

---

---

# 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, 2004

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.)

**414 Union Street, Suite 2000, Nashville, TN 37219**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(615) 986-5600**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock: 110,052,745 shares of Common Stock, \$1 par value, outstanding as of October 31, 2004.

*Except as otherwise specified and unless the context otherwise requires, references to "LP", the "Company", "we", "us", and "our" refer to Louisiana-Pacific Corporation and its subsidiaries.*

---

---

### 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 us with the Securities and Exchange Commission ("the Commission") may contain, forward-looking statements. These statements are or will be based upon the beliefs and assumptions of, and on information available to, our management.

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 anticipated asset sales 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 raw materials, including wood fiber and resins, used in manufacturing our products;
- changes in tax laws, and interpretations thereof;
- changes in the cost of and availability of energy, primarily natural gas, electricity and diesel fuel;
- changes in other significant operating expenses;
- changes in exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar, EURO and the Chilean peso;

- changes in general and industry-specific environmental laws and regulations;
- changes in circumstances giving rise to 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 us 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.

#### ABOUT THIRD PARTY INFORMATION

In this report, we rely on and refer to information regarding industry data obtained from market research, publicly available information, industry publications, U.S. government sources and other third parties. Although we believe the information is reliable, we cannot guarantee the accuracy or completeness of the information and have not independently verified it.

#### Item 1. Financial Statements.

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

	<u>Quarter Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>Net Sales</b>	\$ 740.5	\$ 670.7	\$ 2,261.1	\$ 1,550.4
<b>OPERATING COSTS AND EXPENSES</b>				
Cost of sales	462.3	399.4	1,286.1	1,101.6
Depreciation, amortization and cost of timber harvested	39.9	33.3	105.4	96.8
Selling and administrative	39.6	42.5	124.8	119.0
(Gain) loss on sale or impairment of long-lived assets	2.7	(22.5)	12.5	(64.2)
Other operating credits and charges, net	15.5	5.7	24.6	31.1
<b>Total operating costs and expenses</b>	<u>560.0</u>	<u>458.4</u>	<u>1,553.4</u>	<u>1,284.3</u>
<b>Income from operations</b>	<u>180.5</u>	<u>212.3</u>	<u>707.7</u>	<u>266.1</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Foreign currency exchange gain (loss)	1.8	0.9	2.9	(0.8)
Loss on early extinguishment of debt	(0.2)	(1.5)	(41.5)	(1.5)
Interest expense	(14.4)	(22.0)	(49.8)	(67.2)
Interest income	11.3	8.1	30.6	23.9
<b>Total non-operating income (expense)</b>	<u>(1.5)</u>	<u>(14.5)</u>	<u>(57.8)</u>	<u>(45.6)</u>
<b>Income before taxes, minority interest, and equity in earnings of unconsolidated affiliates</b>	<u>179.0</u>	<u>197.8</u>	<u>649.9</u>	<u>220.5</u>
Provision for income taxes	73.2	88.1	243.8	99.3
Equity in (income) loss of unconsolidated affiliates	(0.5)	(0.7)	(1.8)	(0.3)
<b>Income from continuing operations before cumulative effect of change in accounting principle</b>	<u>106.3</u>	<u>110.4</u>	<u>407.9</u>	<u>121.5</u>
<b>DISCONTINUED OPERATIONS</b>				
Income (loss) from discontinued operations	3.0	22.8	(1.4)	(20.7)
Provision (benefit) for income taxes	1.2	8.7	(0.5)	(7.8)
<b>Income (loss) from discontinued operations</b>	<u>1.8</u>	<u>14.1</u>	<u>(0.9)</u>	<u>(12.9)</u>
<b>Income (loss) before cumulative effect of change in accounting principle</b>	<u>108.1</u>	<u>124.5</u>	<u>407.0</u>	<u>108.6</u>
<b>Cumulative effect of change in accounting principle, net of tax</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.1</u>
<b>Net income (loss)</b>	<u>\$ 108.1</u>	<u>\$ 124.5</u>	<u>\$ 407.0</u>	<u>\$ 108.7</u>
<b>Net income (loss) per share of common stock:</b>				
Income from continuing operations	\$ 0.97	\$ 1.05	\$ 3.77	\$ 1.16
Income (loss) from discontinued operations	0.02	0.13	(0.01)	(0.12)
Cumulative effect of change in accounting principle	—	—	—	—
<b>Net income (loss) per share - basic</b>	<u>\$ 0.99</u>	<u>\$ 1.18</u>	<u>\$ 3.76</u>	<u>\$ 1.04</u>
<b>Net income (loss) per share of common stock:</b>				
Income from continuing operations	\$ 0.96	\$ 1.04	\$ 3.72	\$ 1.15
Income (loss) from discontinued operations	0.02	0.13	—	(0.12)
Cumulative effect of change in accounting principle	—	—	—	—

<b>Net income (loss) per share - diluted</b>	<u>\$ 0.98</u>	<u>\$ 1.17</u>	<u>\$ 3.72</u>	<u>\$ 1.03</u>
<b>Average shares of common stock outstanding (in millions) - basic</b>	<u>109.6</u>	<u>105.1</u>	<u>108.2</u>	<u>105.1</u>
<b>- diluted</b>	<u>110.7</u>	<u>106.3</u>	<u>109.5</u>	<u>105.5</u>
<b>Cash dividends declared per share</b>	<u>\$ 0.075</u>	<u>\$ —</u>	<u>\$ 0.20</u>	<u>\$ —</u>

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

3

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

	<u>September 30, 2004</u>	<u>December 31, 2003</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 843.1	\$ 925.9
Short term investments	303.6	—
Receivables, net	175.6	136.2
Inventories	197.7	177.5
Prepaid expenses	15.7	11.1
Deferred income taxes	35.3	51.7
Current assets of discontinued operations	11.0	22.8
<b>Total current assets</b>	<u>1,582.0</u>	<u>1,325.2</u>
Timber and timberlands	92.4	94.8
Property, plant and equipment, at cost	1,805.1	1,778.3
Accumulated depreciation	(1,044.0)	(988.2)
Net property, plant and equipment	<u>761.1</u>	<u>790.1</u>
Goodwill	276.7	276.7
Other intangible assets, net of amortization	24.5	26.6
Notes receivable from asset sales	403.9	403.9
Long-term investments	35.4	—
Restricted cash	66.7	110.7
Other assets	128.6	121.1
Long-term assets of discontinued operations	35.2	55.3
<b>Total assets</b>	<u>\$ 3,406.5</u>	<u>\$ 3,204.4</u>
<b>LIABILITIES AND EQUITY</b>		
Current portion of long-term debt	\$ 171.1	\$ 8.3
Accounts payable and accrued liabilities	246.9	251.3
Current portion of contingency reserves	15.0	43.0
<b>Total current liabilities</b>	<u>433.0</u>	<u>302.6</u>
Long-term debt, excluding current portion:		
Limited recourse notes payable	396.5	396.5
Other long-term debt	237.8	624.2
<b>Total long-term debt, excluding current portion</b>	<u>634.3</u>	<u>1,020.7</u>
Contingency reserves, excluding current portion	41.3	55.6
Other long-term liabilities	79.5	106.9
Deferred income taxes	474.2	407.7
Commitments and contingencies		
Stockholders' equity:		
Common stock	116.9	116.9
Additional paid-in capital	426.3	442.3
Retained earnings	1,403.3	1,018.1
Treasury stock	(130.0)	(195.2)
Accumulated comprehensive loss	(72.3)	(71.2)
<b>Total stockholders' equity</b>	<u>1,744.2</u>	<u>1,310.9</u>
<b>Total liabilities and equity</b>	<u>\$ 3,406.5</u>	<u>\$ 3,204.4</u>

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

4

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

	Nine Months Ended September 30,	
	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 407.0	\$ 108.7
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, amortization and cost of timber harvested	107.0	104.5
Loss (gain) on sale or impairment on long-lived assets	22.7	(46.5)
Loss on early debt extinguishment	41.5	1.5
Exchange (gain) loss on remeasurement	(4.4)	9.4
Other operating charges and credits	14.2	37.7
Increase in contingency reserves	5.1	7.9
Cash settlement of contingencies	(47.6)	(43.7)
Cumulative effect of change in accounting principle	—	0.1
Pension payments	(41.1)	(26.8)
Pension expense	12.2	10.3
Other adjustments	5.5	6.7
Increase in receivables	(35.3)	(62.5)
(Increase) decrease in inventories	(8.3)	22.3
Increase in prepaid expenses	(4.7)	(3.3)
Increase (decrease) in accounts payable and accrued liabilities	(13.6)	21.4
Increase in deferred income taxes	84.3	81.1
Net cash provided by operating activities	<u>544.5</u>	<u>228.8</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment additions	(91.2)	(46.6)
Proceeds from timber & timberland sales, net	—	66.5
Proceeds from asset sales	16.1	31.9
Investment in joint ventures	(12.7)	(1.6)
Decrease in restricted cash from asset sales	—	37.1
Proceeds of sales of investments	185.0	—
Cash paid for purchase of investments	(523.5)	—
Return of capital from unconsolidated subsidiary	—	104.8
Other investing activities, net	(0.2)	(1.8)
Net cash provided by (used in) investing activities	<u>(426.5)</u>	<u>190.3</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net borrowings under revolving credit facilities	(4.5)	(31.0)
Repayment of long-term debt	(259.2)	(55.2)
Sale of common stock under equity plans	40.0	9.2
Payment of cash dividends	(21.8)	—
Purchase of treasury shares	(2.0)	—
Decrease (increase) in restricted cash under letters of credit	44.0	(99.4)
Other financing activities, net	0.5	0.6
Net cash used in financing activities	<u>(203.0)</u>	<u>(175.8)</u>
<b>EFFECT OF EXCHANGE RATE ON CASH:</b>		
	2.2	1.2
Net increase (decrease) in cash and cash equivalents	(82.8)	244.5
Cash and cash equivalents at beginning of period	925.9	137.3
Cash and cash equivalents at end of period	<u>\$ 843.1</u>	<u>\$ 381.8</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

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

	Common Stock		Paid in Capital	Retained Earnings	Treasury Stock		Accumulated Comprehensive Income	Total Stockholders' Equity
	Shares	Amount			Shares	Amount		
Balance, December 31, 2003	116.9	\$ 116.9	\$ 442.3	\$ 1,018.1	10.5	\$ (195.2)	\$ (71.2)	\$ 1,310.9
Net income	—	—	—	407.0	—	—	—	407.0
Issuance of shares for employee stock plans and other purposes	—	—	(16.0)	—	(3.6)	67.2	—	51.2
Purchase of treasury stock	—	—	—	—	0.1	(2.0)	—	(2.0)

Dividends	—	—	—	(21.8)	—	—	—	(21.8)
Other comprehensive loss	—	—	—	—	—	—	(1.1)	(1.1)
Balance, September 30, 2004	116.9	\$ 116.9	\$ 426.3	\$ 1,403.3	7.0	\$ (130.0)	\$ (72.3)	\$ 1,744.2

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

6

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
<b>Net Income</b>	\$ 108.1	\$ 124.5	\$ 407.0	\$ 108.7
Other comprehensive (loss) income, net of tax				
Foreign currency translation adjustments	0.5	0.7	(1.2)	1.4
Unrealized gains (loss) on marketable securities	0.1	—	(0.1)	—
Minimum pension liabilities	—	0.1	—	(11.1)
Unrealized gain (loss) on derivative instruments	—	0.8	0.2	1.5
Other comprehensive income (loss), net of tax	0.6	1.6	(1.1)	(8.2)
Comprehensive income, net of tax	\$ 108.7	\$ 126.1	\$ 405.9	\$ 100.5

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

7

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS FOR PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments, except for other operating credits and charges, net and (gain) loss on sale or impairment of long-lived assets referred to in Notes 9 and 10) necessary to present fairly, in all material respects, the consolidated financial position, results of operations and cash flows of LP and its subsidiaries for the interim periods presented. Results of operations for interim periods are not necessarily indicative of results to be expected for an entire year. These condensed consolidated 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, 2003.

NOTE 2 - RECLASSIFICATIONS

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

NOTE 3 – EARNINGS PER SHARE

Basic earnings per share are based on the weighted-average number of shares of common stock outstanding. Diluted earnings per share are based upon the weighted-average number of shares of common stock outstanding plus all potentially dilutive securities which were assumed to be converted into common shares at the beginning of the period under the treasury stock method. This method requires that the effect of potentially dilutive common stock equivalents (employee stock options and incentive shares) be excluded from the calculation of diluted earnings per share for the periods in which losses from continuing operations are reported because the effect is anti-dilutive. The following table sets forth the computation of basic and diluted earnings per share (in millions, except per share amounts):

8

Dollar and share amounts in millions, except per share amounts	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
<b>Numerator:</b>				
Income attributed to common shares:				
Income from continuing operations	\$ 106.3	\$ 110.4	\$ 407.9	\$ 121.5
Income (loss) from discontinued operations	1.8	14.1	(0.9)	(12.9)
Cumulative effect of change in accounting principle	—	—	—	0.1
Net income (loss)	\$ 108.1	\$ 124.5	\$ 407.0	\$ 108.7
<b>Denominator:</b>				
Basic - weighted average common shares outstanding	109.6	105.1	108.2	105.1
Dilutive effect of employee stock plans	1.1	1.2	1.3	0.4

Diluted shares outstanding		110.7	106.3	109.5	105.5
Basic earnings per share:					
Income from continuing operations	\$	0.97	\$ 1.05	\$ 3.77	\$ 1.16
Income (loss) from discontinued operations		0.02	0.13	(0.01)	(0.12)
Effect of change in accounting principle		—	—	—	—
Net income (loss) per share	\$	0.99	\$ 1.18	\$ 3.76	\$ 1.04

Diluted earnings per share:					
Income from continuing operations	\$	0.96	\$ 1.04	\$ 3.72	\$ 1.15
Income (loss) from discontinued operations		0.02	0.13	—	(0.12)
Effect of change in accounting principle		—	—	—	—
Net income (loss) per share	\$	0.98	\$ 1.17	\$ 3.72	\$ 1.03

Stock options to purchase approximately 0.2 million shares at September 30, 2004 and 2.0 million shares at September 30, 2003 were considered anti-dilutive or not in-the-money for purpose of LP's earnings per share calculation.

#### NOTE 4 – STOCK-BASED COMPENSATION

Stock options and other stock-based compensation awards are accounted for using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. See Note 10 of the Notes to the financial statements included in Item 8 of LP's Annual Report on Form 10-K for the year ended December 31, 2003 for further discussion of LP's stock plans. The following table illustrates the effect on net income per share as if LP had applied the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation.

9

Dollars amounts in millions, except per share amounts	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net income, as reported	\$ 108.1	\$ 124.5	\$ 407.0	\$ 108.7
Add: Stock-based employee compensation included in reported net income (loss), net of related income tax effects	7.0	1.4	9.2	2.6
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(6.6)	(2.3)	(10.3)	(5.0)
Pro forma net income	\$ 108.5	\$ 123.6	\$ 405.9	\$ 106.3
Net income per share—basic, as reported	\$ 0.99	\$ 1.18	\$ 3.76	\$ 1.04
Net income per share—diluted, as reported	\$ 0.98	\$ 1.17	\$ 3.72	\$ 1.03
Net income per share—basic, proforma	\$ 0.99	\$ 1.18	\$ 3.75	\$ 1.01
Net income per share—diluted, proforma	\$ 0.98	\$ 1.16	\$ 3.71	\$ 1.01

#### NOTE 5 – INVENTORIES

Inventories are valued at the lower of cost or market. Inventory cost includes materials, labor and operating overhead. The LIFO (last-in, first-out) method is used for certain log and lumber inventories with remaining inventories valued at FIFO (first-in, first-out) or average cost. The major types of inventories (excluding discontinued operations) are as follows (work in process is not material):

Dollar amounts in millions	September 30, 2004	December 31, 2003
Logs	\$ 42.7	\$ 39.7
Other raw materials	33.1	23.4
Finished products	115.0	105.7
Supplies	11.0	12.8
LIFO reserve	(4.1)	(4.1)
Total	\$ 197.7	\$ 177.5
Inventory included in current assets of discontinued operations		
Logs	\$ 6.7	\$ 9.6
Other raw materials	—	3.6
Finished products	4.2	11.3
Supplies	0.1	2.0
LIFO reserve	—	(3.7)
Total	\$ 11.0	\$ 22.8

The preparation of interim financial statements requires the estimation of LP's year-end inventory quantities and costs for purposes of determining LIFO inventory adjustments. These estimates are revised quarterly and the estimated incremental change in the LIFO inventory reserve is recognized over the remainder of the year, except that the LIFO inventory reserve associated with divested operations is adjusted as of the date of the divestiture.

NOTE 6 – BUSINESSES HELD FOR SALE AND DIVESTITURES

During 2002, LP announced that its board of directors had approved a plan to sell selected businesses and assets, including its plywood, commodity industrial panels, timber and timberlands, certain lumber mills, wholesale and distribution businesses, and included such businesses as discontinued operations. In 2003, LP announced further divestitures of most of its remaining lumber mills as well as an interior hardboard panel operation. In 2004, LP announced that it intended to also sell its cedar lumber operation in British Columbia, Canada. At September 30, 2004, LP had two lumber operations classified as discontinued.

Sales and income (loss) for these businesses are as follows:

Dollar amounts in millions	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Sales	\$ 27.2	\$ 87.0	\$ 123.8	\$ 290.9
Income (loss) from discontinued operations, net of tax	\$ 1.8	\$ 14.1	\$ (0.9)	\$ (12.9)

Included in income (loss) from discontinued operations for the nine months ended September 30, 2004 is income of \$3.7 million associated with the liquidation of certain LIFO inventories due to reduced log inventories at sites to be sold or closed.

In the first quarter of 2003, LP recorded a gain of \$7.5 million on the sale of various assets previously held for sale and a loss of \$0.5 million related to severance charges.

In the second quarter of 2003, LP recorded a loss of \$2.5 million related to curtailment expense on a defined benefit pension plan associated with the expected divestitures; a loss of \$15.0 million related to an operating lease associated with a mill that has been permanently closed (in accordance with SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities"); a loss of \$1.4 million related to a timber contract associated with a closed mill; and impairment charges of \$24.4 million on assets held for sale.

In the third quarter of 2003, LP recorded a loss of \$1.7 million related to timber contracts associated with closed or sold mills; a loss of \$0.9 million related to severance charges; and a gain of \$0.5 million on the sale of various assets previously held for sale.

In the first quarter of 2004, LP recorded a loss of \$9.9 million associated with impairment charges on assets held for sale including associated intangible timber rights. Additionally, LP recorded a loss of \$2.1 million on the sale of a lumber facility in Montana; a loss of \$0.2 million related to severance charges; and a loss of \$0.4 million on a timber contract associated with previously sold or closed facilities.

In the second quarter of 2004, LP recorded a gain of \$1.3 million associated with the settlement of a contingency regarding the sale of a lumber facility in Idaho.

In the third quarter of 2004, LP recorded a gain of \$0.6 million associated with the partial settlement of a contingency related to the sale of a lumber facility in Washington.

The assets of the discontinued operations included in the accompanying condensed consolidated balance sheets as of September 30, 2004 and December 31, 2003 are as follows:

11

Dollar amounts in millions	September 30, 2004	December 31, 2003
Inventories	\$ 11.0	\$ 22.8
Timber and timberlands	6.8	12.6
Property, plant and equipment	46.6	87.3
Accumulated depreciation	(18.2)	(44.6)
Net, property, plant and equipment	28.4	42.7
Total long-term assets of discontinued operations	35.2	55.3
Total assets of discontinued operations	\$ 46.2	\$ 78.1

NOTE 7 – INCOME TAXES

The preparation of interim financial statements requires the estimation of LP's effective income tax rates based on estimated annual amounts of taxable income and expenses by income component for the year. This rate is applied to year-to-date income or loss at the end of each quarter. For both the nine months ended September 30, 2004 and September 30, 2003, the primary differences between the U.S. statutory rate of approximately 39% and the effective rate on continuing operations relates to a significant portion of income estimated to be taxable in foreign jurisdictions (primarily Canada) at lower tax rates offset by a significant non-taxable foreign currency exchange gains on certain intercompany debt that is denominated in Canadian dollars

The components and associated estimated effective income tax rates applied to the nine month period are as follows:

Dollar amounts in millions	Nine Months Ended September 30,			
	2004		2003	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate

Continuing operations	\$	243.8	37%	\$	99.3	45%
Discontinued operations		(0.5)	36%		(7.8)	38%
	\$	<u>243.3</u>	37%	\$	<u>91.5</u>	42%

#### NOTE 8 – INVESTMENTS

LP's marketable securities are classified as available-for-sale as defined by SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" and are stated at estimated fair value. Unrealized gains and losses, net of tax, on these securities are reported as a separate component of accumulated comprehensive loss in shareholders' equity until realized. Realized gains and losses are recorded within the statements of income under the caption "interest income" or "interest expense." For purposes of computing realized gains and losses, cost is identified on a specific identification basis. Investments consist primarily of commercial paper and certificates of deposit.

#### NOTE 9 - OTHER OPERATING CREDITS AND CHARGES, NET

The major components of "Other operating credits and charges, net" in the Condensed Consolidated Statements of Income for the quarter and nine months ended September 30 are reflected in the table below and are described in the paragraphs following the table:

12

Dollar amounts in millions	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Change in environmental contingency reserves	\$ 0.4	\$ —	\$ 2.1	\$ (2.7)
Charges associated with corporate relocation	(5.1)	—	(9.5)	—
Additions to product related contingency reserves	—	—	—	(6.7)
Increase in litigation reserves	—	—	(6.0)	—
Loss related to assets and liabilities transferred under contractual arrangement	—	—	—	(16.0)
Charges associated with CEO retirement	(10.7)	—	(10.7)	—
Loss on energy contract	—	(5.0)	—	(5.0)
Other	(0.1)	(0.7)	(0.5)	(0.7)
	\$ (15.5)	\$ (5.7)	\$ (24.6)	\$ (31.1)

In the second quarter of 2003, LP recorded a loss of \$16.0 million related to assets and liabilities transferred under contractual arrangement due to the increase in a valuation allowance associated with notes receivable from Samoa Pacific Cellulose, LLC (see Note 18 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2003 for further discussion); a loss of \$6.7 million from increases in product related contingency reserves associated with a nationwide siding class action settlement and a loss of \$2.7 million associated with an increase in environmental reserves at our former Alaska operations.

In the third quarter of 2003, LP recorded a loss of \$5.0 million related to an energy contract associated with Samoa Pacific and a loss of \$0.7 million related to severance recorded as part of the divestiture plan.

In the first quarter of 2004, LP recorded a gain of \$1.7 million associated with a reduction in its estimate of required environmental reserves at its former Alaska operations; a charge of \$2.0 million associated with the relocation and consolidation of LP's corporate offices to Nashville, Tennessee; and a charge of \$6.0 million for the increase in litigation reserves due to an adverse court ruling and other items.

In the second quarter of 2004, LP recorded a charge of \$2.4 million associated with the relocation and consolidation of LP's corporate offices to Nashville, Tennessee.

In the third quarter of 2004, LP recorded a charge of \$5.1 million associated with the relocation and consolidation of LP's corporate offices to Nashville, Tennessee; a charge of \$10.7 million associated with certain compensation arrangements impacted by the retirement of LP's former chief executive officer, Mark Suwyn; and a gain of \$0.4 million associated with a reduction in environmental reserves related to our former Alaska operations.

#### NOTE 10 – GAINS (LOSSES) ON SALE OR IMPAIRMENT OF LONG-LIVED ASSETS

The major components of "Gain (loss) on sale or impairment of long-lived assets" in the Condensed Consolidated Statements of Income for the quarter and nine months ended September 30 are reflected in the table below and are described in the paragraphs following the table:

13

Dollar amounts in millions	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Gain on sales of timber	\$ —	\$ 22.1	\$ —	\$ 63.9
Gain on other long-lived assets	0.6	0.4	0.5	0.3
Impairment charges on long-term assets	(3.3)	—	(13.0)	—
	\$ (2.7)	\$ 22.5	\$ (12.5)	\$ 64.2

In the first quarter of 2003, LP recorded a gain of \$12.5 million associated with the sale of a portion of LP's timberlands as part of LP's divestiture plan.

In the second quarter of 2003, LP recorded a gain of \$29.3 million associated with the sale of a portion of LP's timberlands as part of LP's divestiture plan.



In the third quarter of 2003, LP recorded a gain of \$22.1 million associated with the sale of a portion of LP's timberlands as part of LP's divestiture plan and a gain of \$0.4 million associated with the sale of certain other assets.

In the first quarter of 2004, LP recorded an impairment charge of \$9.7 million associated with the cancellation of a capital project to build a veneer mill in British Columbia.

In the third quarter of 2004, LP recorded an impairment charge of \$2.8 million on a non-operating OSB mill and \$0.5 million additional impairment associated with the cancellation of a capital project to build a veneer mill in British Columbia and a gain of \$0.6 million associated with the sale of certain other assets.

#### NOTE 11 – LEGAL AND ENVIRONMENTAL MATTERS

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.

#### NOTE 12 - CUMULATIVE EFFECT OF ACCOUNTING CHANGES

In June of 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. SFAS No. 143 was effective for LP beginning January 1, 2003. As part of this implementation, LP recognized a gain of \$0.2 million (before taxes). This change was primarily associated with the treatment of the monitoring costs on closed landfills and timber reforestation obligations associated with LP's timber licenses in Canada.

#### NOTE 13 – SELECTED SEGMENT DATA

##### Operating Results:

Dollar amounts in millions	Quarter Ended September 30,			Nine Months Ended September 30,		
	2004	2003	% change	2004	2003	% change
<b>Net sales:</b>						
OSB	\$ 430.2	\$ 402.9	7	\$ 1,416.6	\$ 826.6	71
Composite Wood Products	122.0	121.7	0	345.4	311.2	11
Plastic Building Products	67.2	56.3	19	182.6	156.5	17
Engineered Wood Products	112.4	80.4	40	293.3	210.1	40
Other	12.6	21.8	(42)	31.6	69.8	(55)
Less: Intersegment sales	(3.9)	(12.4)	(69)	(8.5)	(23.8)	(64)
	<u>\$ 740.5</u>	<u>\$ 670.7</u>	10	<u>\$ 2,261.0</u>	<u>\$ 1,550.4</u>	46
<b>Operating profit (loss):</b>						
OSB	\$ 198.4	\$ 196.6	1	\$ 761.2	\$ 247.8	207
Composite Wood Products	19.8	23.4	(15)	53.1	44.0	21
Plastic Building Products	2.3	4.0	(43)	7.9	13.5	(41)
Engineered Wood Products	3.0	(0.7)	529	2.0	(1.5)	233
Other	0.8	(1.6)	150	(1.6)	0.5	(420)
Other operating credits and charges, net	(15.5)	(5.7)	(172)	(24.6)	(31.1)	21
Gain (loss) on sale or impairment of long-lived assets	(2.7)	22.5	(112)	(12.5)	64.2	(119)
General corporate and other expenses, net	(25.6)	(26.2)	2	(77.8)	(71.3)	(9)
Foreign currency exchange gain (loss)	1.8	0.9	100	2.9	(0.8)	463
Loss on early debt extinguishment	(0.2)	(1.5)	—	(41.5)	(1.5)	—
Interest income (expense), net	(3.1)	(13.9)	78	(19.2)	(43.3)	56
Income before taxes, minority interest and equity in earnings of unconsolidated subsidiaries	<u>\$ 179.0</u>	<u>\$ 197.8</u>	(10)	<u>\$ 649.9</u>	<u>\$ 220.5</u>	195

#### NOTE 14 – POTENTIAL IMPAIRMENTS

LP continues to review certain operations for potential impairments. LP's management currently believes it has adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. However, should the markets for the products deteriorate to levels significantly below cycle average pricing or should LP decide to invest capital in alternative projects, it is possible that impairment charges will be required.

LP also reviews from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, its strategic plan and other relevant circumstances. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, LP may be required to record impairment charges in connection with decisions to dispose of assets.

As part of the sale of the Samoa, California pulp mill to Samoa Pacific Cellulose LLC, there are several contingent liabilities, primarily concerning environmental remediation, associated with these operations that, under certain circumstances, could become LP's liabilities. LP has not fully recorded an accrual for these liabilities, as it does not believe payment is likely to occur.

LP's primary Canadian subsidiary has arrangements with the Canadian provincial governments which gives this subsidiary the right to harvest a volume of wood off public land from defined forest areas under supply and management agreements, long-term pulpwood agreements and various other timber licenses.

major changes to the provincial timber license structure. These included a 20% reduction in the harvesting rights for holders of long-term licenses and the introduction of an auction based timber sale system. This will not affect LP's timber licenses associated with our OSB facilities in BC; however, it will affect our timber allocations associated with our LVL and plywood operations in BC. Although this legislation has been enacted and the regulations have been finalized that will establish the new timber pricing system and basis for the 20% timber license reduction, we continue to work with the BC government to finalize the implications on LP's operations. As a result, we are unable to predict what effects these changes will have on future operations. The BC government has acknowledged that licensees will be fairly compensated for the reduction in harvesting rights and the costs associated with the related improvements, including roads and bridges.

As part of the acquisition of the assets of Evans Forest Products in 1999, LP allocated a portion of the purchase price to these timber licenses based upon the present value of the difference between the cost of the timber under licenses and the timber purchased on the open market as of the date of acquisition. As a result of the change in the enacted timber license structure and integral relationship between these licenses and the acquired operations, LP will be required to complete an impairment test, once the compensation referred to above has been determined, on these operations to determine what, if any, impairment is required.

#### NOTE 15 – CONTINGENCY RESERVES

LP is involved in various legal proceedings incidental to LP's business and is subject to a variety of environmental and pollution control laws and regulations in all jurisdictions in which we operate. LP maintains reserves for these various contingencies as follows:

Dollar amounts in millions	September 30, 2004	December 31, 2003
Environmental reserves	\$ 13.9	\$ 17.9
OSB siding reserves	0.4	16.7
Hardboard siding reserves	38.5	43.7
Other	3.5	20.3
Total contingency reserves	56.3	98.6
Current portion of contingency reserves	(15.0)	(43.0)
Long-term portion of contingency reserves	\$ 41.3	\$ 55.6

#### OSB and Hardboard Siding Reserves

LP has established reserves relating to certain liabilities associated with products manufactured which were the subjects of nationwide class action lawsuits. These settlement agreements relate to a nationwide class action suit involving OSB siding manufactured by LP and installed prior to January 1, 1996 and a nationwide class action suit involving hardboard siding manufactured or sold by corporations acquired by LP in 1999 and installed prior to May 15, 2000 and were approved by the applicable courts in 1996 and 2000, respectively. LP continues to have payment and other obligations under the hardboard siding settlements. During the third quarter of 2004, LP made the final payment on the OSB siding nationwide class action suit. These settlements are discussed in detail in the Notes to financial statements included in LP's Annual Report on Form 10-K for the year ended December 31, 2003.

#### Other Contingencies

During the third quarter of 2004, LP received a letter from a law firm purporting to represent a number of people who allegedly experienced non-specified personal injuries and property damages as a result of the alleged release of chemical substances from our wood treatment facility in Lockhart, Alabama during the period from 1953 to 1998. The letter is characterized as a "pre-litigation settlement demand" to LP and Pactiv Corporation, from whom we acquired the facility in 1983. LP is not presently able to quantify our financial exposure, if any, relating to the matters alleged in the letter. The letter does not specify the amount of compensation sought and, as of the date of this report, LP had not received notice of the commencement of a legal proceeding.

#### NOTE 16 - EARLY DEBT EXTINGUISHMENT

During the first nine months of 2004, LP repurchased \$197.4 million of its publicly traded debt obligations (\$193.6 million of the 10.875% Subordinated Notes and \$3.8 million of the 8.5% Senior Notes). In connection with these repurchases, LP recorded charges of \$42 million to reflect the premiums paid and certain transaction costs.

#### NOTE 17 – DEFINED BENEFIT PENSION PLANS

The following table sets forth the net periodic pension cost for our defined benefit pension plans during the third quarter and nine month period ended September 30, 2004 and 2003. The net periodic pension cost included the following components:

Dollar amounts in millions	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Service cost	\$ 3.4	\$ 2.4	\$ 7.5	\$ 7.2
Interest cost	3.2	3.4	9.0	10.2
Expected return on plan assets	(3.5)	(3.5)	(9.8)	(10.5)
Amortization of prior service cost and transition assets	0.4	0.3	0.8	0.9
Recognized net actuarial loss	2.3	1.1	4.8	3.2
Net periodic pension cost	\$ 5.7	\$ 3.7	\$ 12.2	\$ 11.0

Through September 30, 2004, LP recognized \$12.2 million of pension expense for all of LP's defined benefit plans. We anticipate recording an additional \$5.8 million of pension expense in the remainder of 2004 for a total of \$18 million.

Through September 30, 2004, LP made \$40 million of pension contributions for all of LP's defined benefit plans. LP presently anticipates contributing an additional \$9 million to fund our pension plans in the remainder of 2004 for a total of \$49 million.

#### NOTE 18 - RECENT ACCOUNTING PRONCEMENTS

LP adopted FASB issued Interpretation No. 46 (FIN46), "Consolidation of Variable Interest Entities" at December 31, 2003. This interpretation requires that an enterprise's consolidated financial statements include subsidiaries in which the enterprise has a controlling financial interest. In December 2003, the FASB published a revision to FIN 46 ("FIN 46R") to clarify some of the provisions of the interpretation and defer the effective date of implementation for certain entities. Under the guidance of FIN 46R, entities that do not have interests in structures that are commonly referred to as special purpose entities are required to apply the provisions of the interpretation in financial statements for periods ending after March 14, 2004. We do not have interests in variable interest entities that are not consolidated.

#### NOTE 19 - GUARANTEES AND INDEMNIFICATIONS

LP is a party to contracts in which LP agrees to indemnify third parties for certain liabilities that arise out of or relate to the subject matter of the contract. In some cases, this indemnity extends to related liabilities arising out of the negligence of the indemnified parties, but usually excludes any liabilities caused by gross negligence or willful misconduct of the indemnified parties. LP cannot estimate the potential amount of future payments under these agreements until events arise that would trigger the liability. See Note 16 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2003 for further discussion of LP's guarantees and indemnifications.

Additionally, LP provides warranties on product sales. The reserves for these warranties are determined by applying the provisions of SFAS No. 5, "Accounting for Contingencies." The activity in warranty reserves for the first nine months of 2004 is summarized in the following table:

17

<u>Dollar amounts in millions</u>		
Balance as of December 31, 2003	\$	20.8
Accrued to expense during first nine months		4.2
Payments made		(3.8)
<hr/>		
Balance as of September 30, 2004		21.2
Current portion		(7.0)
Long-term portion	\$	14.2

The current portion of the warranty reserve is included in the caption "accounts payable and accrued liabilities" on LP's balance sheet and the long-term portion is included in the caption "other long-term liabilities".

18

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

### GENERAL

Our products are used primarily in new home construction, repair and remodeling, and manufactured housing. We also market and sell our products in light industrial and commercial construction, have a modest export business for some of our specialty building products, and operate a facility in Chile.

To serve these markets, we operate in four segments: Oriented Strand Board (OSB), Composite Wood Products, Plastic Building Products, and Engineered Wood Products (EWP). OSB is the most significant segment, accounting for almost 63% of sales during the first nine months of 2004 and more than 53% in the first nine months of 2003.

During the nine months ended September 30, 2004, compared to the comparable period of 2003, we saw significant improvement in our operating results primarily driven by the strength of OSB pricing, as well as the continued market penetration of our exterior siding products.

Our most significant product, OSB, is sold as a commodity for which sales prices fluctuate daily based on market factors over which we have little or no control. We cannot predict whether the prices of our products will remain at current levels or increase or decrease in the future. During the first nine months of 2004, commodity OSB prices reached record levels driven by product demand outstripping the industry's ability to supply the product. This imbalance was caused by increased housing starts, which created more demand, coupled with limited new capacity coming on line and low inventory in the distribution channels. OSB commodity prices declined significantly during the later portion of the second quarter of 2004. In the third quarter of 2004, OSB commodity prices increased until late in the third quarter when they again declined. Following these price fluctuations, average OSB commodity prices for the third quarter of 2004 were slightly lower than for the third quarter of 2003, and for the first nine months of 2004 were significantly higher than for the first nine months of 2003.

For additional factors affecting our results, refer to the Management Discussion and Analysis overview contained in LP's Annual Report on Form 10-K for the year ended December 31, 2003.

### CRITICAL ACCOUNTING POLICIES

Presented in Note 1 of the Notes to the financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2003 is a discussion of our significant accounting policies. While it is important to review and understand all of these policies when reading our financial statements, there are several policies that we have adopted and implemented from among acceptable alternatives that could lead to different financial results had another policy been chosen:

*Inventory valuation.* We use the LIFO (last-in, first-out) method for some of our log and lumber inventories with the remaining inventories valued at FIFO (first-in, first-out) or average cost. Our inventories would have been approximately \$4.1 million higher if the LIFO inventories were valued at average cost as of September 30, 2004.

*Property, plant and equipment.* We principally use the units of production method of depreciation for machinery and equipment that amortizes the cost of machinery and equipment over the estimated units that will be produced during its estimated useful life, generally ten years.

*Stock options.* We have chosen to report our stock-based compensation using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations under which no compensation cost for stock options is recognized for stock options granted at or above fair market value. As permitted, we apply only the disclosure provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation" which establishes a fair value approach to measuring compensation expense related to employee stock compensation plans. Had compensation expense for our stock-based compensation plans been determined based upon the fair value at the grant dates under those plans consistent with SFAS No. 123, our net income would have changed. For the first nine months of 2004,

19

---

had we recorded this compensation expense, our net income would have decreased by \$1.1 million, although for the third quarter of 2004 our net income would have increased by \$0.4 million.

#### SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

Throughout the preparation of the financial statements, we employ significant judgments in the application of accounting principles and methods. These judgments are primarily related to the assumptions used to arrive at various estimates. For 2004, these significant accounting estimates and judgments include:

*Legal Contingencies.* Our estimates of our loss contingencies for legal proceedings are based on various judgments and assumptions regarding the potential resolution or disposition of the underlying claims and associated costs. In making judgments and assumptions regarding legal contingencies for ongoing class action settlements, we consider, among other things, discernible trends in the rate of claims asserted and related damage estimates, information obtained through consultation with statisticians and economists, including statistical analyses of potential outcomes based on experience to date and the experience of third parties who have been subject to product-related claims judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, both the precision and reliability of the resulting estimates of the related loss contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to these contingencies and, as additional information becomes known, may change our estimates significantly.

*Environmental Contingencies.* Our estimates of our loss contingencies for environmental matters are also based on various judgments and assumptions. These estimates typically reflect judgments and assumptions relating to the probable nature, magnitude and timing of required investigation, remediation and/or monitoring activities and the probable cost of these activities, and in some cases reflect judgments and assumptions relating to the obligation or willingness and ability of third parties to bear a proportionate or allocated share of the cost of these activities, including third parties who purchased assets from us subject to environmental liabilities. We consider the ability of third parties to pay their apportioned cost when developing our estimates. In making these judgments and assumptions related to the development of our loss contingencies, we consider, among other things, the activity to date at particular sites, information obtained through consultation with applicable regulatory authorities and third-party consultants and contractors and our historical experience at other sites that are judged to be comparable. Due to the numerous variables associated with these judgments and assumptions, and the effects of changes in governmental regulation and environmental technologies, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. We regularly monitor our estimated exposure to environmental loss contingencies and, as additional information becomes known, may change our estimates significantly. At September 30, 2004, we excluded from our estimates \$6.1 million of potential environmental liabilities that we estimate will be allocated to third parties pursuant to existing and anticipated future cost sharing arrangements.

*Impairment of Long-Lived Assets.* We review the long-lived assets held and used by us (primarily property, plant and equipment and timber and timberlands) for impairment when events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. Identifying these events and changes in circumstances, and assessing their impact on the appropriate valuation of the affected assets under accounting principles generally accepted in the U.S., requires us to make judgments, assumptions and estimates. In general, on assets held and used, impairments are recognized when the book values exceed our estimate of the undiscounted future net cash flows associated with the affected assets. The key assumptions in estimating these cash flows include future production volumes and pricing of commodity products and future estimates of expenses to be incurred. Our assumptions regarding pricing are based upon the average pricing over the commodity cycle (generally five years) due to the inherent volatility of commodity product pricing. These prices are estimated from information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our estimates of expenses are based upon our long-range internal planning models and our expectation that we will continue to reduce product costs that will offset inflationary impacts.

When impairment is indicated, the book values of the assets to be held and used are written down to their estimated fair value that is generally based upon discounted future cash flows. Assets to be disposed of are written down to their estimated fair value, less estimated sales costs. Consequently, a determination to dispose of particular assets can require us to estimate the net sales proceeds expected to be realized upon such disposition, which can be less than the estimated undiscounted future net cash flows associated with such assets prior to such determination, and

20

---

thus require a write down of such assets. In situations where we have experience in selling assets of a similar nature, we may estimate net sales proceeds on the basis of that experience. In other situations, we hire independent appraisers to estimate net sales proceeds. Due to the numerous variables associated with our judgments and assumptions relating to the valuation of assets in these circumstances, and the effects of changes in circumstances affecting these

valuations, both the precision and reliability of the resulting estimates of the related impairment charges are subject to substantial uncertainties and, as additional information becomes known, we may change our estimates significantly.

*Income Taxes.* The determination of the provision for income taxes, and the resulting current and deferred tax assets and liabilities, involves significant management judgment, and is based upon information available to management at the time of such determination. The final income tax liability to any taxing jurisdiction with respect to any calendar year will ultimately be determined long after our financial statements have been published for that year. We maintain reserves for estimated tax exposures in federal, state and international jurisdictions. Significant income tax exposures may include potential challenges to intercompany pricing, the treatment of financing, acquisition and disposition transactions, the use of hybrid entities, and the use of the installment sale method of accounting for tax purposes and other matters. These exposures are settled primarily through the closure of audits by these taxing jurisdictions and, on occasion, through the judicial process, any of which may produce a result inconsistent with past estimates. We believe that we have appropriate liabilities established for estimated exposures; however, actual results may differ materially from our estimates.

Judgment is also applied in determining whether deferred tax assets will be realized in full or in part. When we consider it to be more likely than not that all or some portion of a deferred tax asset will not be realized, a valuation allowance is established for the amount of the deferred tax asset that is estimated not to be realizable. As of September 30, 2004, we had established valuation allowances against certain deferred tax assets, primarily related to state and foreign, capital and net operating loss carryovers. We have not established valuation allowances against other deferred tax assets based upon expected future taxable income and/or tax strategies planned to mitigate the risk of impairment of these assets. Accordingly, changes in facts or circumstances affecting the likelihood of realizing a deferred tax asset could result in the need to record additional valuation allowances.

*Goodwill.* Goodwill and other intangible assets that are deemed to have an indefinite life are no longer amortized. However, these indefinite life assets are tested for impairment on an annual basis, and otherwise when indicators of impairment are determined to exist, by applying a fair value based test. The process of evaluating the potential impairment of goodwill is highly subjective and requires significant judgments at many points during the analysis. In testing for potential impairment, the estimated fair value of the reporting unit, as determined based upon cash flow forecasts, is compared to the book value of the reporting unit. The key assumptions in estimating these cash flows include future production volumes and pricing of commodity products and future estimates of expenses to be incurred. Our assumptions regarding pricing are based upon the average pricing over the commodity cycle (generally five years) due to the inherent volatility of commodity product pricing. These prices are estimated from information gathered from industry research firms, research reports published by investment analysts and other published forecasts. Our estimates of expenses are based upon our long-range internal planning models and our expectation that we will continue to reduce product costs that will offset inflationary impacts.

Due to the numerous variables associated with our judgments and assumptions relating to the valuation of assets in these circumstances, and the effects of changes in circumstances affecting these valuations, both the precision and reliability of the resulting estimates of the related impairment charges, if any, are subject to substantial uncertainties and, as additional information becomes known, we may change our estimates significantly.

*Pension Plans.* Most of our U.S. employees and many of our Canadian employees participate in defined benefit pension plans sponsored by LP. We account for the consequences of our sponsorship of these plans in accordance with accounting principles generally accepted in the U.S., which require us to make actuarial assumptions that are used to calculate the related assets, liabilities and expenses recorded in our financial statements. While we believe we have a reasonable basis for these assumptions, which include assumptions regarding long-term rates of return on plan assets, life expectancies, rates of increase in salary levels, rates at which future values should be discounted to determine present values and other matters, the amounts of our pension related assets, liabilities and expenses recorded in our financial statements would differ if we used other assumptions. The amount of the additional minimum pension liability, recorded in Accumulated Comprehensive Loss on our consolidated balance sheet, is

21

based on an annual comparison of the accumulated benefit obligation to the market value of plan assets on our most recent valuation date of October 31, 2003. See further discussion related to pension plans below under the heading "Defined Benefit Pension Plans" and in Note 9 of the Notes to the financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2003.

## **RESULTS OF OPERATIONS**

Our net income for the third quarter of 2004 was \$108 million, or \$0.98 per diluted share, on sales of \$741 million, compared to the third quarter 2003 net income of \$125 million, or \$1.17 per diluted share, on sales of \$671 million. For the third quarter of 2004, income from continuing operations was \$106 million, or \$0.96 per diluted share compared to income from continuing operations of \$110 million, or \$1.04 per diluted share for the third quarter of 2003.

Our net income for the nine months ended September 30, 2004 was \$407 million, or \$3.72 per diluted share, on sales of \$2.26 billion, compared to the nine months ended September 30, 2003 net income of \$109 million, or \$1.03 per diluted share, on sales of \$1.55 billion. For the nine months ended September 30, 2004, income from continuing operations was \$408 million, or \$3.72 per diluted share compared to income from continuing operations of \$122 million, or \$1.15 per diluted share for the nine months ended September 30, 2003.

Our results of operations for each of our segments are discussed below as well as for the "other" category, which comprises other products that are not individually significant.

OSB

Our OSB segment manufactures and distributes commodity and value-added OSB structural panels.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	Quarter Ended September 30,			Nine Months Ended September 30		
	2004	2003	Change	2004	2003	Change
Net sales	\$ 430	\$ 403	7%	\$ 1,417	\$ 827	71%
Operating profits	\$ 198	\$ 197	1%	\$ 761	\$ 248	207%
Depreciation, amortization and cost of timber harvested	\$ 26	\$ 20		\$ 67	\$ 56	

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2004 compared to the quarter and nine months ended September 30, 2003 are as follows:

	Quarter Ended September 30, 2004 versus 2003		Nine Months Ended September 30, 2004 versus 2003	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
Commodity OSB	4%	3%	61%	6%

Average selling prices for OSB were higher for both the third quarter and the nine month period ended September 30, 2004 as compared to the corresponding periods of 2003 due to strong market demand. The above change in average net selling price compares net selling price including freight between periods. Excluding freight from the calculation, average net selling prices for the quarter and the nine months ended September 30, 2004 were 4% and 70% higher than the comparable periods of 2003. Higher average selling prices accounted for an increase in net sales and operating profits of approximately \$15 million for the third quarter of 2004 and \$504 million for the first nine months of 2004 compared to the comparable periods of 2003. Increased demand coupled with limited additional industry capacity that has been put into service over the last year drove this price increase.

22

Compared to both the third quarter and nine month period ended September 30, 2003, the primary factor for increased operating profits was the higher average selling prices and volumes, which was fully offset by an increase operating costs for the third quarter (a 14% increase) and partially offset for the nine month period by an increase in operating costs (an 8% increase). The increase in operating costs at the mills was primarily due to higher wood, resin and energy costs. Additionally, because of the strengthening Canadian dollar, operating costs at our Canadian OSB mills were negatively affected when Canadian dollar denominated costs were translated into US dollars.

#### COMPOSITE WOOD PRODUCTS

Our composite wood products segment produces and markets wood siding and related accessories and specialty hardboard products.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2004	2003	Change	2004	2003	Change
Net sales	\$ 122	\$ 122	0%	\$ 346	\$ 311	11%
Operating profits	\$ 20	\$ 23	-13%	\$ 53	\$ 44	20%
Depreciation, amortization and cost of timber harvested	\$ 4	\$ 4		\$ 13	\$ 13	

Sales in this segment are broken down as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2004	2003	Change	2004	2003	Change
OSB-based exterior products(1)	\$ 68	\$ 79	-14%	\$ 195	\$ 191	2%
Hardboard products	47	39	21%	132	109	21%
Chile	7	4	75%	19	11	73%
Total	\$ 122	\$ 122	0%	\$ 346	\$ 311	11%

(1) Includes commodity OSB products produced at certain facilities in this segment

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2004 compared to the quarter and nine months ended September 30, 2003 are as follows:

	Quarter Ended September 30, 2004 versus 2003		Nine Months Ended September 30, 2004 versus 2003	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
OSB-based exterior products	11%	12%	5%	25%
Commodity OSB	4%	-86%	61%	-90%
Hardboard products	10%	8%	8%	11%

For both the third quarter and nine months ended September 30, 2004, sales volume continued to increase over the comparable periods for the prior year in our OSB-based exterior products due to increased market penetration and brand awareness. Volumes also increased in our hardboard siding and doorskin business due to the addition of several new customers as one of our competitors exited the business. Sales prices in the OSB-based exterior products and hardboard showed increases in price due to both changes in product mix as well as general price increases implemented to help offset higher raw material costs in both of these lines of business.

During both the third quarter and nine month period ended September 30, 2004 and 2003, two of our specialty OSB facilities also produced commodity OSB. The commodity OSB volume declined significantly during both the third

23

quarter and nine months ended September 30, 2004 due to the increase in market demand for OSB-based exterior products.

For the quarter ended September 30, 2004 operating results for our composite wood product segment compared to the same period of the prior year showed a slight decline. This decline was driven by the reduction in the commodity OSB volume produced and sold during the third quarter of 2004 compared to 2003. The OSB commodity product had very high margins due to pricing in the third quarters of 2004 and 2003. Increases in operating costs in the OSB-based exterior and hardboard businesses also contributed to lower operating profits. These declines were partially offset by volume and price increases in both the OSB-based and the hardboard product businesses. See the discussion in OSB above related to changes in commodity OSB pricing.

Overall, for the nine months ended September 30, 2004 compared to the same period of the prior year, the improvement in operating results for our composite wood products segment was primarily due to increased volumes in both OSB-based exterior products and hardboard siding and price increases, which were partially offset by increases in operating costs including higher wood, resin and energy costs.

#### PLASTIC BUILDING PRODUCTS

Our plastic building products segment produces and markets vinyl siding and related accessories, plastic mouldings and composite decking.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	Quarter Ended September 30,			Nine Months Ended September 30		
	2004	2003	Change	2004	2003	Change
Net sales	\$ 67	\$ 56	20%	\$ 183	\$ 157	17%
Operating profits	\$ 2	\$ 4	(50)%	\$ 8	\$ 14	(43)%
Depreciation, amortization and cost of timber harvested	\$ 2	\$ 2		\$ 6	\$ 6	

Sales in this segment are broken down as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2004	2003	Change	2004	2003	Change
Vinyl	\$ 39	\$ 36	8%	\$ 98	\$ 90	9%
Moulding	17	11	55%	54	38	42%
Decking	11	9	22%	31	29	7%
Total	\$ 67	\$ 56	20%	\$ 183	\$ 157	17%

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2004 compared to the quarter and nine months ended September 30, 2003 are as follows:

	Quarter Ended September 30, 2004 versus 2003		Nine Months Ended September 30, 2004 versus 2003	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
Vinyl	0%	4%	5%	3%
Moulding	5%	8%	2%	5%
Decking	5%	73%	3%	43%

In our vinyl siding business, sales prices for the third quarter of 2004 as compared to the same period of the prior year were flat; however, sales prices for the nine month period ended September 30, 2004 as compared to the same periods in the prior year increased partially to a higher proportion of sales of our premium siding product (90% increase in the first nine months) and a general price increase to offset a portion of the higher cost associated with

primary raw material. Unit shipments showed a slight increase as we continued to gain additional market share for both the quarter and nine month period ended September 30, 2004.

In our mouldings product line, we continued to see increases in both unit shipments and sales prices for the quarter and the nine month period ended September 30, 2004 as compared to the same periods in the prior year due to continued strength in retail activity in home centers. Product-specific sales prices remained flat for both the quarter and nine month periods ended September 30, 2004 as compared to the same periods in the prior year, however, due to changes in product mix, we recognized an overall increase.

Operating results for our composite decking business for both the third quarter as well as the nine month period ended September 30, 2004 improved over the comparable periods of 2003. We implemented sales price increases in the later portion of 2003 for all our decking products in an effort to partially offset increasing raw material costs. Our sales and production volumes increased significantly as a result of continued marketing efforts to gain new customers and increased production capacity due to a capital project at one of our facilities.

Operating profits for this segment declined significantly for the third quarter and nine month period ended September 30, 2004 as compared to the same periods in the prior year due to increased costs of resin, the primary raw material for many of the products in this segment. Resin prices in this segment increase as the prices of crude oil increase. Additionally, marketing costs increased as we continued to expand our presence in these markets.

#### ENGINEERED WOOD PRODUCTS

Our engineered wood products segment manufactures and distributes engineered wood products (EWP), including laminated veneer lumber (LVL), I-Joists and other related products.

Segment sales, profits and depreciation, amortization and cost of timber harvested for this segment is as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2004	2003	Change	2004	2003	Change
Net sales	\$ 112	\$ 80	40%	\$ 293	\$ 210	40%

Operating profits	\$	3	\$	(1)	400%	\$	2	\$	(2)	400%
Depreciation, amortization and cost of timber harvested	\$	4	\$	3		\$	11	\$	9	

Sales in this segment are broken down as follows:

	Quarter Ended September 30,			Nine Months Ended September 30,		
	2004	2003	Change	2004	2003	Change
LVL	\$ 45	\$ 31	45%	\$ 120	\$ 83	45%
I-Joist	51	39	31%	131	98	34%
Other	16	10	60%	42	29	45%
Total	\$ 112	\$ 80	40%	\$ 293	\$ 210	40%

Percent changes in average sales prices and unit shipments for the quarter and nine months ended September 30, 2004 compared to the quarter and nine months ended September 30, 2003 are as follows:

	Quarter Ended September 30, 2004 versus 2003		Nine Months Ended September 30, 2004 versus 2003	
	Average Net Selling Price	Unit Shipments	Average Net Selling Price	Unit Shipments
LVL	16%	24%	10%	31%
I-Joist	18%	8%	12%	19%

During both the third quarter and the nine month period ended September 30, 2004, we continued to grow our EWP segment. We saw significant growth in both LVL and I-Joist sales with the addition of several new distributors and

expanded presence with large production builders. Sales prices increased during both the third quarter and the nine month period ended September 30, 2004 as we instituted general price increases to offset higher raw material costs. Our focus continues to be on reductions in costs, better geographic manufacturing and distribution, and maintaining customer relationships. In addition to focusing on maximizing the potential of our existing facilities, we continue to look for alliance opportunities.

Operating profits for our EWP segment slightly increased for both the third quarter and first nine months of 2004 as compared to the comparable periods in 2003 primarily due to significant price increases which were partially offset by increases in raw material costs (primarily veneer, OSB and lumber).

#### OTHER PRODUCTS

Our other products category includes lumber sales associated with multi-product vendor-managed inventory (VMI) and product reload locations, timber and timberlands not associated with other segments or businesses to be divested and other minor products and services. For the third quarter ended September 30, 2004 as compared to the same period of 2003, sales were significantly lower, however; operating profits increased due to an increase in sales prices at a lumber mill, which is included in this segment. For the nine month period ended September 30, 2004 as compared to the same period of 2003, both sales and operating profits were lower due to the reduction in sales primarily attributable to the divestiture of most of our lumber facilities thus reducing the sales through VMI and reload locations. Additionally, sales and profits of logs sold to third parties from our timberlands declined significantly with the sale of our remaining fee timberlands in October of 2003.

#### OTHER OPERATING CREDITS AND CHARGES, NET AND GAIN (LOSS) ON SALE OR IMPAIRMENT OF LONG-LIVED ASSETS

The information set forth in Item 1 "Financial Statements" under Note 9 "Other operating credits and charges, net" and under Note 10 "Gains (Losses) on sales or impairment of long-lived assets" of this report is incorporated herein by reference.

#### GENERAL CORPORATE AND OTHER EXPENSE, NET

For the third quarter ended September 30, 2004 as compared to the comparable periods of 2003, general corporate expenses remained relatively flat. For the nine months ended September 30, 2004 as compared to the comparable periods of 2003, general corporate expenses increased primarily related to higher stock compensation expenses due to improved operating performance, higher management bonuses, and costs associated with compliance, notably Sarbanes-Oxley implementation. General corporate and other expenses primarily consist of corporate overhead such as wages and benefits for corporate and sales personnel, professional fees, insurance and other expenses.

#### INTEREST, NET

Interest expense in the third quarter and first nine months of 2004 was lower than the comparable periods in 2003 due to a lower average amount of debt outstanding. Interest income in the third quarter and first nine months of 2004 was higher than the comparable period in 2003 due to significantly increased cash and cash equivalents and investment balances.

#### DISCONTINUED OPERATIONS

Included in discontinued operations for the first nine months of 2004 and 2003 are the results of the operations of mills that have been or are to be divested under our divestiture plan. For the first nine months of 2004, these operations include three lumber mills and an interior hardboard operation. For the first nine months of 2003, these operations included our lumber and industrial panels mills, interior hardboard operations and a distribution facility.

Included in the operating profits of discontinued operations for the third quarter of 2004, is a net gain of \$0.6 million associated with the partial settlement of a contingent asset sale proceeds associated with a previously sold facility.



In addition to the above, during the nine month period ended September 30, 2004, we recorded a loss of \$9.9 million to reduce the carrying value of assets held for sale to their estimated net realizable value; a net loss of \$0.8 million associated with the sale of land and buildings which was formerly an LP distribution center, the sale of two lumber facilities and an interior hardboard operation as well as the settlement of a contingent gain associated with a previously sold facility and a loss of \$0.4 million on long-term timber contracts associated with previously closed or sold facilities. Additionally, during the first nine months of 2004, we recognized \$3.7 million in income associated with the liquidation of certain LIFO inventories due to the reduced log inventories at sites to be sold or closed.

Included in the operating losses of discontinued operations for the third quarter of 2003, are a loss of \$1.7 million related to timber contracts associated with closed or sold mills; a loss of \$0.9 million related to severance charges and a gain of \$0.5 million on the sale of various assets previously held for sale.

In addition to the above, during the nine month period ended September 30, 2003, we recorded a gain of \$7.5 million on the sale of various assets previously held for sale (primarily our Missoula particleboard facility) and a loss of \$0.5 million related to severance charges; a loss of \$2.5 million related to curtailment expense on defined benefit pension plans associated with the expected divestitures; a loss of \$15.0 million related to an operating lease of a mill that has been permanently closed; a loss of \$1.4 million related to a timber contract associated with a closed mill; and impairment charges of \$24.4 million on assets held for sale.

Overall, operating results increased for the third quarter ended September 30, 2004 as compared to the same period in 2003. This increase was primarily related to the increase in lumber prices at one of our remaining lumber operations. Additionally, results improved due to timing of the sale, transfer or permanent closure of facilities that were unprofitable.

Overall, operating results declined for the nine month period ended September 30, 2004 as compared to the same period in 2003. This decline was primarily related to the recognition of \$27.1 million for the first nine months of 2003 associated with the liquidation of certain LIFO inventories due to reduced log and lumber inventories at sites sold or closed. Additionally, results improved due to timing of the sale, transfer or permanent closure of facilities that were unprofitable.

#### INCOME TAXES

Income (loss) before taxes for the periods presented were as follows:

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Continuing operations	\$ 179.5	\$ 198.5	\$ 651.7	\$ 220.8
Discontinued operations	3.0	22.8	(1.4)	(20.7)
Cumulative effect of change in accounting principle	—	—	—	0.1
	182.5	221.3	650.3	200.2
Total tax provision	74.4	96.8	243.3	91.5
Net income	\$ 108.1	\$ 124.5	\$ 407.0	\$ 108.7

Accounting standards require that the estimated effective income tax rate (based upon estimated annual amounts of taxable income and expense) by income component for the year be applied to year-to-date income or loss at the end of each quarter. The primary difference between the U.S. statutory rate of approximately 39% and the effective rate on continuing operations relates to the non-taxable foreign currency exchange losses on certain intercompany debt that is denominated in Canadian dollars (increasing rate) and a significant portion of income estimated to be taxable in foreign jurisdictions at lower tax rates (lowering rate). The components and associated estimated effective income tax rates applied to the first nine months of 2004 and 2003 are as follows:

	Nine Months Ended September 30,			
	2004		2003	
	Tax Provision	Tax Rate	Tax Provision	Tax Rate
Continuing operations	\$ 243.8	37%	\$ 99.3	45%
Discontinued operations	(0.5)	36%	(7.8)	38%
	\$ 243.3	37%	\$ 91.5	42%

On October 22, 2004, President Bush signed into law the American Jobs Creation Act of 2004. This act may have a significant impact on future tax liabilities and future tax provisions reported in our financial statements. We are currently in the process of evaluating the impact of this act on our tax rate for U.S. based manufacturing income as

well as our U.S. tax liability on income earned in foreign taxing jurisdictions and the impacts of other provisions of the act. In addition, we understand that the Financial Accounting Standards Board is currently studying how companies should report the impacts of this act in their financial statements and will likely issue guidance in the near future.

#### CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLES

We adopted SFAS No. 143, "Accounting for Asset Retirement Obligations," as of January 1, 2003. This statement addresses the financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. This statement requires us to record both an initial asset and a liability for the fair value of estimated costs of legal obligations associated with the retirement of long-lived assets. The initial assets are depreciated over the expected useful life of the asset. Upon adoption of this statement, we changed our accounting for landfill closure and monitoring costs, reforestation obligations associated with certain timber licenses in Canada and other assets. Implementation of this standard resulted in income of \$0.2 million (or \$0.1 million after taxes of \$0.1 million) as the fair value of the liabilities as calculated under SFAS No. 143 was lower than previously recorded liabilities. This impact was recorded as a "cumulative effect of change in accounting principle" as of January 1, 2003.

## DEFINED BENEFIT PENSION PLANS

We maintain several qualified and non-qualified defined benefit pension plans in the U.S. and Canada that cover a substantial portion of our employees. We account for all of these plans and provide aggregated disclosures about these plans in the Notes to our financial statements as required by SFAS No. 87 "Employers' Accounting for Pensions", SFAS No. 88 "Employers' Accounting for Settlement and Curtailments of Defined Benefit Plans and for Termination Benefits" and SFAS No. 132 "Employers' Disclosures about Pensions and Other Post Retirement Benefits (revised 2003)". See Note 9 of the Notes to the financial statements included in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2003. We estimate that our defined benefit pension expense for 2004 will be approximately \$18 million. That estimate assumes that we have no curtailment or settlement expenses in 2004 other than as discussed in the paragraph below. If a curtailment or settlement does occur in 2004, this estimate may change significantly. We estimate that we will contribute approximately \$49 million to these plans in 2004 including the contribution to our SERP related to the retirement of the former chief executive officer. As of September 30, 2004, we had contributed approximately \$40 million to these plans. At December 31, 2003, we had an unrecognized loss of \$92 million associated with our defined benefit pension plan. The amortization of this unrecognized loss will account for approximately 40% of our 2004 pension expense.

Additionally, due to the retirement of our former chief executive officer, Mark Suwyn, we will be required to record an additional charge of approximately \$1.5 million in the fourth quarter for 2004. This amount is included in the above expense figure.

## LEGAL AND ENVIRONMENTAL MATTERS

For a discussion of legal and environmental matters involving us and the potential impact thereof on our financial position, results of operations and cash flows, see Items 3, 7 and 8 in our Annual Report on Form 10-K for the year ended December 31, 2003, Note 15 of the Notes to the financial statements contained therein and Item 1, Legal Proceedings, in Part II of this report.

## HARDBOARD SIDING LITIGATION UPDATE

The following discussion updates should be read in conjunction with the discussion of our hardboard siding litigation set forth in Note 14 of the Notes to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2003.

Cumulative statistics under hardboard settlements are as follows:

28

---

	<u>September 30, 2004</u>	<u>June 30, 2004</u>	<u>December 31, 2003</u>
Requests for claims	36,800	34,800	31,700
Completed claims received	23,800	21,700	18,800
Completed claims pending	3,300	2,700	2,700
Claims dismissed	6,000	5,600	5,300
Claims settled	14,500	13,400	10,800

The average payment amount for settled claims as of September 30, 2004 and December 31, 2003 was approximately \$1,300 and \$1,400, respectively. Dismissal of claims is typically the result of claims for products not produced by LP or predecessor companies or claims that lack sufficient information or documentation after repeated efforts to correct those deficiencies.

## LIQUIDITY AND CAPITAL RESOURCES

### OPERATING ACTIVITIES

During the first nine months of 2004, we generated \$545 million of cash from operating activities compared to \$229 million in the first nine months of 2003. The increase in cash provided by operations in the first nine months of 2004 was primarily a result of improved operating results in our OSB business. This was offset by an increase in payments to our pension plans and cash settlements of contingencies as well as an increase in working capital above the increase in the first nine months of 2003.

We paid out \$48 million in the first nine months of 2004 as compared to \$44 million in the same period of 2003 related to litigation settlements.

### INVESTING ACTIVITIES

During the first nine months of 2004, we used approximately \$427 million in cash for investing activities. We purchased approximately \$524 million in marketable security investments with maturities in excess of 90 days and received approximately \$185 million in proceeds from the sales of those investments. Capital expenditures for property, plant and equipment increased for the first nine months of 2004 to \$91 million and were primarily used for capital projects to reduce production costs and increase capacity in certain OSB facilities, purchase a research and development facility near our new Nashville headquarters and expand our decking production capacities. Additionally, we invested \$13 million in our joint venture with Canfor to construct an OSB facility in British Columbia, Canada.

Net cash provided by investing activities was \$190 million in the first nine months of 2003. Capital expenditures for property, plant and equipment in the first nine months of 2003 was \$47 million and related primarily to non-discretionary capital projects and capital required for our joint venture for an I-Joist facility in Eastern Canada. In addition, LP received, in the first nine months of 2003, proceeds of approximately \$67 million from the sale of timberlands and \$32 million on the sales of other assets. Under the terms of our prior revolving credit agreement, the net after-tax proceeds of these sales (\$46 million) was required to be deposited in a restricted cash account.

Capital expenditures for 2004 are expected to be about \$135 million on projects to reduce our energy, raw materials and resin costs in our current OSB mills as well as expansion projects in our decking and siding operations. We also plan to invest in our joint venture project with Canfor (at September 30, 2004 the joint venture had committed \$143 million, of which LP's portion is \$71.5 million, to purchase equipment).

### FINANCING ACTIVITIES

In the first nine months of 2004, net cash used in financing activities was \$203 million as compared to \$176 million in the first nine months of 2003. In the first nine months of 2004, we repaid \$259 million of our long-term debt. These payments included a premium on the early extinguishment of senior and subordinated notes of approximately \$41 million. Additionally, we generated \$40 million in proceeds from the sale of common stock under our various equity compensation plans and paid cash dividends of \$22 million.

In the first nine months of 2003, we repaid \$55 million of debt. During 2003, we converted our secured revolving credit facility into a secured letter of credit facility. Benefits from the conversion included the elimination of \$187 million of unneeded committed borrowing capacity (and the obligation to pay related fees), a \$37 million reduction in cash collateral and a more favorable rate for letters of credit (which are cash collateralized under the facility).

## FINANCING OBLIGATIONS

During the third quarter 2004, we entered into a new five-year revolving credit facility and terminated our former secured letter of credit facility. The new facility, which will expire in September 2009, provides for committed borrowing capacity of \$150 million. Subject to the willingness of existing or new lenders under the credit facility to advance additional funds, we may increase our borrowing capacity under the facility by up to an additional \$100 million. The facility allows us to cash collateralize the facility, at our option, in order to lower the cost of such borrowings. At September 30, 2004, we had no borrowings outstanding under the facility. Letters of credit issued and outstanding totaled approximately \$82 million as September 30, 2004 and were fully cash collateralized.

LP Canada has a \$10 million (Canadian) letter of credit facility under which approximately \$3 million (Canadian) of letters of credit were outstanding at September 30, 2004. Our ability to obtain letters of credit under this facility ends in January 2005, and the facility expires in January 2006. This facility requires LP to pledge, as security for its reimbursement obligations under the facility, cash collateral in an amount equal to 110% of the face amount of the letters of credit outstanding under the facility at any time. We expect to renew this facility prior to its expiration.

Additionally, we have an accounts receivable securitization facility which, as extended in October 2004, is set to expire in November 2007. The facility provides for maximum borrowings of up to of \$100 million. The maximum available to be borrowed under this facility changes based upon the amount of eligible receivables, as defined, concentration of eligible receivables and other factors. Additionally, the facility contains a provision under which specified downgrades of our long-term unsecured senior debt rating could cause an amortization event under this facility. At September 30, 2004, we had no borrowings outstanding under this facility.

The following details our current debt ratings as of October 28, 2004:

	Moody's Investor Service	Standard & Poor's
Senior Notes	Baa3	BB -

The indenture, under which our senior subordinated notes were issued restricted our ability and the ability of our restricted subsidiaries (as defined in the indenture) to, among other things: (1) incur debt; (2) incur liens; (3) make acquisitions; (4) make investments, including loans and advances; (5) engage in mergers, consolidations or sales of assets; (6) enter into sale and leaseback transactions; (7) engage in transactions with affiliates; and (8) pay dividends or engage in stock redemptions. In connection with our repurchase of a majority of these notes, substantially all of the restrictive covenants contained in the indenture are suspended so long we maintain a credit rating of BB- or above with S&P and Ba3 or above with Moody's, which suspension will become permanent if such credit ratings are maintained for twelve consecutive months from March 25, 2004.

Contingency reserves, which represent an estimate of future cash needs for various contingencies (principally, payments for siding litigation settlements), totaled \$56 million at September 30, 2004, of which \$15 million is estimated to be payable within one year. As with all accounting estimates, there is inherent uncertainty concerning the reliability and precision of such estimates.

## POTENTIAL IMPAIRMENTS

We continue to review certain operations for potential impairments. Management currently believes we have adequate support for the carrying value of each of these assets based upon the anticipated cash flows that result from our estimates of future demand, pricing and production costs assuming certain levels of planned capital expenditures. However, should the markets for our products deteriorate to levels significantly below cycle average pricing or should we decide to invest capital in alternative projects, it is possible that we will be required to record further impairment charges.

We also review from time to time possible dispositions of various assets in light of current and anticipated economic and industry conditions, our strategic plan and other relevant circumstances. Because a determination to dispose of particular assets can require management to make assumptions regarding the transaction structure of the disposition and to estimate the net sales proceeds, which may be less than previous estimates of undiscounted future net cash flows, we may be required to record impairment charges in connection with decisions to dispose of assets.

As part of the sale of our Samoa, California pulp mill to Samoa Pacific Cellulose LLC, there are several contingent liabilities, primarily concerning environmental remediation, associated with these operations that, under certain circumstances, could become our liabilities. We have not fully recorded an accrual for these liabilities, as we do not believe payment is likely to occur.

Our Canadian subsidiaries have arrangements with the Canadian provincial governments which give these subsidiaries the right to harvest a volume of wood off public land from defined forest areas under supply and management agreements, long-term pulpwood agreements and various other timber licenses. Total timber under license in British Columbia (BC) is located on 7,900,000 acres. In March of 2003, the BC government announced major changes to the provincial timber license structure. These included a 20% reduction in the harvesting rights for holders of long-term licenses and the introduction of an auction based timber sale system. This will not affect our timber licenses associated with our OSB facilities in BC; however, it will affect our timber allocations associated with our LVL, plywood and cedar operations in BC. Although this legislation has been enacted and the regulations have been finalized

that will establish the new timber pricing system and basis for the 20% timber license reduction, we continue to work with the BC government to finalize the implications on LP's operations. As a result, we are unable to predict what effects these changes will have on future operations. The BC government has acknowledged that licensees will be fairly compensated for the reduction in harvesting rights and the costs associated with the related improvements (including roads and bridges).

As part of the acquisition of the assets of Evans Forest Products in 1999, we allocated a portion of the purchase price to these timber licenses based upon the present value of the difference between the cost of the timber under licenses and the timber purchased on the open market as of the date of acquisition. As a result of the change in the enacted timber license structure and integral relationship between these licenses and the acquired operations, we will be required to complete an impairment test, once the compensation referred to above has been determined, on these operations to determine what, if any, impairment is required.

## **OUTLOOK: ISSUES AND UNCERTAINTIES**

Management is optimistic about our long-term prospects. Management does not provide public forecasts of future financial performance. Factors that support this view include a favorable interest rate environment, trend of increasing home ownership rates, steady growth of repair and remodeling and the demographics that support more housing and increased sizes. However, the following issues and uncertainties should be considered in evaluating our Company.

*Cyclical industry conditions and commodity pricing have and may continue to adversely affect our financial conditions and results of operations.* Our operating results reflect the general cyclical pattern of the building products industry. Our primary product, OSB, and a significant portion of our raw materials are globally traded commodity products. In addition, our products are subject to competition from manufacturers worldwide. Historical prices for our products have been volatile, and we, like other participants in the building products industry, have limited influence over the timing and extent of price changes for our products. Product pricing is significantly affected by the relationship between supply and demand in the building products industry. Product supply is influenced primarily by fluctuations in available manufacturing capacity. Demand is affected by the state of the economy in general and a variety of other factors. The level of new residential construction activity and home repair and remodeling activity primarily affects the demand for our building products. Demand is also subject to fluctuations due to changes in economic conditions, interest rates, population growth, weather conditions and other factors. We are not able to predict with certainty market conditions and selling prices for our products. We cannot assure you that prices for our products will not decline from current levels. A prolonged and severe weakness in the markets for one or more of our principle products, particularly OSB, could seriously harm our financial condition and results of operations and our ability to satisfy our cash requirements, including the payment of interest and principal on our debt.

*We have a high degree of product concentration.* OSB accounted for almost 63% of our sales during the first nine months of 2004 and 57% of sales during fiscal 2003, and we expect OSB sales to continue to account for a substantial portion of our revenues and profits in the future. Additionally, OSB commodity prices reached record highs during the second quarter of 2004, but fluctuated significantly thereafter. Concentration of our business in the OSB market further increases our sensitivity to commodity pricing and price volatility. We cannot assure you that pricing for OSB or our other products will not decline from current levels.

*Increased industry production capacity for OSB could constrain our operating margins for the foreseeable future.* According to Resource Information Systems, Inc. (RISI), an industry market research organization, total North American OSB annual production capacity increased by about 4 billion square feet from 1998 to 2002 on a 3/8-inch equivalent basis and is projected to increase by approximately 6 billion square feet in the 2004 to 2008 period. RISI has projected that total North American demand for OSB will increase by about 5.8 billion square feet during the same 2004 to 2008 period. If increases in OSB production capacity exceed increases in OSB demand, OSB could have constrained operating margins in the foreseeable future.

*Intense competition in the building products industry could prevent us from increasing or sustaining our net sales and from sustaining profitability.* The markets for our products are highly competitive. Our competitors range from very large, fully integrated forest and building products firms to smaller firms that may manufacture only one or a few types of products. We also compete less directly with firms that manufacture substitutes for wood building products. Many of our competitors have greater financial and other resources than we do, and certain of the mills operated by our competitors may be lower-cost producers than the mills operated by us.

*Our results of operations may be harmed by increases in raw material costs.* The most significant raw material used in our operations is wood fiber. We currently obtain more than 70% of our wood fiber requirements in the open market. Wood fiber is subject to commodity pricing, which fluctuates on the basis of market factors over which we have no control. In addition, the cost of various types of wood fiber that we purchase in the market has at times fluctuated greatly because of governmental, economic or industry conditions. In addition to wood fiber, we also use a significant quantity of various resins in our manufacturing processes. Resin product costs are influenced by changes in the prices of raw materials used to produce resins, primarily petroleum products, as well as demand for resin products. Selling prices of our products have not always increased in response to raw material cost increases. We are unable to determine to what extent, if any, we will be able to pass any future raw material cost increases through to our customers through product price increases. Our inability to pass increased costs through to our customers could have a material adverse effect on our financial condition, results of operations and cash flow.

*Our operations require substantial capital and our capital resources may not be adequate to provide for all of our cash requirements.* Our operations require substantial capital. Capital expenditures for expansion or replacement of existing facilities or equipment or to comply with future changes in environmental laws and regulations may be substantial. The U.S. government has enacted regulations related to Maximum Achievable Control Technology (MACT). We anticipate, based upon our current facilities, that we will be required to spend between \$7 million and \$30 million over the next several years to comply with these regulations. Although we maintain our production equipment with regular periodic and scheduled maintenance, we cannot assure you that key pieces of equipment in our various production processes will not need to be repaired or replaced or that we will not incur significant additional costs associated with environmental compliance. The costs of repairing or replacing such equipment and the associated downtime of the affected production line could have a material adverse effect on our financial condition, results of operations and cash flow. Based on our current operations, we believe our cash flow from operations and other capital resources will be adequate to meet our operating needs, capital expenditures and other cash requirements for the foreseeable future. However, we cannot assure you that our capital resources will be adequate for these purposes. If our capital resources are inadequate to provide for our operating needs, capital expenditures and other cash requirements on economic terms, we could experience a material adverse effect on our business, financial condition, results of operations and cash flow.

We are subject to significant environmental regulation and environmental compliance expenditures and liabilities. Our businesses are subject to many environmental laws and regulations, particularly with respect to discharges of pollutants and other emissions on or into land, water and air, and the disposal, remediation of hazardous substances or other contaminants and, in the past, the restoration and reforestation of timberlands. Compliance with these laws and regulations is a significant factor in our business. We have incurred and expect to continue to incur significant expenditures to comply with applicable environmental laws and regulations. Moreover, some or all of the

environmental laws and regulations to which we are subject could become more stringent in the future. Our failure to comply with applicable environmental laws and regulations and permit requirements could result in civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing operations or requiring corrective measures, installation of pollution control equipment or remedial actions.

Some environmental laws and regulations impose liability and responsibility on present and former owners, operators or users of facilities and sites for contamination at such facilities and sites without regard to causation or knowledge of contamination. In addition, we occasionally evaluate various alternatives with respect to our facilities, including possible dispositions or closures. Investigations undertaken in connection with these activities may lead to discoveries of contamination that must be remediated, and closures of facilities may trigger compliance requirements that are not applicable to operating facilities. Consequently, we cannot assure you that existing or future circumstances or developments with respect to contamination will not require significant expenditures by us.

We are involved in various environmental matters and legal proceedings. The outcome of these matters and proceedings and the magnitude of related costs and liabilities are subject to uncertainties. The conduct of our business involves the use of hazardous substances and the generation of contaminants and pollutants. In addition, the end-users of many of our products are members of the general public. We currently are and from time to time in the future will be involved in a number of environmental matters and legal proceedings, including legal proceedings involving warranty or non-warranty products liability claims. These matters and proceedings, including class action settlements relating to certain of our products, have in the past caused and in the future may cause us to incur substantial costs. We have established contingency reserves in our consolidated financial statements with respect to the estimated costs of existing environmental matters and legal proceedings to the extent that our management has determined that such costs are both probable and reasonably estimable as to amount. However, such reserves are based upon various estimates and assumptions relating to future events and circumstances, all of which are subject of inherent uncertainties. We regularly monitor our estimated exposure to environmental and litigation loss contingencies and, as additional information becomes known, may change our estimates significantly. However, no estimate of the range of any such change can be made at this time. We may incur costs in respect of existing and future environmental matters and legal proceedings as to which no contingency reserves have been established. We cannot assure you that we will have sufficient resources available to satisfy the related costs and expenses associated with these matters and proceedings.

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Oriented strand board, million square feet 3/8" basis	1,424	1,367	4,186	3,840
Oriented strand board, million square feet 3/8" basis (produced by wood-based siding mills)	16	86	24	201
Wood-based siding, million square feet 3/8" basis	269	183	784	604
Engineered I-Joist, million lineal feet	25	24	70	66
Laminated veneer lumber (LVL), thousand cubic feet	3,131	2,593	9,021	7,349
Composite Decking, thousand lineal feet	12,709	6,943	29,161	23,387
Vinyl Siding, squares	816	759	2,219	2,061

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

INDUSTRY PRODUCT TRENDS

The amounts shown below are dollars per 1,000 square feet.

	OSB N. Central 7/16" Basis	
Annual Average		
1993	\$	236
1994		265
1995		245
1996		184
1997		142
1998		205
1999		260

2000	206
2001	159
2002	160
2003 1 <sup>st</sup> Qtr. Avg.	176
2003 2 <sup>nd</sup> Qtr. Avg.	218
2003 3 <sup>rd</sup> Qtr. Avg.	386
2004 1 <sup>st</sup> Qtr. Avg.	428
2004 2 <sup>nd</sup> Qtr. Avg.	437
2004 3 <sup>rd</sup> Qtr. Avg.	353

Source: *Random Lengths*

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

A portion of our outstanding debt bears interest at variable rates and accordingly is sensitive to changes in interest rates. Interest rate changes would result in gains or losses in the market value of our debt portfolio due to differences in market interest rates and the rates at the inception of the debt agreements. Based upon our indebtedness at September 30, 2004, a 100 basis point interest rate change would impact the pre-tax net income and cash flow by \$0.5 million annually.

Our international operations have exposure to foreign currency rate risks, primarily due to fluctuations in the Canadian dollar. Although we have entered into foreign exchange contracts in the past to manage a portion of the foreign currency rate risk associated with certain of our indebtedness, we historically have not entered into material currency rate hedges with respect to our exposure from operations, although we may do so in the future.

As of September 30, 2004, we had \$xxx (Canadian) million in intercompany debt between our U.S. and Canadian subsidiaries. This debt is denominated in Canadian dollars and therefore is subject to translation gains and losses in terms of U.S. dollars. While the gains and loss due to translation are eliminated in consolidation for financial reporting purposes, the tax effect is not because the translation of the Canadian balance into U.S. dollars occurs outside of the tax reporting entities and therefore creates a tax difference. For each \$.01 change in the exchange rate, our annual tax expense (benefit) changes by \$3.3 million.

Our OSB products are sold as commodities and therefore sales prices fluctuate daily based on market factors over which we have little or no control. OSB accounted for almost 63% of our sales in the first nine months of 2004. With an annual capacity of 5.8 billion square feet (3/8" basis) or 5.0 billion square feet (7/16" basis), a \$1 change in the annual average price on 7/16" basis would change annual pre-tax profits by approximately \$5.0 million.

We historically have not entered into material commodity futures and swaps, although we may do so in the future.

### Item 4. Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have carried out, as of September 30, 2004, with the participation of LP's management, an evaluation of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15 (e) under the Securities Exchange Act (Act). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that LP's disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by us in reports we file under the Act is recorded, processed, summarized and reported by management of LP on a timely basis in order to comply with the company's disclosure obligations under the Act and the SEC rules thereunder.

There were no changes in LP's internal controls over financial reporting that occurred during the company's most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, LP's internal control over financial reporting.

## PART II - -OTHER INFORMATION

### Item 1. Legal Proceedings.

Certain environmental matters and legal proceedings involving us are discussed below. Additional environmental matters and legal proceedings involving us are discussed in Item 7, Legal Proceedings, in our Annual Report on Form 10-K for the year ended December 31, 2003.

#### **Environmental Matters**

We are 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 we have conducted operations or disposed of wastes. Based on the information currently available, we believe 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 our financial position, results of operations, cash flows or liquidity.

#### **Siding Matters**

On October 15, 2002, a jury returned a verdict of \$29.6 million against us in a Minnesota State Court action entitled *Lester Building Systems, a division of Butler Manufacturing Company, and Lester's of Minnesota, Inc., v. Louisiana-Pacific Corporation and Canton Lumber Company*. On December 13, 2002, the District of Oregon, which maintains jurisdiction over the nationwide OSB class action permanently enjoined the Minnesota state trial court from entering judgment against LP with respect to \$11.2 million of the verdict that related to siding that was subject to the nationwide OSB siding settlement. Lester's had

appealed this injunction to the Ninth Circuit Court of Appeals. Subsequently, on January 27, 2003, the Minnesota state trial court entered judgment against LP in the amount of \$20.1 million, representing the verdict amount plus costs and interest less the enjoined amount. That judgment became final and LP satisfied that judgment during the second quarter of 2004. The enjoined amount was not paid as part of that satisfaction of judgment because the injunction remains in place pending the appeal by Lester's. Based upon the information currently available, we believe that any liability related to this case is adequately provided for in the financial statements and will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

### **Nature Guard Cement Shakes Matters**

We were named in four putative class actions filed in California and one putative class action filed in the state of Washington: *Virginia L. Davis v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of Stanislaus, on January 9, 2001; *Mahleon R. Oyster and George Sousa v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of San Francisco, on July 30, 2001; *Angel H. Jasso and Angela Jasso v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of Stanislaus, on September 7, 2001; *Keith Oguro v. Louisiana-Pacific Corporation*, filed in the Superior Court of California, County of San Francisco, on March 12, 2002; and, *Nick P. Marassi, M.D. and Debra Marassi v. Louisiana-Pacific Corporation*, filed in the Superior Court for the State of Washington, Snohomish County, on June 13, 2001. The plaintiffs in the *Davis, Oyster/Sousa and Jasso* cases sought and were granted coordination in California State Court. The coordinated case was assigned to the Superior Court for Stanislaus County, California. On April 2, 2002, class counsel filed a Master Complaint captioned as *Nature Guard Cement Roofing Shingle Cases*. The plaintiffs in the *Davis, Oyster/Sousa, Jasso and Marassi* cases as well as a plaintiff from Oregon named Karl E. Von Tagen were named as putative class representatives in the Master Complaint. As a result, the separate actions filed by those individuals were dismissed. On November 5, 2002, the court granted plaintiffs' Motion for Class Certification. The plaintiffs now represent the class of persons owning structures on which Nature Guard Fiber Cement Shakes were installed as roofing. The Master Complaint asserts claims for breach of express and implied warranties, unfair business practices, and violation of the Consumer Legal Remedies Act and seeks general, compensatory, special and punitive damages, disgorgement of profits and the establishment of a fund to provide restitution to the purported class members. The Court dismissed plaintiffs' claims for breach of implied warranty and violation of the Consumer Legal Remedies Act. Plaintiffs subsequently filed an Amended Complaint to reintroduce the Consumer Legal Remedies Act claim by naming an additional plaintiff representative, Stephen Redmond. The Court allowed the

36

---

amendment and, despite our motion and appeal to remove the claim under California's Consumer Legal Remedies Act, that claim remains in the case.

We no longer manufacture or sell fiber cement shakes. The dollar amount of the referenced claims cannot presently be determined. The complaint in this action does not quantify the relief sought by the plaintiffs individually or on behalf of the class, discovery in this action has not been completed, no determination of liability has been made and no process for the submission of individual claims in connection with this action has been established.

### **Other Proceedings**

We are parties to other legal proceedings. Based on the information currently available, we believe that the resolution of such proceedings will not have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

### **Contingency Reserves**

We maintain reserves for the estimated cost of the legal and environmental matters referred to above. However, as with any estimate, there is uncertainty of predicting the outcomes of claims and litigation and environmental investigations and remediation efforts that could cause actual costs to vary materially from current estimates. Due to various uncertainties, we cannot predict to what degree, if any, actual payments 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. LP's estimates of its loss contingencies do not reflect potential future recoveries from insurance carriers except to the extent that recovery may from time to time be deemed probable as a result of an insurer's agreement to payment terms.

For information regarding our financial statement reserves for the estimated costs of the environmental and legal matters referred to above, see Note 14 of the Notes to financial statements included in Item 8 in our Annual Report on Form 10-K for the year ended December 31, 2003.

37

---

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

### **(a) Exhibits**

- 3.3 Bylaws of LP, as amended and restated effective August 16, 2004.
- 10.1 Credit Agreement, dated September 1, 2004, among LP, as borrower, Wachovia Bank National Association, Bank of America, N.A., and the other financial institutions that are parties thereto. Incorporated herein by reference to Exhibit 10.1 to LP's Current Report on Form 8-K dated September 2, 2004.
- 10.2 Fifth Amendment to Credit and Security Agreement, dated October 25, 2004, among LP Receivables Corporation, as borrower, Louisiana-Pacific Corporation, as master servicer, Blue Ridge Asset Funding Corporation, as lender and the other financial institutions that are parties thereto. Incorporated herein by reference to Exhibit 10.1 to LP's Current Report on Form 8-K dated November 1, 2004.
- 10.3 2004 Executive Deferred Compensation Plan, as of August 16, 2004
- 10.4 Supplemental executive retirement plan, as amended and restated as of September 1, 2004.
- 31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).

31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).

32.1 Certifications pursuant to § 906 of the Sarbanes-Oxley Act of 2002.

LP hereby agrees to furnish supplementally to the SEC upon its request any schedules and similar documents omitted pursuant to Item 601(b)(2) of Regulation S-K and any instruments omitted pursuant to Item 601 (b)(4)(iii) of Regulation S-K.

(b) *Reports on Form 8-K*

The following reports were filed by LP during the quarter ended September 30, 2004,

Current report on Form 8-K dated August 17, 2004 reporting certain matters under items thereof.

Current report on Form 8-K dated September 2, 2004 reporting certain matters under item 2.01 and 8.01 thereof.

38

---

SIGNATURES

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

LOUISIANA-PACIFIC CORPORATION

Date: November 5, 2004

BY: RICHARD W. FROST  
Richard W. Frost  
Chief Executive Officer

Date: November 5, 2004

BY: CURTIS M. STEVENS  
Curtis M. Stevens  
Executive Vice President Administration and Chief Financial  
Officer  
(Principal Financial Officer)

39

---



## LOUISIANA-PACIFIC CORPORATION

Index to BylawsARTICLE I. STOCKHOLDERS' MEETINGS

<u>Section 1.</u>	<u>Annual Meeting</u>
<u>Section 2.</u>	<u>Special Meetings</u>
<u>Section 3.</u>	<u>Place of Meetings</u>
<u>Section 4.</u>	<u>Notice of Meeting</u>
<u>Section 5.</u>	<u>Quorum</u>
<u>Section 6.</u>	<u>Organization</u>
<u>Section 7.</u>	<u>Conduct of Business</u>
<u>Section 8.</u>	<u>Voting</u>
<u>Section 9.</u>	<u>Proxies</u>
<u>Section 10.</u>	<u>List of Stockholders</u>
<u>Section 11.</u>	<u>Inspectors</u>
<u>Section 12.</u>	<u>Denial of Action by Consent of Stockholders</u>
<u>Section 13.</u>	<u>Nominations for Director</u>
<u>Section 14.</u>	<u>Notice of Stockholder Business</u>

ARTICLE II. BOARD OF DIRECTORS

<u>Section 1.</u>	<u>General Powers</u>
<u>Section 2.</u>	<u>Number, Classification, Election and Qualification</u>
<u>Section 3.</u>	<u>Place of Meetings</u>
<u>Section 4.</u>	<u>Regular Meetings</u>
<u>Section 5.</u>	<u>Special Meetings</u>
<u>Section 6.</u>	<u>Notice</u>
<u>Section 7.</u>	<u>Quorum and Manner of Acting</u>
<u>Section 8.</u>	<u>Organization</u>
<u>Section 9.</u>	<u>Resignations</u>
<u>Section 10.</u>	<u>Vacancies and Newly Created Directorships</u>
<u>Section 11.</u>	<u>Removal of Directors</u>
<u>Section 12.</u>	<u>Compensation</u>
<u>Section 13.</u>	<u>Board and Committee Action Without Meeting</u>
<u>Section 14.</u>	<u>Board and Committee Telephonic Meetings</u>
<u>Section 15.</u>	<u>Mandatory Retirement Age</u>

ARTICLE III. EXECUTIVE AND OTHER COMMITTEES

<u>Section 1.</u>	<u>Executive and Other Committees</u>
<u>Section 2.</u>	<u>General</u>

ARTICLE IV. EXCEPTIONS TO NOTICE REQUIREMENTS

<u>Section 1.</u>	<u>Waiver of Notice</u>
<u>Section 2.</u>	<u>Unlawful Notice</u>

ARTICLE V. OFFICERS

<u>Section 1.</u>	<u>Number, Election and Qualification</u>
<u>Section 2.</u>	<u>Resignations</u>
<u>Section 3.</u>	<u>Removal</u>
<u>Section 4.</u>	<u>Vacancies</u>
<u>Section 5.</u>	<u>Chairman</u>
<u>Section 6.</u>	<u>Chief Executive Officer</u>
<u>Section 7.</u>	<u>Vice Presidents</u>
<u>Section 8.</u>	<u>Secretary</u>
<u>Section 9.</u>	<u>Treasurer</u>
<u>Section 10.</u>	<u>Additional Powers and Duties</u>
<u>Section 11.</u>	<u>Compensation</u>

ARTICLE VI. INDEMNIFICATION

<u>Section 1.</u>	<u>General</u>
<u>Section 2.</u>	<u>Employee Benefit or Welfare Plan Fiduciary Liability</u>
<u>Section 3.</u>	<u>Persons Not to be Indemnified Under Section 2</u>
<u>Section 4.</u>	<u>Advances of Expenses</u>
<u>Section 5.</u>	<u>Mandatory Indemnification in Certain Circumstances</u>
<u>Section 6.</u>	<u>Right to Indemnification upon Application; Procedure upon Application</u>
<u>Section 7.</u>	<u>Enforcement of Rights</u>

[Section 8.](#) [Bylaws as Contract; Non-Exclusivity](#)

[ARTICLE VII](#) [STOCK AND TRANSFER OF STOCK](#)

[Section 1.](#) [Stock Certificates](#)  
[Section 2.](#) [Transfers of Shares](#)  
[Section 3.](#) [Regulations, Transfer Agents and Registrars](#)  
[Section 4.](#) [Replacement of Certificates](#)  
[Section 5.](#) [Fixing of Record Date](#)

[ARTICLE VIII.](#) [FISCAL YEAR](#)

[ARTICLE IX](#) [SEAL](#)

[ARTICLE X.](#) [AMENDMENTS](#)

---

BYLAWS OF  
LOUISIANA-PACIFIC CORPORATION

ARTICLE I. STOCKHOLDERS' MEETINGS

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

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

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

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

Section 5. **Quorum.** A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a

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

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

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

Section 8. Voting. Except as otherwise provided by statute, the Certificate of Incorporation, or any certificate duly filed pursuant to Section 151 of the Delaware General Corporation Law, each stockholder shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders for each share of capital stock held of record by him on the date fixed by the Board of Directors as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or if such record date shall not have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given. Except as otherwise provided by statute, these Bylaws, or the Certificate of Incorporation, any corporate action to be taken by vote of the stockholders shall be authorized by a majority of the total votes, or when stockholders are required to vote by class by a majority of the votes of the appropriate class, cast at a meeting of stockholders by the holders of shares present in person or represented by proxy and entitled to vote on such action. Unless required by statute, or determined by the

2

---

chairman of the meeting to be advisable, the vote on any question need not be by written ballot and may be by such other means as the chairman deems advisable under the circumstances. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number of shares voted.

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

Section 10. List of Stockholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, at the Corporation's corporate headquarters. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

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

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

Section 13. Nominations for Director. Nominations for election to the Board of Directors may be made by the Board of Directors or by any stockholder of record entitled to vote for the election of directors. Any stockholder entitled to vote for the election of directors may nominate at a meeting persons for election as directors only if

3

---

written notice of such stockholder's intent to make such nomination is given, either by personal delivery or by certified mail, postage prepaid, addressed to the Chairman at the Corporation's executive offices (i) with respect to an election to be held at an annual meeting of stockholders, not later than the close of business on the 45<sup>th</sup> calendar day prior to the first anniversary of the initial mailing date of the Corporation's proxy materials for the preceding year's annual meeting, provided that if the date of the annual meeting at which an election is to be held is more than 30 calendar days before or after the preceding year's annual meeting, such notice must be received by the close of business on the later of the 10<sup>th</sup> day following the date on which the date of such meeting is first publicly announced and the 75<sup>th</sup> calendar day prior to the date of such meeting, and (ii) with respect to an election to be held at a special meeting of stockholders for the election of directors, not later than the close of business on the seventh day following the date on which notice of such meeting is first given to stockholders. Each such notice shall set forth: (a) the name and address, as they appear on the Corporation's stock ledger, of the stockholder who intends to make the nomination and the name and address of each person to be nominated; (b) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear at the meeting in person or by proxy to nominate the person or persons specified in the notice for election as directors; (c) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by such stockholder; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission were such nominee to be nominated by the Board of Directors; and (e) the signed consent of each proposed nominee to serve as a director of the Corporation if so elected. The chairman of any meeting of stockholders to elect directors may refuse to permit the nomination of any person to be made without compliance with the foregoing procedure.

Section 14. Notice of Stockholder Business. At any annual meeting of the stockholders, only such business shall be conducted as shall have been brought before the meeting (a) pursuant to the Corporation's notice of meeting pursuant to Section 4 of this Article, (b) by or at the direction of the Board of Directors or (c) by any stockholder of record of the Corporation who complies with the notice procedures set forth in this Section 14. For business to be properly brought before an annual meeting by any such stockholder, the stockholder must give written notice thereof to the Chairman, either by personal delivery or by certified mail, postage prepaid, addressed to the Chairman at the Corporation's executive offices not later than the close of business on the 45<sup>th</sup> calendar day prior to the first anniversary of the initial mailing date of the Corporation's proxy materials for the preceding year's annual meeting, provided that if the date of the annual meeting is more than 30 calendar days before or after the preceding year's annual meeting, such notice must be received by the close of business on the later of the 10<sup>th</sup> day following the date on which the date of such meeting is first publicly announced and the 75<sup>th</sup> calendar day prior to the date of such meeting. Each such notice shall set forth as to each matter the stockholder proposes to bring before the

---

annual meeting the information with respect to stockholder proposals presented for inclusion in the Corporation's proxy materials required by Rule 14a-8 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or any rule or regulation adopted to replace such rule. The chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that any such business was not properly brought before the meeting in accordance with the provisions of this Section 14, and if he should so determine, he shall so declare to the meeting and such business not properly brought before the meeting shall not be transacted.

## ARTICLE II. BOARD OF DIRECTORS

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

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

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

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

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman, the Chief Executive Officer or any two directors. The person or persons authorized to call special meetings of the Board of

---

Directors may fix any place, either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

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

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

Section 8. Organization. At each meeting of the Board of Directors, the Chairman (or, in his absence or inability to act, the Chief Executive Officer, or, in the Chief Executive Officer's absence or inability to act or if he is not a director, another director chosen by a majority of the directors present) shall act as chairman of the meeting. The Secretary (or, in his absence or inability to act, any person appointed by the chairman of the meeting) shall act as secretary of the meeting and keep the minutes thereof.

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

Section 10. Vacancies and Newly Created Directorships. Vacancies and newly created directorships resulting from any increase in the authorized number of directors

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

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

Section 12. Compensation. The Board of Directors shall have authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity, provided, no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor, except to the extent the listing standards of the New York Stock Exchange provide otherwise.

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

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

Section 15. Mandatory Retirement Age. The date upon which a director shall retire from service as a director of this Corporation shall be the date of the next annual meeting of stockholders following the date the director attains age 70 and no person who has attained the age of 70 shall become a nominee for election as a director of the Corporation. Any director who, on February 1, 1997, has already attained age 70 shall retire at the end of his or her then current term of office.

7

---

### ARTICLE III. EXECUTIVE AND OTHER COMMITTEES

Section 1. Executive and Other Committees. The Board of Directors may, designate one or more committees, each committee to consist of two or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In addition, in the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval or (ii) adopting, amending or repealing these Bylaws. Each committee shall keep written minutes of its proceedings and shall report such minutes to the Board of Directors when required. All such proceedings shall be subject to revision or alteration by the Board of Directors, provided, however, that third parties shall not be prejudiced by such revision or alteration.

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

### ARTICLE IV. EXCEPTIONS TO NOTICE REQUIREMENTS

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

8

---

of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice.

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

### ARTICLE V. OFFICERS

Section 1. Number, Election and Qualification. The elected officers of the Corporation shall be a Chairman, a Chief Executive Officer, one or more Vice Presidents (one or more of whom may be designated Executive Vice President or Senior Vice President), a Secretary, and a Treasurer. Such officers shall be elected from time to time by the Board of Directors, each to hold office until the meeting of the Board of Directors following the next annual

meeting of the stockholders and until his successor is elected and qualified, or until his earlier resignation or removal. The Chairman shall be elected from among the directors. The Board of Directors may from time to time appoint such other officers (including a Chairman of the Executive Committee, a President, a Controller and one or more Assistant Vice Presidents, Assistant Secretaries, Assistant Treasurers and Assistant Controllers), and such agents, as may be necessary or desirable for the business of the Corporation. Such other officers and agents shall have such duties as may be prescribed by the Board of Directors and shall hold office during the pleasure of the Board of Directors. Any two or more offices may be held by the same person. No person who is serving as an officer or director of Georgia-Pacific Corporation shall concurrently serve as an officer of the Corporation.

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

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

9

---

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

Section 5. Chairman. The Chairman shall preside, when present, at all meetings of the stockholders and of the Board of Directors and, in the absence of the Chairman of the Executive Committee, at all meetings of the Executive Committee. He shall have general power to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal; to sign stock certificates; and such other powers as may be vested in him by the Board of Directors. In the absence or disability of the Chairman, his duties shall be performed and his powers shall be exercised by the Chief Executive Officer or, in the Chief Executive Officer's absence or inability to act or if he is not a director, another director chosen by a majority of the directors present.

Section 6. Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the direction of the Board of Directors and to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman, he shall have general direction and control over the operations of the Corporation and over the management of its business, properties, and affairs. He shall have general power to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal; to sign stock certificates; to remove or suspend such employees or agents as shall not have been elected or appointed by the Board of Directors; and such other powers or duties as may be prescribed by the Board of Directors or these Bylaws.

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

Section 8. Secretary. The Secretary shall attend to the giving of notice of all meetings of stockholders and of the Board of Directors and shall record all of the proceedings of such meetings in a book to be kept for that purpose. He shall have charge of the corporate seal and have authority to attest any and all instruments or writings to which the same may be affixed. He shall keep and account for all books, documents, papers and records of the Corporation, except those which are hereinafter directed to be in charge of the Treasurer. He shall have authority to sign stock certificates and shall generally perform all the duties usually appertaining to the office of secretary of a corporation. In the absence of the Secretary, an Assistant Secretary or Secretary pro tempore shall perform his duties.

10

---

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

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

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

## ARTICLE VI. INDEMNIFICATION

Section 1. General. The Corporation shall, to the full extent permitted by Section 145 of the Delaware General Corporation Law, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto against all expenses (including, without limitation, attorneys' fees), judgments, fines (including excise taxes) and amounts paid in settlement (collectively, "Losses") incurred in connection with any action, suit, or proceeding,

whether threatened, pending, or completed (collectively, "Proceedings") to which such person was or is a party or is threatened to be made a party by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a Proceeding initiated by such person only if such Proceeding was authorized by the Board of Directors of the Corporation.

Section 2. Employee Benefit or Welfare Plan Fiduciary Liability. In addition to any indemnification pursuant to Section 1 of this Article, but subject to the express exclusions set forth in Section 3 of this Article, the Corporation shall indemnify any

11

---

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

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

Section 4. Advances of Expenses. Except as limited by the other provisions of this Section, the Corporation shall pay promptly (and in any event within 60 days of receipt of the written request of the person who may be entitled to such payment) all expenses (including but not limited to attorneys' fees) incurred in connection with any Proceeding by any person who may be entitled to indemnification under Sections 1 or 2 of this Article in advance of the final disposition of such Proceeding. Notwithstanding the foregoing, any advance payment of expenses on behalf of a director or officer of the Corporation shall be, and if the Board of Directors so elects, any advance payment of expenses on behalf of any other person who may be entitled to indemnification under Sections 1 or 2 of this Article may be, conditioned upon the receipt by the Corporation of an undertaking by or on behalf of such director, officer, or other person to repay the amount advanced in the event that it is ultimately determined that such director, officer, or person is not entitled to indemnification; provided that such advance payment of expenses shall be made without regard to the ability to repay the amounts advanced. Notwithstanding the foregoing, no advance payment of expenses shall be made by the Corporation if a determination is reasonably and promptly made by a majority vote of directors who are not parties to such Proceeding, even though less than a quorum, or if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that, based upon the facts known to such directors or counsel at the

12

---

time such determination is made following due inquiry, (a) in the case of a person who may be entitled to indemnification under Section 1, such person did not act in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal proceeding, such person had reasonable cause to believe his conduct was unlawful, or (b) in the case of a person who may be entitled to indemnification under Section 2, such person is not entitled to indemnification under the standard set forth in the second sentence of Section 3. Nothing in this Article VI shall require any such determination to be made as a condition to making any advance payment of expenses, unless the Board of Directors so elects.

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

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

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

13

---

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

#### ARTICLE VII. STOCK AND TRANSFER OF STOCK

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

Section 2. Transfer of Shares. Transfers of shares of stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent, and on surrender of the certificate or certificates for such shares properly indorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including, without limitation, the rights to receive dividends or other distributions, and to vote as such owner, and the Corporation may hold any such stockholder of record liable for calls and assessments and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person whether or not it shall have express or other notice thereof. Whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact shall be stated in the entry of the transfer if, when the certificates are presented for transfer, both the transferor and transferee request the Corporation to do so.

14

---

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

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

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

#### ARTICLE VIII. FISCAL YEAR

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

#### ARTICLE IX. SEAL

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

#### ARTICLE X. AMENDMENTS

These Bylaws may be amended or repealed, or new Bylaws may be adopted, at any annual or special meeting of the stockholders, by the affirmative vote of the holders of at least 75 percent of the outstanding Common Stock of the Corporation; provided, however, that the notice of such meeting shall have been given as provided in these Bylaws, which notice shall mention that amendment or repeal of these Bylaws, or the

15

---

adoption of new Bylaws, is one of the purposes of such meeting. These Bylaws may also be amended or repealed or new Bylaws may be adopted, by the Board of Directors by the vote of two-thirds of the entire Board of Directors.

16

---





**LOUISIANA-PACIFIC CORPORATION  
2004 EXECUTIVE DEFERRED COMPENSATION PLAN**

This 2004 Executive Deferred Compensation Plan (the "Plan") is adopted by **Louisiana-Pacific Corporation**, a Delaware corporation ("Corporation"), effective as of August 16, 2004 (the "Effective Date"). Capitalized terms not otherwise defined in the Plan have the meanings set forth in Section 16.

**1. PURPOSE OF PLAN**

The continued growth and success of Corporation are dependent upon its ability to attract and retain the services of executives and key employees of the highest competence and to provide incentives for their effective service and superior performance. The purpose of the Plan is to advance the interests of Corporation and its shareholders through a deferred compensation program that will attract and retain executives and key employees.

**2. NATURE OF PLAN**

This Plan is intended to be and will be administered by Corporation as an income tax nonqualified, unfunded plan primarily for the purpose of providing deferred compensation for a "select group of management or highly compensated employees" within the meaning of Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended.

**3. SPONSORING EMPLOYERS**

The sponsoring employers ("Employers") of the Plan are Corporation and any subsidiary or affiliate of Corporation that is an employer of a Participant for income tax purposes.

**4. ELIGIBILITY AND PARTICIPATION**

4.1 General. All employees of Corporation or any subsidiary or affiliate of Corporation who are (a) within Levels 1 or 2 of the Louisiana-Pacific Corporation Management Incentive Plan ("MIP 1 or MIP 2 level employees") on the Effective Date and (b) participants in the Qualified Plans will automatically be participants in the Plan ("Participants"). For all purposes of this Plan, Corporation's Chief Executive Officer will be considered an MIP 1 level employee. An employee who first becomes an MIP 1 or MIP 2 level employee after the Effective Date will become a Participant as of the date the employee attains that MIP level.

4.2 Cessation of Participation. If a Participant ceases to be an MIP 1 or MIP 2 level employee:

4.2.1 Participant Deferral Contributions and Employer Match Contributions. His or her participation in the Plan will then cease and no further Participant Deferral Contributions as described in Section 5 or Employer Match Contributions as described in Section 6.3 will be made or credited for such former Participant with respect to services performed after the date of such cessation; and

1

4.2.2 Qualified Plan Credits. Such former Participant will be entitled to a Qualified Plan Supplemental Credit and a Qualified Plan Makeup Credit, if any, to the extent provided for in Sections 6.1 and 6.2.

**5. PARTICIPANT CONTRIBUTIONS**

Participants may, but are not required to, make voluntary Participant Deferral Contributions as described in Section 5.1.

5.1 Participant Deferral Contributions. Subject to the special rules and limitations set forth in Sections 5.2, 5.3, and 5.4, a Participant may, by delivery to Corporation of a written Participant Deferral Election (in such form and at such time as may be prescribed by or at the direction of the Committee) not later than the day preceding the first day of a Deferral Period, elect to defer a specified portion of the Participant's Base Compensation earned for services performed in Pay Periods beginning in such Deferral Period and/or a specified portion of the Participant's Annual Bonus earned for services performed during such Deferral Period (even if all or a portion of the Base Compensation or Annual Bonus will be paid in a subsequent Deferral Period).

EXAMPLE: A Participant Deferral Election to defer a specified portion of a Participant's Base Compensation earned for services performed during Pay Periods beginning in 2005, and/or a specified portion of the Participant's Annual Bonus for 2005 that will be payable, if at all, in the first quarter of 2006, must be delivered to Corporation no later than December 31, 2004 (or such earlier date as specified by the Committee).

A Participant's Participant Deferral Election for a Deferral Period may not be amended or revoked after the commencement of that Deferral Period (except as expressly provided in Section 10.4.5 with respect to changes to the Participant's Form of Benefit Election included in the Participant Deferral Election). The portion of a Participant's Base Compensation or Annual Bonus that the Participant elects to defer will be credited to his or her Participant Deferral Contribution Account described in Section 7.1.1 as a Participant Deferral Contribution on the same day or days as each corresponding non-deferred portion of the Participant's Base Compensation or Annual Bonus is actually payable to the Participant. Each Participant Deferral Election for a Deferral Period will also include a Form of Benefit Election, as described in Section 10.4, with respect to Participant Deferral Contributions and Employer Contributions, and Earnings attributable to those contributions, for the Deferral Period.

5.2 Deferral Contributions for 2004 Deferral Period. Notwithstanding Section 5.1, a person who becomes a Participant on the Effective Date may, by written Participant Deferral Election delivered to Corporation not later than September 15, 2004, elect to defer a specified portion of the Participant's Base Compensation earned for services performed by the Participant during Pay Periods beginning in the period from October 1, 2004, through December 31, 2004, and/or a specified portion of the Participant's Annual Bonus for 2004 (that will be payable, if at all, in the first calendar quarter of 2005).

2

5.3 New Participants. A person who first becomes a Participant after the Effective Date and during a Deferral Period, may make a Participant Deferral Election with respect to Base Compensation earned by the Participant for services performed by the Participant during Pay Periods beginning in the portion of the initial Deferral Period after the date of the Participant Deferral Election and/or a specified portion of the Participant's Annual Bonus for such initial Deferral Period only if the new Participant makes the Participant Deferral Election within 30 days after he or she first becomes a Participant.

5.4 Limitation on Participant Deferral Elections. A Participant may elect to defer up to 90% of the Participant's Base Compensation and/or up to 90% of the Participant's Annual Bonus. The specified portion of Base Salary or Annual Bonus to be deferred must be stated as a percentage.

5.5 Changes in Election Procedure. The Committee may, from time to time, adopt or modify rules and restrictions governing Participant Deferral Elections and minimum or maximum deferral amounts.

## 6. EMPLOYER CONTRIBUTIONS

Corporation will credit Participants with Employer Contributions as described in this Section 6.

6.1 Qualified Plan Supplemental Credit. Each Participant who remains a Participant on the last day of a Qualified Plan Year and whose Total Compensation for such Qualified Plan Year exceeds the Applicable Compensation Limit for such Qualified Plan Year will be credited with a Qualified Plan Supplemental Credit Employer Contribution, determined and credited to the Participant's QPSC Account as soon as practicable after the last day of such Qualified Plan Year, in an amount equal to the additional amount which would have been contributed or credited for such Qualified Plan Year to the Qualified Plans for the Participant if the amount by which the Participant's Total Compensation exceeds the Applicable Compensation Limit had been included as Qualified Plan Compensation for such Qualified Plan Year.

6.2 Qualified Plan Makeup Credit. Each Participant who remains employed by an Employer (whether or not such employee remains a Participant) on the last day of a Qualified Plan Year will be credited with a Qualified Plan Makeup Credit Employer Contribution, determined and credited to the Participant's QPMC Account as soon as practicable after the last day of such Qualified Plan Year, in an amount equal to the positive difference, if any, between (a) the amount which would have been contributed or credited for such Qualified Plan Year to the Qualified Plans for the Participant if no Annual Deferral Contribution had been made for the Participant under this Plan for such Qualified Plan Year and (b) the amounts actually contributed or credited to the Qualified Plans for the Participant for such Qualified Plan Year.

6.3 Employer Matching Contribution. Each Participant Deferral Contribution by a Participant will be matched by an Employer Matching Contribution in an amount equal to 3.5% of such Participant Deferral Contribution. Such Employer Matching Contributions will be credited to a Participant's Employer Match Account as of the same day or days that each

3

---

corresponding Participant Deferral Contribution is credited to his or her Participant Deferral Contribution Account pursuant to Section 5.1.

6.4 Limitation on Payment of Employer Contributions. Notwithstanding any other provision of this Section 6, no Employer Contributions credited to any Participant for any Deferral Period, including Earnings credited with respect to such Employer Contributions, will be payable to the Participant if such Participant accrues a benefit under any supplemental executive retirement plan or agreement maintained by any Employer (a "SERP Arrangement") for such Deferral Period, except to the extent that under the terms of such SERP Arrangement there is an offset for Employer Contributions and Earnings credited to the Participant under this Plan.

## 7. DEFERRAL ACCOUNTS

7.1 Deferral Accounts and Subaccounts.

7.1.1 Participant Deferral Account. All Participant Deferral Contributions made by a Participant and all Earnings attributable to such Participant Deferral Contributions under the Plan will be credited to a separate bookkeeping account maintained by Corporation in the name of the Participant (a "Participant Deferral Contribution Account").

7.1.2 Employer Contribution Accounts. Employer Contributions will be credited as follows:

(a) All Qualified Plan Supplemental Credit Employer Contributions, Qualified Plan Makeup Credit Employer Contributions, and Employer Matching Contributions for a Participant and all Earnings attributable to such Employer Contributions will be credited (as of the dates specified in Section 6) to separate bookkeeping accounts maintained by Corporation in the name of the Participant (a "QPSC Account," a "QPMC Account," and an "Employer Match Account").

(b) The QPSC, QPMC, and Employer Match Accounts maintained for each Participant will be referred to collectively as the Participant's Employer Contribution Accounts.

7.1.3 Deferral Account. Except where the context specifically refers to either a Participant's Participant Deferral Contribution Account or Employer Contribution Accounts, references in this Plan to a Participant's "Deferral Account" mean both the Participant Deferral Contribution Account and the Employer Contribution Accounts.

7.1.4 Subaccounts. Each Participant's Deferral Account will have separate subaccounts ("Subaccounts") as described in this Section.

(a) Annual Subaccount. Each Participant will have an Annual Subaccount for each Deferral Period designated for the calendar year corresponding to the Deferral Period (e.g., a 2004 Subaccount, a 2005 Subaccount, etc.) maintained to reflect (i) the Participant Deferral Contributions

4

and Employer Matching Contributions made or credited to the Participant's Deferral Account for such Deferral Period and the Qualified Plan Supplemental Credit and Qualified Plan Makeup Credit Employer Contributions, if any, credited to the Participant's Deferral Account that relate to the Qualified Plan Year that corresponds to the Deferral Period, and (ii) Earnings attributable to such contributions.

(b) Investment Subaccounts. Each Annual Subaccount will be further divided into Subaccounts to reflect the Investment Funds designated by the Participant as provided in Section 7.2.3.

7.1.5 Nature of Accounts and Subaccounts. Deferral Accounts and Subaccounts are record-keeping devices utilized for the sole purpose of determining the benefits payable under the Plan and will not constitute a separate fund of assets.

7.2 Additional Amounts Credited as Growth Factor.

7.2.1 General. Each Deferral Account will accrue an additional amount as described in Section 7.2.2 referred to as "Growth Factor" from the date Participant Deferral Contributions and/or Employer Contributions are credited to a Deferral Account until the date of final payment of the entire balance of a Deferral Account.

7.2.2 Growth Factor. For any Measurement Period, the Growth Factor will be the amount of investment income or loss (including unrealized appreciation or depreciation) that would have been realized had an amount equal to the total balance in the Deferral Account as of the first date of the Measurement Period been invested in the Investment Fund or Funds described in Section 7.2.3 specified for that Measurement Period by the Participant.

7.2.3 Investment Funds. For purposes of determining Growth Factor, a Participant may specify one or a combination of Investment Funds designated from time to time by, or at the direction of, the Committee. The Investment Funds will be selected and may be changed from time to time by the Committee; provided however that the Committee will limit the selected Investment Funds to the extent it determines to be necessary to meet requirements of applicable law and Treasury Regulations that investment options under the Plan be "comparable" to the investment options which a Participant may elect under the Qualified Plans. Pursuant to forms and procedures to be designated by or at the direction of the Committee (including such limitations with respect to the timing and frequency of modifications as the Committee may determine to be appropriate), a Participant may modify his or her designation of Investment Funds from time to time. A Participant may:

(a) Specify what percentage of future Participant Deferral Contributions and Employer Contributions are to be deemed to be invested in particular Investment Funds; and/or

(b) Provide for reallocation of amounts from one Investment Fund to one or more other Investment Funds.

5

---

7.2.4 Subaccounts. All amounts in a Deferral Account deemed invested in a particular Investment Fund will be treated as held in a separate Investment Subaccount as described in Section 7.1.4(b) corresponding to that Investment Fund.

7.2.5 No Beneficial Interest. Investment Funds are solely for the purpose of computing the amount of Growth Factor to be credited to or charged against a Deferral Account for any Measurement Period. The Employers may, but will have no obligation to, actually maintain investments corresponding to the Investment Funds. In the event the Employers (directly or indirectly through a trust as described in Section 8.2) make actual investments corresponding to Investment Funds, no Participant or Beneficiary will have any rights or beneficial interest in such actual investments other than their rights as unsecured creditors of the Employers with respect to benefits under the Plan.

7.3 Withholding. Any withholding of taxes or other amounts with respect to Employer Contributions or the accrual of Growth Factor under the Plan that is required by federal, state, or local law will be withheld from the Participant's Base Compensation or otherwise paid by the Participant.

7.4 Determination of Deferral Accounts and Subaccounts. Each Participant's Deferral Account and Subaccounts as of the last day of each Measurement Period will consist of the balance of the Deferral Account and Subaccounts as of the first day of the Measurement Period, adjusted as follows:

7.4.1 Participant Deferral Contributions. Participant Deferral Contributions will be credited as provided in Section 5.1 on the same dates as the corresponding non-deferred compensation is actually payable under the Employer's normal payroll practices.

7.4.2 Employer Contributions. Employer Contributions will be credited as of the dates specified in Section 6 for each type of Employer Contribution;

7.4.3 Growth Factor. Growth Factor will be credited (or charged) to reflect an amount equivalent to the investment returns (or loss) that would have been realized during the Measurement Period had the balance in each Subaccount as of the first day of the Measurement Period been invested in the actual investments corresponding to the Investment Fund for the Subaccount during such Measurement Period;

7.4.4 Distributions. Distributions of Plan benefits to a Participant or Beneficiary during the Measurement Period will be charged on a pro rata basis to reduce each Subaccount as of the date of such distribution; and

7.4.5 Other Adjustments. The Committee may direct such other adjustments (increases or decreases) as the Committee may determine are necessary and appropriate, including but not limited to a reduction caused by the Employer's payment of the Participant's share of any payroll taxes attributable to Earnings.

7.5 Valuation Dates for Distributions. For purposes of this Section 7, and for purposes of determining the Measurement Period for any period in which a distribution is made

6

to a Participant or a Beneficiary, the date of such distribution will be a special Valuation Date (and will thus constitute the end of that Measurement Period).

## 8. SOURCE OF BENEFITS

8.1 Unfunded Plan. This Plan and the benefits payable pursuant to the Plan are unfunded and will be payable only from the general assets of the Employers. The Employers do not represent that a specific portion of their assets will be used to provide the benefits under the Plan. Participants or Beneficiaries will not have any ownership or beneficial interest in any assets of any Employer. Nothing in this Plan will be deemed to create a trust of any kind or create any fiduciary relationship. To the extent that any person acquires a right to receive payments from any Employer under this Plan, such rights will be no greater than the rights of any unsecured general creditor of such Employer.

8.2 Trust. Notwithstanding the foregoing, the Employers may (but are not required to) deposit moneys under any trust established by Corporation (a "Trust") for the sole purpose of paying benefits under the Plan from those funds and the income on those funds, unless such Trust assets are required to satisfy the obligations of the Employers to their general creditors. Such Trust must meet the requirements of a so-called "Rabbi Trust" under Revenue Procedure 92-64, 1992-2 CB 422.

## 9. VESTING AND FORFEITURE

9.1 Participant Deferral Accounts. Each Participant is always fully Vested in his or her Participant Deferral Account.

9.2 Employer Contribution Accounts. A Participant will become fully Vested in his or her Employer Contribution Accounts (the QPSC Account, the QPMC Account, and the Employer Match Account) upon attaining Retirement Age or upon the Participant's death, Disability, or termination of employment with an Employer for any reason within 24 months following a Change in Control. A Participant who terminates employment with an Employer prior to attaining Retirement Age for any other reason will become Vested in such Employer Contributions Accounts as follows:

9.2.1 QPSC Account and QPMC Account. A Participant's QPSC Account and QPMC Account will become Vested at the same rate and manner as they would have otherwise vested under the underlying Qualified Plans had the Employer Contributions to such Accounts had been made to the Qualified Plans.

9.2.2 Employer Match Account. A Participant's Employer Match Account will become fully Vested upon completion of two Years of Service.

9.3 Forfeitures. A Participant who terminates employment with an Employer will forfeit that percentage of his or her Employer Contribution Accounts (and each Subaccount) that has not become Vested as of the date of such termination. Amounts forfeited will revert to the Employers to be used as the Employers determine in their sole discretion. No Participant or Beneficiary will have any interest in or claim against any forfeited amounts.

7

---

## 10. PLAN BENEFITS

10.1 During Employment. Except as expressly provided in Section 10.1.1 with respect to an unforeseeable emergency and in Section 10.1.2 with respect to In-Service Distributions, no portion of a Participant's Deferral Account may be distributed to or for the benefit of the Participant before the Participant's separation of service from an Employer.

10.1.1 Unforeseeable Emergencies. The Vested portion of a Participant's Deferral Account may be distributed to the Participant before termination of employment in connection with an unforeseeable emergency (as defined below). Upon a finding that a Participant has suffered an unforeseeable emergency, the Committee may, in its sole discretion, make distributions from the Vested portion of the Participant's Deferral Account to the extent provided in this Section. An unforeseeable emergency is a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant, the Participant's Spouse, or of a Dependent of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an unforeseeable emergency will depend upon the facts of each case. Examples of what are not considered to be unforeseeable emergencies include the need to send a Participant's child to college or the desire to purchase a home. Any such distribution approved by the Committee will be limited to the amount necessary to meet the emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship.) Such distributions will be paid in a lump sum and will be charged to the Participant's Deferral Account. A pro rata portion of such distribution will be treated as a distribution out of each Subaccount. The Committee may impose such restrictions or additional requirements with respect to distributions in connection with an unforeseeable emergency as the Committee determines to be necessary or appropriate to comply with Treasury Regulations.

10.1.2 In-Service Distributions. A Participant will be permitted to receive an In-Service Distribution from his or her Deferral Account subject to the following restrictions: An election to receive an In-Service Distribution must be made at the same time a Participant makes a Participant Deferral Election for a particular Deferral Period and will relate only to the Annual Subaccount (as described in Section 7.1.4(a)) corresponding to that Deferral Period. Such election must specify a distribution date, which may not be earlier than five years after the first day of the Deferral Period covered by the election. Such an In-Service Distribution election may be modified (subject to the restrictions set forth in Section 10.4.5); provided however that any such modification may not be made less than 12 months prior to the date the In-Service Distribution was originally scheduled. In-Service Distributions will be made in a lump sum and will include the Participant's entire Annual Subaccount covered by such election. If the Participant terminates employment for any reason prior to the specified In-Service Distribution date, distribution of the Participant's Annual Subaccount will be made as

8

provided in Section 10.2 in accordance with the Participant's Form of Benefit Election for the Deferral Period.

10.2 After Termination of Employment. If a Participant terminates employment with an Employer for any reason, including death, Corporation will pay to the Participant (or the Participant's Beneficiary, in case of death) benefits equal to the Vested balance in the Participant's Deferral Account. Except as provided below, Plan benefits as a result of death or other termination of employment will be paid in the form elected by the Participant as provided in Section 10.4. Notwithstanding a Participant's installment election, if the aggregate balance of the Participant's Deferral Account is \$25,000 or less on the Valuation Date immediately preceding the date of the Participant's termination of employment, the entire benefit will be paid in a lump sum within 65 days of the termination date.

10.3 Distributions to Specified Employees and Reporting Persons. Notwithstanding any other provision of the Plan, unless the Committee expressly determines that delays as described in paragraphs (a) and/or (b) of this Section are not required under applicable law or Treasury Regulations to avoid constructive receipt of Plan benefits or to avoid having Plan benefits treated as excess parachute payments under IRC §§ 280G and 4999, (a) distributions to a Participant who is a Specified Employee may not be made or commenced earlier than six months after the date of the Participant's separation of service from an Employer, and (b) following a Change in Control, distributions to a Participant who is a Reporting Person may not be made or commenced earlier than one year following the Change in Control.

10.4 Election of Form of Benefit Payment.

10.4.1 Election. Pursuant to forms and procedures prescribed by, or at the direction of, the Committee, each Participant may, as part of each Participant Deferral Election for each Deferral Period, elect the form of payment of the Participant's benefits under the Plan (a "Form of Benefit Election") with respect to the Participant's Annual Subaccount (as described in Section 7.1.4(a)) corresponding to that Deferral Period. For each Deferral Period, a Participant must make a Form of Benefit Election governing the form of payment for the Participant's entire Annual Subaccount corresponding to that Deferral Period.

10.4.2 Available Forms of Payment. The available forms of payment of Plan benefits are:

- (a) A lump sum amount equal to the applicable Vested portion of the Annual Subaccount; or
- (b) Annual installments of the Vested portion of the Annual Subaccount amortized over a period designated by the Participant of not more than 15 years. Growth Factor on the unpaid balance will continue to be credited to Subaccounts as provided in Section 7.4.

10.4.3 Default Form of Payment. Plan benefits with respect to an Annual Subaccount will be payable in a lump sum if no effective Form of Benefit Election is in

9

---

effect for that Annual Subaccount at the time the Participant first becomes entitled to receive payment of all or any portion of the Annual Subaccount.

10.4.4 Form of Payment to Beneficiary. A Participant who elects payment in installments for an Annual Subaccount may also elect whether, in the event of the Participant's death prior to complete distribution of the Vested portion of the Participant's Annual Subaccount:

- (a) The remaining amount of the Participant's Annual Subaccount is to be paid in a lump sum to the Beneficiary (in which case payment will be made within 30 days after the date of death), or
- (b) Installment payments are to be made to the Beneficiary over the elected installment period (or over the remainder of the period).

Installment payments will be made to the Beneficiary over the elected installment period (or the remainder of that period) if no effective election with respect to the form of payment to the Beneficiary is in effect for that Annual Subaccount at the time of the Participant's death.

10.4.5 Changes to Form of Benefit Election. A Participant may amend, revoke, or replace a Form of Benefit Election for a particular Annual Subaccount, subject to the following restrictions (unless the Committee expressly waives or modifies one or more of such restrictions based on the Committee's determination that such waiver or modification would not result in constructive receipt or cause the Plan not to meet the requirements of applicable law or Treasury Regulations):

- (a) In no event may a Participant change his or her Form of Benefit Election for an Annual Subaccount to accelerate the time or schedule of any distribution under the Plan.
- (b) No changes to an existing Form of Benefit Election for an Annual Subaccount may be made after the Participant (or a Beneficiary) has received or become entitled to receive any payment of Plan benefits for the Annual Subaccount covered by that election.
- (c) No change to an existing Form of Benefit Election for an Annual Subaccount may take effect until at least 12 months after the date of such amended Form of Benefit Election.
- (d) With respect to distributions other than distributions upon the death or Disability of a Participant or distributions under Section 10.1.1, the first date on which a distribution or installment may be made under the amended Form of Benefit Election for an Annual Subaccount may not be earlier than five years after the date the distribution or payment would otherwise have been made.

(e) In no event may a Participant make more than one amendment to a Form of Benefit Election for any particular Annual Subaccount to delay any distribution or payment.

(f) The Committee may modify the foregoing restrictions and/or adopt other restrictions from time to time to provide for efficient administration of the Plan and to cause the Plan to comply with applicable law and Treasury Regulations.

10.5 Lump Sum Payments. Subject to the limitations provided in Section 10.3, for lump sum payments, the balance of a Participant's Annual Subaccount (and Subaccounts) will be determined pursuant to Section 7.4 as of the last Valuation Date that is at least five business days prior to the payment date specified in this Section 10.5. Lump sum payments will be made, as elected by the Participant in his or her Form of Benefit Election for an Annual Subaccount, either within 65 days of the termination of employment or, if later and if elected by the Participant in the Form of Benefit Election, on the first business day of the first calendar year beginning after the date of termination.

10.6 Installment Payments.

10.6.1 Installments. Subject to the limitations provided in Section 10.3, the first installment will be made on the first day of the second calendar month beginning after termination of employment (the "Initial Installment Date") and on subsequent anniversaries of such date ("Installment Dates"). The amount of each installment will be equal to the balance of the Annual Subaccount as of the last Valuation Date that is at least five business days prior to the Installment Date divided by the number of remaining installments (including the installment payment being determined).

**Example:** If a Participant terminated employment on September 20, 2005, and had elected annual installments over five years, and if the Committee has adopted daily Valuation Dates, the first installment would be due November 1, 2005, and would be equal to one-fifth of the balance of the Annual Subaccount on the October 24, 2005, Valuation Date. The second installment would be due November 1, 2006, and would be equal to one-fourth of the balance of the Annual Subaccount on the October 24, 2006, Valuation Date.

10.6.2 Growth Factor. The Annual Subaccount (and Subaccounts) will continue to accrue Growth Factor as provided in Section 7.4 until the final installment payment is made.

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

---

## 11. BENEFICIARY DESIGNATION

11.1 Beneficiary Designation. Each Participant will have the right, at any time, to designate one or more persons or an entity as Beneficiary (both primary as well as secondary) to whom benefits under this Plan will be paid in the event of a Participant's death prior to complete distribution of the Participant's Deferral Account. Each Beneficiary designation must be in a written form approved by the Committee and will be effective only when filed with the Committee during the Participant's lifetime. Designation by a married Participant of a Beneficiary other than the Participant's spouse will not be effective unless the spouse executes a written consent that acknowledges the effect of the designation and is witnessed by a notary public, or the consent cannot be obtained because the spouse cannot be located.

11.2 Amendments. Except as provided below, any nonspousal designation of Beneficiary may be changed by a Participant without the consent of such Beneficiary by the filing of a new designation with the Committee. The filing of an effective new designation will cancel all designations previously filed.

11.3 Change in Marital Status. If the Participant's marital status changes after the Participant has designated a Beneficiary, the following provisions will apply:

11.3.1 Unmarried at Designation. If the Participant is married at death but was unmarried when the designation was made, the designation will be void unless the spouse has consented to it in the manner prescribed above.

11.3.2 Married at Designation but Unmarried at Death. If the Participant is unmarried at death but was married when the designation was made:

(a) The designation will be void if the spouse was named as Beneficiary.

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

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

11.4 No Beneficiary Designation. If any Participant fails to designate a Beneficiary in the manner provided in this Section 11, or if the Beneficiary designated by a Participant dies before the Participant or before complete distribution of the Participant's benefits, the Participant's Beneficiary will be the person in the first of the following classes in which there is a survivor:

11.4.1 Spouse. The Participant's surviving spouse;

11.4.2 Children. The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue will take by right of representation the share the parent would have taken if living; or

11.4.3 Estate. The Participant's estate.

12. **ADMINISTRATION**

The Plan will be administered by the Committee. The Committee will have the exclusive authority and responsibility for all matters in connection with the operation and administration of the Plan, including without limitation the authority to make, modify, interpret and enforce appropriate rules and regulations for the administration of the Plan and to decide or resolve any and all questions regarding the interpretation of Plan provisions. A majority vote of the Committee members will control any Committee decision. The Committee's powers and duties include, but are not limited to, the following:

- (a) Responsibility for the compilation and maintenance of all records necessary in connection with the Plan;
- (b) Authorizing the payment of all benefits and expenses of the Plan as they become payable under the Plan; and
- (c) Authority to engage such legal, accounting, and other professional services as it may deem proper.

Decisions by the Committee will be final and binding upon all parties affected by the Plan, including Participants and Beneficiaries of Participants.

The Committee may rely on information and recommendations provided by supervisory management. The Committee may delegate to a subcommittee composed of less than all Committee members or to supervisory management who are not Committee members the responsibility for decisions that it may make or actions that it may take under the terms of the Plan, subject to the Committee's reserved right to review such decisions or actions and modify them when necessary or appropriate under the circumstances. The Committee will not allow any Participant to obtain control over decisions or actions that affect that Participant's Plan benefits.

13. **MISCELLANEOUS**

13.1 Nonassignability of Benefits. Except as otherwise provided by applicable law, a Participant's benefits under the Plan, including the right to receive payment of the Deferral Account or any Subaccount, may not be sold, transferred, anticipated, assigned, pledged, hypothecated, seized by legal process, subjected to claims of creditors in any way, or otherwise disposed of.

13.2 Governing Law. This Plan and any amendments will be construed, administered, and governed in all respects in accordance with applicable federal law and the laws of the State of Delaware.

13.3 No Right of Continued Employment. Nothing in the Plan will confer upon any person the right to continue in the employ of any Employer or interfere in any way with the right of any Employer to terminate the person's employment at any time.

13.4 Withholding Taxes. The Employers will withhold any taxes required by law to be withheld in connection with payment of benefits under this Plan. In the event any Employer will be required to withhold taxes with respect to Employer Contributions or the accrual of Growth Factor pursuant to the Plan, the Employer will have the right to require a Participant to reimburse them for any such taxes.

14. **CLAIMS PROCEDURE**

14.1 Following Claims Procedure. Any Participant or Death Beneficiary (a "Claimant") may file a claim for benefits under the Plan by following the procedure set forth in this Section.

14.2 Authorized Representative. A Claimant may appoint an authorized representative to represent the Claimant at any stage of the claims procedure. The appointment is made by a statement in writing naming the person who is to be the Claimant's authorized representative and signed by the Claimant.

14.3 Filing Initial Claim. A claim must be filed by personally delivering or mailing a written communication making the claim for benefits, prepared by either the Claimant or the Claimant's authorized representative, to the Committee, which is Plan Administrator for the Plan, for action upon the claim.

14.4 Denial of Initial Claim.

14.4.1 Time Period for Denial Notice.

(a) General. The Committee will make a decision on the claim as soon as practicable. If the claim is wholly or partially denied, the Committee will, within a reasonable period of time after receipt of the claim, furnish the Claimant written or electronic notice setting forth, in a manner calculated to be understood by the Claimant, the information set forth below. Any electronic notice must comply with 29 CFR Section 2520.104b-1(c)(1)(i), (iii), and (iv). Except as provided in Section 14.4.1(b), in no event may the response to the initial claim be given more than 90 days after the filing of the claim, unless special circumstances require an extension of time for processing the claim. If an extension is required, written notice of the extension must be furnished to the Claimant prior to the termination of the initial 90-day period. In no event may the extension exceed a period of 90 days from the end of the initial response period. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the final decision. The time period for providing notice of the decision on the claim will begin when the claim is filed in accordance with the Plan's procedures, without regard to whether all the information necessary to make a decision on the claim accompanies the filing.



(b) Disability Claims. In the case of a claim for disability benefits, the Committee must notify the Claimant of a claim denial within a reasonable period of time, but not later than 45 days after receipt of the claim. This period may be extended for up to 30 days, provided that the Committee determines that the

extension is necessary due to matters beyond the control of the Committee and notifies the Claimant, before the end of the initial 45-day period, of the circumstances requiring an extension of time and the date by which the Committee expects to make a decision. If, before the end of the first 30-day extension period, the Committee determines that, due to matters beyond the control of the Committee, a decision cannot be made within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the Committee notifies the Claimant, before the end of the first 30-day extension period, of the circumstances requiring the extension and the date by which the Committee expects to make a decision. In the case of any extension, the extension notice must specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information, if any, needed to resolve those issues. If the extension is necessary because the Claimant failed to submit the information necessary to resolve the claim, the Claimant will be afforded at least 45 days to provide the specified information, and the period for deciding the claim will be tolled from the date the extension notice is sent to the Claimant until the date the Claimant responds to the request for additional information.

#### 14.4.2 Contents of Notice.

(a) General. If the claim is wholly or partially denied, the denial notice must state:

(i) The specific reason or reasons for the denial;

(ii) Reference to specific provisions of the Plan on which the denial is based;

(iii) A description of any additional material or information necessary for the Claimant to complete the claim and an explanation of why such material or information is necessary; and

(iv) An explanation of the claim review procedure and the time limits applicable to such procedure set forth in this Section 14, including a statement of the Claimant's right to bring a civil action under ERISA Section 502(a) following a denial of the claim on review.

(b) Disability Claims. If a claim for disability benefits is denied, the denial notice must contain the following additional information:

(i) If an internal rule, guideline, protocol, or other similar criterion was relied on in deciding the claim, the notice must either provide the specific rule, guideline, protocol, or other similar criterion, or state that the rule, guideline, protocol, or other similar criterion was relied on in making the decision and that a copy will be provided free of charge to the Claimant on request.

(ii) If the claim denial was based on a medical necessity, experimental treatment, or similar exclusion or limit, the notice must contain either an explanation of the scientific or clinical judgment for the decision, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such an explanation will be provided free of charge on request.

#### 14.5 Appeal of Denied Claim.

14.5.1 General. If the claim is denied in whole or in part pursuant to Section 14.4, the Claimant may, within a reasonable period of time, taking into consideration the nature of the benefit that is the subject of the claim and other attendant circumstances, file a request with the Committee for a full and fair review. Except as provided in Section 14.5.2, in no event may the period for requesting review expire less than 60 days after receipt of written or electronic notification of denial. If the request for review is not made on a timely basis, the Claimant will be deemed to have waived the right to review.

The appeal is made by personally delivering or mailing a written request for review, prepared by either the Claimant or the Claimant's authorized representative, to the Committee. The Claimant or the Claimant's duly authorized representative may, at or after the time of making the appeal, review pertinent documents and submit issues and comments in writing. The Committee's review will take into account all information submitted by the Claimant relating to the claim, whether or not such information was submitted or considered in the initial claim determination. The Claimant will be provided, upon request and free of charge, reasonable access to, and copies of, information relevant to the Claimant's claim.

14.5.2 Disability Claims. With respect to a request for review of a denied claim for disability benefits, the following additional requirements will apply:

(a) The Claimant will have at least 180 days after receipt of the notice of denial to request a review of the claim.

(b) The review of the claim will not afford deference to the initial decision on the claim, and will be conducted by an appropriate named fiduciary of the Plan who is neither the individual who made the decision that is the subject of the appeal, nor a subordinate of such an individual.

(c) If the initial claim denial was based in whole or in part on a medical judgment, including determinations with regard to whether a particular treatment, drug, or other item is experimental, investigational, or not medically necessary or appropriate, the

appropriate named fiduciary will consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment. This health care professional may not be an individual who was consulted in connection with the decision that is the subject of the appeal, or a subordinate of such an individual.

(d) The Committee must identify to the Claimant any medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the initial decision on the claim, without regard to whether the advice was relied on in making the initial decision.

14.6 Review of Appeal.

14.6.1 Time Period for Decision on Review.

(a) General. The Committee will review the appeal and act on the appeal. Except as provided in Section 14.6.1(b), the decision will be made promptly, and will not ordinarily be made later than 60 days after the receipt by the Committee of the written request for review, unless special circumstances require an extension of time for processing, in which case written notice of the extension will be furnished the Claimant prior to the commencement of the extension, and in which case a decision will be rendered as soon as possible but not later than 120 days after the receipt of the request for review. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the final decision. The time period within which the Committee must provide notice of the decision on review will begin when the request for review is filed in accordance with the Plan's procedures, without regard to whether all the information necessary to make the decision on review accompanies the filing. If an extension is necessary due to the Claimant's failure to submit information necessary to resolve the claim, the period for making a decision on review will be tolled from the date the extension notice is sent to the Claimant until the date the Claimant responds to the request for additional information.

(b) Disability Claims. In the case of a claim for disability benefits, the Committee must notify the Claimant of the decision on review within a reasonable period of time, but not later than 45 days after receipt of the request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing. If an extension is required, the decision will be made and furnished to the Claimant not later than 90 days after receipt of the request for review. The Claimant must be notified in writing of any extension within 45 days after the request for review was filed. The extension notice must indicate the special circumstances requiring an extension of time and the date by which the Committee expects to render the decision on review. If an extension is necessary due to the Claimant's failure to submit information necessary to resolve the claim, the period for making a decision on review will be tolled from the date the extension notice is sent to the Claimant until the date the Claimant responds to the request for additional information.

14.6.2 Content and Form of Notice.

(a) General. The decision on review must be in writing or by electronic notification and must include specific reasons for the decision, written

in a manner calculated to be understood by the Claimant, and references to the specific provisions of this Plan on which the decision is based. The decision on review must inform the Claimant that he or she is entitled to receive, upon request and free of charge, reasonable access to, and copies of, information relevant to the claim, and that he or she may bring an action under ERISA Section 502(a). A copy of the decision on review must be furnished to the Claimant.

(b) Disability Claims. With respect to claims for disability benefits, the notice of the decision on review must contain the information described in Section 14.4.2(b)(i) and 14.4.2(b)(ii) and must include the following statement: "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U. S. Department of Labor Office and your state insurance regulatory agency."

14.7 Further Review. Any further review, judicial or otherwise, of the decision on the appeal will be limited to whether, in the particular instance the Committee acted arbitrarily or capriciously in the exercise of its discretion. In no event will any such further review, judicial or otherwise, be on a de novo basis as the Committee has discretionary authority to determine eligibility for benefits and to construe the terms of this Plan.

14.8 Consistent Application. The Committee will establish administrative processes and safeguards to ensure and verify that claim determinations are made in accordance with the Plan and that Plan provisions have been applied consistently with respect to similarly situated Claimants, as required by applicable law.

15. **AMENDMENTS AND TERMINATION**

Corporation's Board of Directors has the power to terminate this Plan at any time or to amend this Plan at any time and in any manner that it may deem advisable; provided however that any such amendment that would materially change the benefits provided under the Plan will be subject to the prior approval of Corporation's Compensation Committee. In the event of termination of the Plan, Participant Deferral Contributions and Employer Contributions credited and Earnings accrued pursuant to the Plan prior to the effective date of the termination will continue to be subject to the provisions of the Plan as if the Plan had not been terminated.

16. **DEFINITIONS**

For purposes of this Plan, capitalized terms not otherwise defined in the Plan have the following meanings.

“**Annual Bonus**” means, for each Participant, the amount (if any) payable to the Participant for a calendar year under Corporation’s Annual Cash Incentive Award Plan, as such plan or program is amended or modified from time to time.

“**Applicable Compensation Limitation**” means the annual compensation limit amount specified in IRC § 401(a)(17), after adjustment as provided in IRC § 401(a)(17)(B).

18

---

“**Base Compensation**” means regular base salary, excluding: Annual Bonuses; Employer Contributions under the Plan; other bonuses; noncash fringe benefits; income or gain from the grant, vesting, or exercise of stock, restricted stock, or stock options; and employer contributions to any employee pension plan, welfare benefit plan, or other employee benefit plan, program, or arrangement. For purposes of the Plan, Base Compensation is determined before deducting from base salary a Participant’s elective pre-tax contributions to any 401(k) plan or salary reduction contributions to any cafeteria plan.

“**Beneficiary**” means the person or persons designated by a Participant as provided in Section 11 to whom benefits under this Plan will be paid in the event of a Participant’s death prior to complete distribution of the Participant’s Deferral Account.

“**Change in Control**” means:

(a) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of Corporation (the “Outstanding Corporation Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of Corporation entitled to vote generally in the election of directors (the “Outstanding Corporation Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions will not constitute a Change in Control: (i) any acquisition directly from Corporation, (ii) any acquisition by Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Corporation or any corporation controlled by Corporation or (iv) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; or

(b) Individuals who, as of the Effective Date, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by Corporation’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation by Corporation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Corporation or the acquisition of assets of another entity (a “Business Combination”), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined

19

---

voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns Corporation or all or substantially all of Corporation’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of Corporation of a complete liquidation or dissolution of Corporation.

“**Committee**” means a committee of not less than three individuals designated by Corporation’s Chief Executive Officer to administer the Plan. Members of the Committee may be Participants in the Plan. The initial members of the Committee on the Effective Date are Curtis M. Stevens, Russell S. Pattee and Andrea L. Vicino.

“**Deferral Account**” means the record-keeping account maintained as provided in Section 7.1 to reflect a Participant’s benefits under the Plan. Unless the context otherwise requires, references to a Participant’s Deferral Account include both the Participant’s Participant Deferral Contribution Account and Employer Contribution Accounts and all Subaccounts of both such Accounts.

“**Deferral Period**” means a calendar year or, for 2004, the period beginning October 1, 2004 and ending December 31, 2004. For a Participant who becomes a Participant after the beginning of a calendar year, the initial Deferral Period for such Participant will be the portion of such calendar year beginning on the first day of the first Pay Period beginning at least 30 days after the individual became a Participant.

“**Dependent**” means the dependents of a Participant within the meaning of IRC § 152(a).

“**Disability**” A Participant will be deemed to be Disabled for purposes of this Plan under the following conditions:

(a) The Participant’s total and permanent disability has existed for a period of five consecutive months; and

(b) The Participant's total and permanent disability, together with the period of its existence, has been substantiated by the Committee on the basis of medical reports and a

Social Security disability award. The Committee will have the right to require a medical report or reports from a doctor or doctors of its own selection, but at Corporation's expense.

**"Earnings"** with respect to a Participant's Deferral Account means the net amount of Growth Factor credited to the Participant's Deferral Account and Subaccounts as described in Section 7.2.

**"Employers"** mean Corporation and any subsidiary or affiliate of Corporation that is an employer, for income tax purposes, of one or more Participants.

**"Employer Contribution"** means a contribution by an Employer for a Participant as described in Section 6.

**"Employer Contribution Accounts"** means the portions of a Participant's Deferral Account attributable to Employer Contributions credited on behalf of the Participant. References to a Participant's Employer Contribution Accounts include the Participant's QPSC Account, QPMC Account, and Employer Match Account as described in Section 7.1.2.

**"Employer Match Account"** means an Employer Contribution Account as described in Section 7.1.2 to which Employer Matching Contributions are credited.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

**"Investment Fund"** means an investment as described in Section 7.2.3 for the sole purpose of calculating the Growth Factor to be credited to or charged against a Participant's Deferral Account. The Committee will designate the Investment Funds available under the Plan and may add to, subtract from, or otherwise change the designated available Investment Funds from time to time.

**"IRC"** means the Internal Revenue Code of 1986, as amended. References to a particular Section will include any successor section.

**"Measurement Period"** means the period between any two successive regular or special Valuation Dates.

**"Participant"** has the meaning given in Section 4.

**"Participant Deferral Contribution"** means the portion of a Participant's Base Compensation and/or Annual Bonus that the Participant elects to defer pursuant to an Participant Deferral Election as described in Section 5.1 of the Plan.

**"Participant Deferral Contribution Account"** means the portion of a Participant's Deferral Account attributable to Participant Deferral Contributions made by the Participant.

**"Participant Deferral Election"** means a written election by a Participant for a Deferral Period in a form prescribed by or at the direction of the Committee, by which the Participant (a) elects to defer either all or a portion of the Participant's Base Compensation and/or Annual Bonus for the Deferral Period pursuant to Section 5.1 of the Plan and (b) specifies a Form of Benefit Election for the portion of the Participant's Deferral Account attributable to Participant

Deferral Contributions and Employer Contributions, and Earnings attributable to such contributions for such Deferral Period.

**"Pay Period"** means the period of service for an Employer for which Base Compensation is earned and paid under the payroll practices of the Employer.

**"QPMC Account"** means an Employer Contribution Account as described in Section 7.1.2 to which Qualified Plan Makeup Credit Employer Contributions are credited.

**"QPSC Account"** means an Employer Contribution Account as described in Section 7.1.2 to which Qualified Plan Supplemental Credit Employer Contributions are credited.

**"Qualified Plan Compensation"** for a Participant for a Qualified Plan Year means the Participant's "Compensation" for such Qualified Plan Year as defined in the Qualified Plans.

**"Qualified Plan Year"** means the calendar year.

**"Qualified Plans"** mean Corporation's Retirement Account Plan and the profit sharing component of Corporation's Salaried 401(k) and Profit Sharing Plan.

**"Reporting Person"** means a Participant who is subject to the requirements of Section 16(a) of the Exchange Act.

**"Retirement Age"** means age 65, or such other age as is designated by the Committee.

**“Specified Employee”** means a key employee of an Employer within the meaning of IRC § 416(i).

**“Subaccount”** means a portion of a Participant’s Deferral Account as described in Section 7.1.4.

**“Total Compensation”** for a Participant for any Qualified Plan Year means the Participant’s Qualified Plan Compensation for such year, increased by the amount of the Participant’s Annual Deferral Contributions that, but for the Participant’s Participant Deferral Election, would have been paid to the Participant and included in the Participant’s Qualified Plan Compensation for such Qualified Plan Year.

**“Valuation Date”** means a date as of which Deferral Accounts and Subaccounts are determined pursuant to Section 7.4. The last date of each calendar month will be a regular Valuation Date. For purposes of Section 7.4, the date of any distribution to a Participant or Beneficiary will be a special Valuation Date (and will mark the end of a Measurement Period as of such special Valuation Date). In addition, the Committee may utilize additional special Valuation Dates (up to a daily valuation basis) to the extent the Committee determines such special Valuation Dates are necessary or useful.

**“Vested”** means to become no longer subject to forfeiture pursuant to Section 9.2.

**“Years of Service”** has the meaning provided for such term for vesting purposes under the Qualified Plans.

This Plan was adopted as of the Effective Date.

**LOUISIANA-PACIFIC CORPORATION**

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

**LOUISIANA-PACIFIC CORPORATION**  
**SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

**Amended and Restated as of September 1, 2004**

---

**LOUISIANA-PACIFIC CORPORATION**  
**SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN**

**ARTICLE I—PURPOSE; EFFECTIVE DATE**

The purpose of this Supplemental Executive Retirement Plan (the “Plan”) is to provide supplemental retirement and death benefits for certain key employees of Louisiana-Pacific Corporation (the “Corporation”) and certain of its subsidiary companies. It is intended that the Plan will aid in retaining and attracting employees of exceptional ability by providing them with these benefits. The Plan became effective as of July 1, 1997, was amended and restated as of January 1, 2000, January 1, 2002 and May 1, 2002, and is further amended and restated as of September 1, 2004 as set forth herein.

**ARTICLE II—DEFINITIONS**

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

**2.1 Acquiring Person**

An “Acquiring Person” or a “Person” means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

**2.2 Accumulated with Interest**

“Accumulated with Interest” means to project Qualified and Other Plan Accounts amounts from one date to a subsequent date assuming an interest rate of seven percent (7%) compounded annually.

**2.3 Actuarial Equivalent**

“Actuarial Equivalent” means equality in value of the aggregate amounts expected to be received under different forms and timing of payment, which shall be determined by using the Pension Benefit Guaranty Corporation Lump Sum Interest Rate for Private Sector Payments (as published in appendix C of 29 CFR 4022, or any successor or replacement rate) and the UP84 Mortality Table set back four (4) years for males and females.

**2.4 Beneficiary**

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

**2.5 Board**

“Board” means the Board of Directors of the Corporation.

**2.6 Change in Control**

“Change in Control” means:

(a) The acquisition by an Acquiring Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of Corporation (the “Outstanding Corporation Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of Corporation entitled to vote generally in the election of directors (the “Outstanding Corporation Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions will not constitute a Change in Control: (i) any acquisition directly from Corporation, (ii) any acquisition by Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by Corporation or any corporation controlled by Corporation or (iv) any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this definition; or

(b) Individuals who, as September 1, 2004, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to September 1, 2004, whose election, or nomination for election by Corporation’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board will be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation by Corporation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Corporation or the acquisition of assets of another entity (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns Corporation or all or substantially all of Corporation's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Corporation Common Stock and Outstanding Corporation Voting Securities, as the case may be, (ii) no Person (excluding any employee benefit plan (or related trust) of Corporation

2

---

or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the shareholders of Corporation of a complete liquidation or dissolution of Corporation.

## 2.7 **Committee**

"Committee" means the Committee appointed by the Corporation to administer the Plan pursuant to Article VII.

## 2.8 **Compensation**

"Compensation" means base pay and annual cash incentive bonuses paid to a Participant during the calendar year, before reduction for amounts deferred under the Louisiana-Pacific Executive Deferred Compensation Plan or any other salary reduction program. Compensation does not include expense reimbursements, any form of noncash compensation or benefits, stock option income, group life insurance premiums, severance pay, or any other payments or benefits other than base pay and annual cash incentive bonuses.

## 2.9 **Corporation**

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

## 2.10 **Deferred Retirement Date**

"Deferred Retirement Date" means the first day of the month coincident with or next following the Participant's termination of employment with the Employer if it occurs after the Participant's Normal Retirement Date.

## 2.11 **Disability**

"Disability" means a physical or mental condition which, in the opinion of the Committee, prevents an employee from satisfactorily performing employee's usual duties for Employer. The Committee's decision as to Disability will be based upon medical reports and/or evidence satisfactory to the Committee. In no event shall a Disability be deemed to occur or to continue after a Participant's Normal Retirement Date.

3

---

## 2.12 **Early Retirement Date**

"Early Retirement Date" means the date on which the Participant terminates employment with the Employer if it occurs on or after the first day of the month coincidental with or next following a Participant's attainment of age fifty-five (55) and completion of five (5) Years of Participation, but prior to his Normal Retirement Date.

## 2.13 **Employer**

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

## 2.14 **Final Average Compensation**

"Final Average Compensation" means the Participant's Compensation during the sixty (60) consecutive complete calendar months of paid employment out of the last one hundred twenty (120) months of employment with the Employer in which the Participant's Compensation is the highest divided by sixty (60). If a Participant's number of complete calendar months of paid employment with the Employer is less than sixty (60), the Participant's Final Average Compensation shall be the monthly average of all such complete calendar months of paid employment.

## 2.15 **Final Compensation**

"Final Compensation" means a Participant's base pay for the twelve (12) months prior to termination of employment with the Employer, plus the average annual cash incentive bonus paid the last three (3) years, divided by twelve (12). If the Participant has not been a Participant in the Employer's annual incentive plan for three (3) full years or been an employee for a full twelve (12) months, then the proceeding determination shall be adjusted pro rata.

**2.16 Involuntarily Terminated**

“Involuntarily Terminated” means a Participant is discharged or resigns in response to a change in day-to-day duties, or reduction in Compensation or benefits, to a downward change of title, or to a relocation requested by Employer.

**2.17 Normal Retirement Date**

“Normal Retirement Date” means the first day of the month coincident with or next following the Participant’s attainment of age sixty-two (62).

**2.18 Participant**

“Participant” means any individual who is participating or has participated in the Plan as provided in Article III.

**2.19 Qualified and Other Plan Accounts**

“Qualified and Other Plan Accounts” means a Participant’s (1) ESOT, ESOT Transfer, Matching, Profit Sharing and Frozen Profit Sharing Accounts under the Louisiana-Pacific Salaried 401(k) and Profit Sharing Plan, (2) accrued benefits attributable to employer contributions under the Louisiana-Pacific Corporation Retirement Account Plan and any other employee pension benefit plan maintained by the Employer, (3) Qualified Plan Supplemental Credit Account under the Louisiana-Pacific Corporation 2004 Executive Deferred Compensation Plan (the “EDCP”) (4) Qualified Plan Makeup Credit Account under the EDCP and (5) Employer Matching Contribution Account under the EDCP.

**2.20 Retirement**

“Retirement” means a Participant’s termination of employment with the Employer at the Participant’s Early Retirement Date, Normal Retirement Date, or Deferred Retirement Date.

**2.21 Spouse**

“Spouse” means a Participant’s wife or husband who is lawfully married to the Participant at the time of the Participant’s death.

**2.22 Supplemental Retirement Benefit**

“Supplemental Retirement Benefit” means the benefit determined under Article V of this Plan.

**2.23 Target Retirement Percentage**

“Target Retirement Percentage” means the percentage of Final Average Compensation which will be used as a target from which other forms of retirement benefits are subtracted, as provided in Article V, to arrive at the amount of the Supplemental Retirement Benefit actually payable to a Participant. This percentage shall equal fifty percent (50%) multiplied by a fraction, the numerator of which is the Participant’s Years of Credited Service, not to exceed fifteen (15), and the denominator of which is fifteen (15). The adjusted Target Retirement Percentage shall be rounded to four (4) decimal places.

**2.24 Years of Credited Service**

“Years of Credited Service” means the whole number of years of vesting service credited under the provisions of the Louisiana-Pacific Corporation Retirement Account Plan.

**2.25 Years of Participation**

“Years of Participation” means the number of twelve (12) month periods the Participant has been a Participant in the Plan as set out in Section 3.1(b) of the Plan.

For the initial Participants, as set out in Appendix A, Years of Participation shall be measured from January 1, 1997.

**ARTICLE III—PARTICIPATION AND VESTING**

**3.1 Eligibility and Participation**

(a) Eligibility. Eligibility to participate in the Plan shall be limited to those employees of an Employer who are designated by the Committee.

(b) Participation. An employee’s participation in the Plan shall be effective upon notification of the employee of his status as a Participant by the Committee. Participation in the Plan shall continue until such time as the Participant terminates employment with the Employer, and as long thereafter as the Participant is eligible to receive benefits under this Plan.

**3.2 Vesting**

Each Participant shall be one hundred percent (100%) vested in benefits under this Plan after completing five (5) Years of Participation in the Plan. The proceeding notwithstanding, each Participant shall be one hundred percent (100%) vested in benefits under this Plan upon death, Disability or a Change in Control.



### 3.3 Cessation of Eligibility

Notwithstanding Section 3.1(b) of this Plan, if a Participant ceases to be designated by the Committee as eligible to participate in the Plan, by reason of a change in employment status or otherwise, participation herein and eligibility to receive benefits hereunder shall be limited to the Participant's interest in such benefits as of the date designated by the Committee.

## ARTICLE IV—PRERETIREMENT SURVIVOR BENEFIT

### 4.1 Pretermination Survivor Benefit

If a Participant dies while employed by the Employer, the Employer shall pay a supplemental survivor benefit to the Participant's Spouse. The amount of this benefit shall be equal to one-half (1/2) of the Participant's monthly accrued Supplemental Retirement Benefit payable monthly for the life of the Spouse, calculated using the three percent (3%) reduction per year specified in 5.3 to the Participant's age at death if the Participant died before attaining age 62, with payments commencing to the Spouse within thirty (30) days following the Participant's date of death; provided, that if the Participant would have been entitled to a benefit described in Section 5.7(c) had the Participant terminated employment with the Employer immediately prior to the date of death and such benefit has a greater Actuarial Equivalent value than the benefit under this Section 4.1, then the benefit described in 5.7(c) shall be payable to the Participant's Spouse or Beneficiary as the case may be.

6

---

## ARTICLE V—SUPPLEMENTAL RETIREMENT BENEFITS

### 5.1 Normal Retirement Benefit

If a Participant retires on the Normal Retirement Date, the Employer shall pay to the Participant a monthly Supplemental Retirement Benefit for the Participant's life equal to the Target Retirement Percentage multiplied by the Participant's Final Average Compensation, less

(a) Fifty percent (50%) of the Participant's primary Social Security benefit determined at age sixty-two (62), and

(b) An amount equal to the Participant's Qualified and Other Plan Accounts amounts, determined as of the Participant's date of termination and subject to Section 5.9, converted to a monthly life annuity on an Actuarial Equivalent basis

times the vesting percentage determined under Section 3.2 of this Plan.

### 5.2 Deferred Retirement Benefit

If a Participant retires at a Deferred Retirement Date, the Employer shall pay to the Participant a Supplemental Retirement Benefit calculated pursuant to Section 5.1, except that 5.1(a) and 5.1(b) shall be measured at the Participant's date of termination.

### 5.3 Early Retirement Benefit

If a Participant retires at an Early Retirement Date, the Employer shall pay to the Participant a monthly Supplemental Retirement Benefit for the Participant's life equal to the Target Retirement Percentage multiplied by the Participant's Final Average Compensation, less

(a) Fifty percent (50%) of the Participant's primary Social Security benefit projected to be paid at age sixty-two (62) assuming no future increases in Compensation, no change in the Social Security Act and no change in the cost of living or the average wage indexes, and

(b) An amount equal to the Participant's Qualified and Other Plan Accounts amounts, determined as of the Participant's date of termination and subject to Section 5.9, converted to a monthly life annuity beginning at age sixty-two (62) on an Actuarial Equivalent basis but assuming no growth in such amounts to age sixty-two (62);

times the vesting percentage determined under Section 3.2 of this Plan.

If a Participant retires with the approval of the Committee, the above Early Retirement Benefit shall be reduced by three percent (3%) for each year by which the benefit commencement date precedes the Participant's sixty-second (62nd) birthday (prorated for partial years on a monthly basis). If a Participant retires without the approval of the Committee, the above Early Retirement Benefit shall be reduced by five

7

---

percent (5%) for each year by which the benefit commencement date precedes the Participant's sixty-second (62nd) birthday (prorated for partial years on a monthly basis). For Participants who retire without approval of the Committee, this benefit shall be further reduced by a fraction equal to the Participant's actual Years of Credited Service at termination over Years of Credited Service the Participant would have had at age sixty-two (62).

### 5.4 Early Termination Retirement Benefit

If a Participant terminates employment prior to Early Retirement, the Employer shall pay to the Participant a monthly Supplemental Retirement Benefit for the Participant's life equal to the product of (a) times (b) times (c) where:

(a) is an amount equal to the Target Retirement Percentage multiplied by the Participant's Final Average Compensation, less

(i) Fifty percent (50%) of the Participant's primary Social Security benefit projected to be paid at age sixty-two (62) assuming no future increases in Compensation, no change in the Social Security act and no change in the cost of living or the average wage indexes, and

(ii) An amount equal to the Qualified and Other Plan Accounts amounts, determined as of the date of the Participant's date of termination and subject to Section 5.9, converted to a monthly life annuity beginning at age sixty-two (62) on an Actuarial Equivalent basis but assuming no growth in such amounts to age sixty-two (62).

(b) is the vesting percentage determined under Section 3.2 of this Plan; and

(c) is a fraction equal to the Participant's Years of Credited Service at termination over Years of Credited Service the Participant would have had at age sixty-two (62).

#### 5.5 **Change in Control Benefits**

If a Participant is Involuntarily Terminated within thirty-six (36) months of a Change in Control, such Participant shall be granted two (2) extra Years of Credited Service under the Plan, and the greater of Final Compensation or Final Average Compensation shall be used in determining the Participant's benefit. For such Involuntarily Terminated Participants, benefits shall be payable at the later of age fifty-five (55) or their date of termination. Such benefit shall be calculated pursuant to Section 5.3 and as if the Participant retired with the approval of the Committee.

#### 5.6 **Disability Retirement Benefit**

If a person terminates employment prior to Normal Retirement as a result of Disability, the Employer shall pay to the Participant a Supplemental Retirement Benefit commencing at the Participant's Normal Retirement Date equal to the amount the Participant would have received at such time under the Normal Retirement provisions of

8

---

this Article. For purposes of this calculation and notwithstanding the receipt of any accelerated distribution or distributions under Section 5.8, Years of Credited Service and Years of Participation shall continue to accrue during the period of Disability and the Participant's Final Average Compensation shall be based only on the amounts earned during the sixty (60) months prior to Disability if this provides the Participant with a greater benefit.

#### 5.7 **Payment of Benefits**

(a) Form of Benefit Payments. The normal form of benefit payment shall be a life annuity payable monthly. Any other form of monthly benefit elected by the Participant shall be the Actuarial Equivalent to a life annuity payable monthly. At the time of enrollment the Participant shall elect the form of benefit payment. The form of benefit payments available to the Participant shall be:

- (i) Life Annuity
- (ii) 10-Year Certain and Life Annuity
- (iii) 50% Joint and Spouse Survivor Annuity
- (iv) 100% Joint and Spouse Survivor Annuity

Participants may amend their form of benefit election by filing a change form with the Committee at least ninety (90) days before termination of employment with the Employer.

(b) Commencement of Benefit Payments. The Supplemental Retirement Benefits payable to a Participant under the Normal and Deferred Retirement provisions of this Article shall commence within thirty (30) days of the Participant's termination of employment. The Early Retirement Benefit payable to a Participant shall commence within thirty (30) days of Participant's termination. However, the Participant may elect to delay the commencement of such benefit if the election is made at least ninety (90) days prior to termination, provided that commencement may not be delayed beyond the Participant's sixty-second (62nd) birthday. The Supplemental Retirement Benefits payable to a Participant under the Early Termination or Disability provisions of this Article shall commence within thirty (30) days of the Participant attaining age sixty-two (62).

(c) Death Prior to Commencement of Benefit Payments. If a Participant terminates employment and dies before the commencement of benefits as provided under Section 5.7(b), any survivor benefit under the form of benefit that was elected by the Participant under Section 5.7(ii), (iii) or (iv) shall be payable to the Participant's Spouse or Beneficiary, as the case may be, at the time benefits otherwise would have commenced to the Participant.

#### 5.8 **Accelerated Distribution**

Notwithstanding any other provision of the Plan, at any time a Participant shall be entitled to receive, upon written request to the Committee, a lump-sum distribution of

9

---

the Actuarial Equivalent of the Participant's unpaid vested accrued benefits under this Plan on the date on which the Committee receives the written request. The vested accrued benefit for active Participants shall be calculated as if the Participant terminated on the date the distribution is requested. For those active Participants eligible for Early Retirement, the lump-sum amount shall be calculated as if the Participant had terminated without permission on the date the distribution is requested. Each accelerated distribution shall be subject to a penalty equal to ten percent (10%) of the amount that would otherwise be distributed, and that amount shall be forfeited by the Participant. The amount payable under this section shall be paid in a lump sum within sixty-five (65) days following the receipt of the notice by the Committee from the Participant. In the event a Participant requests and obtains an accelerated distribution under this section the Participant shall cease to be a Participant under the Plan; provided, that if the Participant remains employed by the Employer,

participation and future benefit accruals under the Plan may resume following a period of one (1) year from the date of distribution if the Participant remains an eligible Participant under Section 3.1 at that time.

#### 5.9 **Qualified and Other Retirement Plan Accounts Offset**

In the event that all or a portion of a Participant's Qualified and Other Retirement Plan Accounts are paid out prior to the applicable benefit calculation date under any provision of Article V of the Plan, the value of such Accounts at termination shall be the amount distributed Accumulated with Interest to the date of termination.

#### 5.10 **Excise Tax and Lost Benefit Makeup**

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

#### 5.11 **Withholding; Payroll Taxes**

The Employer shall withhold from payments made hereunder any taxes required to be withheld from a Participant's wages for the federal or any state or local government. However, a Beneficiary may elect not to have withholding for federal income tax purposes pursuant to Section 3405 of the Internal Revenue Code, or any successor provision.

#### 5.12 **Payment to Guardian**

If a Plan benefit is payable to a minor or a person declared incompetent or to a person incapable of handling the disposition of his property, the Committee may direct payment of such Plan benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Committee may require

10

---

proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution of the Plan benefit. Such distribution shall completely discharge the Committee and the Employer from all liability with respect to such benefit.

### **ARTICLE VI—BENEFICIARY DESIGNATION**

#### 6.1 **Beneficiary Designation**

Each Participant shall have the right, at any time, to designate any person or persons as his Beneficiary or Beneficiaries (both primary as well as secondary) to whom benefits under this Plan shall be paid in the event of his death prior to payment to Participant of the benefits due to the Participant under the Plan. Each Beneficiary designation shall be in a written form prescribed by the Committee, and will be effective only when filed with the Committee during the Participant's lifetime.

#### 6.2 **Changing Beneficiary**

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

#### 6.3 **No Beneficiary Designation**

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

(a) the surviving Spouse;

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

(c) the Participant's estate.

### **ARTICLE VII—ADMINISTRATION**

#### 7.1 **Committee; Duties**

The Plan shall be administered by a Committee consisting of not less than three (3) persons appointed by the Corporation. Members of the Committee may be Participants in the Plan. The members of the Committee on September 1, 2004 are Curtis M. Stevens, Russell S. Pattee and Andrea L. Vicino. The Committee shall have the authority to make, amend, interpret and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in connection with the Plan. A majority vote of the

11

---

Committee members shall control any decision. Members of the Committee may be Participants under the Plan.

## 7.2 **Agents**

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

## 7.3 **Binding Effect of Decisions**

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

## 7.4 **Indemnity of Committee**

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

# **ARTICLE VIII—CLAIMS PROCEDURE**

## 8.1 **Claim**

Any person claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan shall present the request in writing to the Committee which shall respond in writing within thirty (30) days.

## 8.2 **Denial of Claim**

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

- (a) The reason for denial, with specific reference to the Plan provisions on which the denial is based.
- (b) A description of any additional material or information required and an explanation of why it is necessary.
- (c) An explanation of the Plan's claim review procedure.

## 8.3 **Review of Claim**

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

representation, examine pertinent documents, and submit issues and comments in writing.

## 8.4 **Final Decision**

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

# **ARTICLE IX—TERMINATION, SUSPENSION OR AMENDMENT**

## 9.1 **Termination, Suspension or Amendment of Plan**

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

# **ARTICLE X—MISCELLANEOUS**

## 10.1 **Unfunded Plan**

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

## 10.2 **Unsecured General Creditor**

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

### 10.3 **Trust Fund**

The Employer shall be responsible for the payment of all benefits provided under the Plan. At its discretion, the Employer may establish one or more trusts, with such trustees as the Board may approve, for the purpose of providing for the payment of such benefits. Such trust or trusts may be irrevocable, but the assets thereof shall be subject to the claims of the Employer's creditors. To the extent any benefits provided under the Plan are actually paid from any such trust, the Employer shall have no further obligation with respect thereto, but to the extent not so paid, such benefits shall remain the obligation of, and shall be paid by, the Employer.

### 10.4 **Nonassignability**

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

### 10.5 **Not a Contract of Employment**

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

### 10.6 **Protective Provisions**

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

### 10.7 **Terms**

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

### 10.8 **Captions**

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

### 10.9 **Governing Law; Arbitration**

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

### 10.10 **Validity**

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

### 10.11 **Notice**

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

### 10.12 **Successors**

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

Dated: September 1, 2004

LOUISIANA-PACIFIC CORPORATION

By: \_\_\_\_\_  
Executive Vice President, Administration,  
and Chief Executive Officer

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

## CERTIFICATIONS

I, Richard W. Frost, Chief Executive Officer of Louisiana-Pacific Corporation, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

/s/ RICHARD W. FROST  
RICHARD W. FROST

---

## CERTIFICATIONS

I, Curtis M. Stevens, Chief Financial Officer of Louisiana-Pacific Corporation, certify that:

1. I have reviewed this report on Form 10-Q of Louisiana-Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal controls over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to could adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2004

/s/ CURTIS M. STEVENS  
Curtis M. Stevens

---



LOUISIANA-PACIFIC CORPORATION  
411 Union Street, Suite 2000  
Nashville, TN 37219-1700  
(615)986-5600

November 5, 2004

Securities and Exchange Commission  
Judiciary Plaza  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Re: Certification Pursuant to § 906 of the Sarbanes-Oxley Act of 2002

Ladies and Gentlemen:

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, in connection with the filing of the Form 10-Q of Louisiana-Pacific Corporation (the "Company") for the period ended September 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/S/ RICHARD W. FROST

Name: Richard W. Frost

Title: Chief Executive Officer

/S/ CURTIS M. STEVENS

Name: Curtis M. Stevens

Title: Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Louisiana-Pacific Corporation and will be retained by Louisiana-Pacific Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

---