period will be determined by the Committee. The Committee may, in its discretion, reduce or eliminate the Vesting of performance shares if, in the Committee's judgment, it determines that the Vesting of the performance share Award is not appropriate given actual performance over the applicable performance period. The maximum number of Shares issuable to any individual Participant with respect to performance share Awards in any one-year period may not exceed 100,000 Shares. The Committee, in its sole discretion, may provide in an Award Agreement whether performance shares granted in the form of share units will be paid in cash, shares, or a combination of cash and shares.

9.2 *Performance Goals for Executive Officers.* The performance goals for performance share awards granted to executive officers of Corporation may relate to corporate performance, business unit performance, or a combination of both.

Corporate performance goals will be based on financial performance goals related to the performance of Corporation as a whole and may include one or more measures related to earnings, profitability, efficiency, or return to stockholders such as earnings per share, operating profit, stock price, costs of production, or other measures.

Business unit performance goals will be based on a combination of financial goals and strategic goals related to the performance of an identified business unit for which a Participant has responsibility. Strategic goals for a business unit may include one or a combination of objective factors relating to success in implementing strategic plans or initiatives, introductory products, constructing facilities, or other identifiable objectives. Financial goals for a business unit may include the degree to which the business unit achieves one or more objective measures related to its revenues, earnings, profitability, efficiency, operating profit, costs of production, or other measures.

Any corporate or business unit goals may be expressed as absolute amounts or as ratios or percentages. Success may be measured against various standards, including budget targets, improvement over prior periods, and performance relative to other companies, business units, or industry groups.

ARTICLE 10. RESTRICTED STOCK

Restricted stock may be granted in the form of actual Shares or Share units having a value equal to Shares. A restricted stock Award will be subject to such terms and conditions set forth in the Award Agreement as the Committee deems appropriate, including, without limitation, restrictions on the sale, assignment, transfer, or other disposition of such restricted stock and provisions that such restricted stock or stock units be forfeited upon termination of the Participant's employment for specified reasons within a specified period of time or upon other conditions, as set forth in the Award Agreement. The Award Agreement for a restricted stock Award may also, in addition to conditioning Vesting of the Award on continued employment, further condition Vesting on attainment of performance goals. In the event that a stock certificate is issued in respect of restricted stock, such certificate will be registered in the name of the Participant but will be held by the Corporation until the end of the restricted period.

The employment conditions and the length of the period for vesting of restricted stock will be established by the Committee at the time of grant and set forth in the Award Agreement. The Committee, in its sole discretion, may provide in an Award Agreement whether restricted stock granted in the form of Share units will be paid in cash, Shares, or a combination of cash and Shares. The aggregate number of shares or share units that may be subject to restricted stock Awards may not exceed 1,000,000 Shares.

ARTICLE 11. OTHER STOCK-BASED AND COMBINATION AWARDS

The Committee may grant other Awards under the Plan pursuant to which Shares are or may in the future be acquired, or Awards denominated in or measured by Share equivalent units, including Awards valued using measures other than the market value of Shares. For such other stock-based awards that are granted to executive officers of Corporation and that condition Vesting of such Awards, in whole or in part, on attaining performance goals, such Awards will be subject to the same limitations on types of performance goals and the same limitation on the maximum number of Shares issuable to any individual Participant as provided in Article 9 of the Plan. The Committee may also grant Awards under the Plan in tandem or combination with other Awards or in exchange for Awards, or in tandem or combination with, or as alternatives to, grants or rights under any other employee plan of Corporation.

ARTICLE 12. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

In the event of any change in capitalization affecting the Common Stock of Corporation, such as a stock dividend, stock split, recapitalization, merger, consolidation, split-up, spinoff, combination or exchange of shares, or other form of reorganization, or corporate change, or any distribution with respect to Common Stock other than regular cash dividends, the Committee may make such substitution or adjustment, if any, that it deems to be equitable as to the number and kind of Shares or other securities issued or reserved for issuance pursuant to the Plan, to the limits on Awards to Participants, and to outstanding Awards.

ARTICLE 13. AMENDMENT AND TERMINATION

The Board may amend, suspend, or terminate the Plan or any portion of the Plan at any time, provided no amendment may be made without stockholder approval if such approval is required by applicable law or the requirements of an applicable stock exchange.

ARTICLE 14. MISCELLANEOUS

14.1 *Tax Withholding.* Corporation will have the right to deduct from any settlement of any Award under the Plan, including the delivery or vesting of Shares, any federal, state, or local taxes of any kind required by law to be withheld with respect to such payments or to take such other action as may be necessary in the opinion of Corporation to satisfy all obligations for the payment of such taxes. The recipient of any payment or distribution under the Plan must make arrangements satisfactory to Corporation for the satisfaction of any such withholding tax obligations. Corporation will not be required to make any such payment or distribution under the Plan until such obligations are satisfied. The Committee, in its discretion, may permit a Participant to satisfy the Participant's federal, state, or local tax, or tax withholding obligations with respect to an Award by having Corporation retain the number of Shares having a Fair Market Value equal to the amount of taxes or withholding taxes.

14.2 *Securities Law Restrictions.* No Shares will be issued under the Plan unless counsel for Corporation is satisfied that such issuance will be in compliance with applicable federal and state securities laws. Certificates for Shares delivered under the Plan may be subject to such stop-transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations, and

other requirements of the Securities and Exchange Commission, any stock exchange upon which the Common Stock is then listed, and any applicable federal or state securities law. The Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

14.3 *Governing Law.* Except with respect to references to the Code or federal securities laws, the Plan and all actions taken thereunder will be governed by and construed in accordance with the laws of the state of Oregon.

ARTICLE 15. STOCKHOLDER APPROVAL

The adoption of the Plan and the grant of Awards under the Plan are expressly subject to the approval of the Plan by the affirmative vote of at least a majority of the stockholders of Corporation present, or represented by proxy, and entitled to vote at Corporation's 1997 annual meeting of stockholders.

QuickLinks

[LOUISIANA-PACIFIC CORPORATION 1997 INCENTIVE STOCK AWARD PLAN Effective March 1, 1997 \(Restated as of May 6, 2001\)](#)

[LOUISIANA-PACIFIC CORPORATION 1997 INCENTIVE STOCK AWARD PLAN TABLE OF CONTENTS](#)

[LOUISIANA-PACIFIC CORPORATION 1997 INCENTIVE STOCK AWARD PLAN ARTICLE 1. ESTABLISHMENT AND PURPOSE](#)

[ARTICLE 2. DEFINITIONS](#)

[ARTICLE 3. ADMINISTRATION](#)

[ARTICLE 4. DURATION OF THE PLAN AND SHARES SUBJECT TO THE PLAN](#)

[ARTICLE 5. ELIGIBILITY](#)

[ARTICLE 6. AWARDS](#)

[ARTICLE 7. STOCK OPTIONS](#)

[ARTICLE 8. STOCK APPRECIATION RIGHTS](#)

[ARTICLE 9. PERFORMANCE SHARES](#)

[ARTICLE 10. RESTRICTED STOCK](#)

[ARTICLE 11. OTHER STOCK-BASED AND COMBINATION AWARDS](#)

[ARTICLE 12. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION](#)

[ARTICLE 13. AMENDMENT AND TERMINATION](#)

[ARTICLE 14. MISCELLANEOUS](#)

[ARTICLE 15. STOCKHOLDER APPROVAL](#)