

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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(X) Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 1996

() Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the Transition Period From _____ to _____

Commission file number 1-5057

BOISE CASCADE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware 82-0100960
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1111 West Jefferson Street
P.O. Box 50
Boise, Idaho 83728-0001
(Address of principal executive offices) (Zip Code)

(208) 384-6161
(Registrant's telephone number, including area code)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Shares Outstanding as of October 31, 1996
Common stock, \$2.50 par value	48,472,210

PART I - FINANCIAL INFORMATION

STATEMENTS OF INCOME (LOSS)
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(unaudited)

Item 1. Financial Statements

	Three Months Ended September 30	
	1996	1995
	(expressed in thousands, except per share data)	
Revenues		
Sales	\$1,356,370	\$1,339,110
Other income (expense), net	1,530	3,940
	<u>1,357,900</u>	<u>1,343,050</u>
Costs and expenses		
Materials, labor, and other operating expenses	1,119,670	968,260
Depreciation and cost of company timber harvested	61,100	61,630
Selling and administrative expenses	143,730	112,170
	<u>1,324,500</u>	<u>1,142,060</u>

Equity in net income of affiliates	850	15,860
Income from operations	34,250	216,850
Interest expense	(34,270)	(33,080)
Interest income	380	930
Foreign exchange loss	(170)	(20)
Gain on subsidiary's issuance of stock	430	6,160
	(33,630)	(26,010)
Income before income taxes and minority interest	620	190,840
Income tax provision	70	70,170
Income before minority interest	550	120,670
Minority interest, net of income tax	(2,200)	(2,190)
Net income (loss)	\$ (1,650)	\$ 118,480
Net income (loss) per common share		
Primary	\$ (.24)	\$ 2.03
Fully diluted	\$ (.24)	\$ 1.83
Dividends declared per common share	\$.15	\$.15

The accompanying notes are an integral part of these Financial Statements.

SEGMENT INFORMATION
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(unaudited)

	Three Months Ended September 30	
	1996	1995
	(expressed in thousands)	
Segment sales		
Paper and paper products	\$ 500,046	\$ 674,682
Office products	506,694	332,037
Building products	426,177	428,679
Intersegment eliminations and other	(76,547)	(96,288)
	<u>\$1,356,370</u>	<u>\$1,339,110</u>
Segment operating income		
Paper and paper products	\$ 10,076	\$ 164,008
Office products	21,991	21,240
Building products	12,866	29,631
Equity in net income of affiliates	850	15,860
Corporate and other	(11,533)	(13,889)
	<u>\$ 34,250</u>	<u>\$ 216,850</u>

The accompanying notes are an integral part of these Financial Statements.

STATEMENTS OF INCOME (LOSS)
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(Unaudited)

	Nine months ended September 30	
	1996	1995
	(expressed in thousands, except per share data)	
Revenues		
Sales	\$3,845,480	\$3,832,270
Other income (expense), net	7,170	(17,310)
	<u>3,852,650</u>	<u>3,814,960</u>
Costs and expenses		
Materials, labor, and other operating expenses	3,145,020	2,841,890
Depreciation and cost of company timber harvested	174,160	182,750
Selling and administrative expenses	419,060	315,150
	<u>3,738,240</u>	<u>3,339,790</u>
Equity in net income of affiliates	2,800	33,310
	<u>117,210</u>	<u>508,480</u>
Income from operations		
Interest expense	(97,720)	(105,380)
Interest income	1,130	2,210
Foreign exchange gain (loss)	(830)	20
Gain on subsidiary's issuance of stock	2,450	66,160
	<u>(94,970)</u>	<u>(36,990)</u>
Income before income taxes and minority interest	22,240	471,490
Income tax provision	7,720	186,520
	<u>14,520</u>	<u>284,970</u>
Income before minority interest		
Minority interest, net of income tax	(7,610)	(3,530)
Net income	<u>\$ 6,910</u>	<u>\$ 281,440</u>
Net income (loss) per common share		
Primary	\$ (.47)	\$ 4.78
Fully diluted	\$ (.47)	\$ 4.32
Dividends declared per common share	\$.45	\$.45

The accompanying notes are an integral part of these Financial Statements.

SEGMENT INFORMATION
BOISE CASCADE CORPORATION AND SUBSIDIARIES
(unaudited)

	Nine Months Ended September 30	
	1996	1995
	(expressed in thousands)	
Segment sales		
Paper and paper products	\$1,462,231	\$1,927,760
Office products	1,428,884	941,042
Building products	1,185,106	1,207,156
Intersegment eliminations and other	(230,741)	(243,688)
	<u>\$3,845,480</u>	<u>\$3,832,270</u>
Segment operating income		
Paper and paper products	\$ 48,294	\$ 394,279
Office products	74,547	47,440
Building products	20,132	75,911
Equity in net income of affiliates	2,800	33,310
Corporate and other	(28,563)	(42,460)
	<u>\$ 117,210</u>	<u>\$ 508,480</u>

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
BALANCE SHEETS
(unaudited)

ASSETS

	September 30 1996	September 30 1995	December 31 1995
	(expressed in thousands)		
Current			
Cash and cash items	\$ 55,945	\$ 45,778	\$ 36,876
Short-term investments at cost, which approximates market	2,233	28,609	14,593
	<u>58,178</u>	<u>74,387</u>	<u>51,469</u>
Receivables, less allowances of \$5,173,000, \$3,377,000, and \$3,577,000	522,887	509,236	457,608
Inventories	581,088	474,550	568,905
Deferred income tax benefits	58,705	79,356	82,744
Other	131,393	25,350	152,442
	<u>1,352,251</u>	<u>1,162,879</u>	<u>1,313,168</u>
Property			
Property and equipment			
Land and land improvements	41,260	38,674	39,482
Buildings and improvements	484,701	447,741	459,897
Machinery and equipment	4,683,226	4,216,182	4,271,306
	<u>5,209,187</u>	<u>4,702,597</u>	<u>4,770,685</u>
Accumulated depreciation	(2,273,006)	(2,193,494)	(2,166,487)
	<u>2,936,181</u>	<u>2,509,103</u>	<u>2,604,198</u>
Timber, timberlands, and timber deposits	371,901	399,528	383,394
	<u>3,308,082</u>	<u>2,908,631</u>	<u>2,987,592</u>
Investments in equity affiliates	38,607	251,446	25,803
Other assets	445,047	301,032	329,623
Total assets	<u>\$5,143,987</u>	<u>\$4,623,988</u>	<u>\$4,656,186</u>

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
BALANCE SHEETS
(unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30 1996	September 30 1995	December 31 1995
	(expressed in thousands)		
Current			
Notes payable	\$ 94,300	\$ 183,000	\$ 17,000
Current portion of long-term debt	107,427	609	20,778
Income taxes payable	-	7,328	26,328
Accounts payable	424,871	352,321	379,523
Accrued liabilities			
Compensation and benefits	144,072	152,409	159,514
Interest payable	25,781	25,146	27,542
Other	147,688	138,425	139,222
	<u>944,139</u>	<u>859,238</u>	<u>769,907</u>
Debt			
Long-term debt, less current portion	1,734,923	1,268,423	1,364,835
Guarantee of ESOP debt	210,453	228,212	213,934
	<u>1,945,376</u>	<u>1,496,635</u>	<u>1,578,769</u>
Other			
Deferred income taxes	270,558	306,340	302,030
Other long-term liabilities	238,530	256,851	243,259
	<u>509,088</u>	<u>563,191</u>	<u>545,289</u>
Minority interest	<u>76,481</u>	<u>64,968</u>	<u>67,783</u>
Shareholders' equity			
Preferred stock -- no par value; 10,000,000 shares authorized; Series D ESOP: \$.01 stated value; 5,976,459; 6,143,333; and 6,117,774 shares outstanding	268,941	276,450	275,300
Deferred ESOP benefit	(210,453)	(228,212)	(213,934)
Series F: \$.01 stated value; 115,000 shares outstanding	111,043	111,043	111,043
Series G: \$.01 stated value; 862,500 shares outstanding	176,404	176,404	176,404
Common stock -- \$2.50 par value; 200,000,000 shares authorized; 48,468,998; 48,056,941; and 47,759,946 shares outstanding	121,172	120,142	119,400
Additional paid-in capital	230,655	202,870	205,107
Retained earnings	971,141	981,259	1,021,118
Total shareholders' equity	<u>1,668,903</u>	<u>1,639,956</u>	<u>1,694,438</u>
Total liabilities and shareholders' equity	<u>\$5,143,987</u>	<u>\$4,623,988</u>	<u>\$4,656,186</u>

The accompanying notes are an integral part of these Financial Statements.

BOISE CASCADE CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30	
	1996	1995
	(expressed in thousands)	
Cash provided by (used for) operations		
Net income	\$ 6,910	\$ 281,440
Items in income not using (providing) cash		
Equity in net income of affiliates	(2,800)	(33,310)
Depreciation and cost of company timber harvested	174,160	182,750
Deferred income tax provision	6,073	139,117
Minority interest, net of income tax	7,610	3,530
Amortization and other	17,202	36,835
Gain on subsidiary's issuance of stock	(2,450)	(66,160)
Receivables	(20,383)	(79,238)
Inventories	19,807	(40,473)
Accounts payable and accrued liabilities	(20,403)	47,102
Current and deferred income taxes	(57,382)	3,418
Other	6,381	407
	<hr/>	<hr/>
Cash provided by operations	134,725	475,418
	<hr/>	<hr/>
Cash provided by (used for) investment		
Expenditures for property and equipment	(481,746)	(191,612)
Expenditures for timber and timberlands	(4,471)	(3,974)
Investments in equity affiliates, net	(9,386)	(2,000)
Purchase of facilities	(153,392)	(37,095)
Other	22,136	(7,746)
	<hr/>	<hr/>
Cash used for investment	(626,859)	(242,427)
	<hr/>	<hr/>
Cash provided by (used for) financing		
Cash dividends paid		
Common stock	(21,638)	(19,916)
Preferred stock	(28,378)	(32,450)
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Notes payable	(50,016)	(52,366)
Additions to long-term debt	77,300	127,000
Payments of long-term debt	496,498	10,140
Payments of long-term debt	(39,761)	(423,462)
Subsidiary's issuance of stock	-	123,076
Other	14,822	27,554
	<hr/>	<hr/>
Cash provided by (used for) financing	498,843	(188,058)
	<hr/>	<hr/>
Increase in cash and short-term investments	6,709	44,933
Balance at beginning of the year	51,469	29,454
	<hr/>	<hr/>
Balance at September 30	\$ 58,178	\$ 74,387

The accompanying notes are an integral part of these Financial Statements.

Notes to Quarterly Financial Statements

- (1) **BASIS OF PRESENTATION.** The quarterly financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. These statements should be read together with the statements and the accompanying notes included in the Company's 1995 Annual Report.

The quarterly financial statements have not been audited by independent public accountants, but in the opinion of management, all adjustments necessary to present fairly the results for the periods have been included. The net income (loss) for the three and nine months ended September 30, 1996 and 1995, was subject to seasonal variations and necessarily involved estimates and accruals. Except as may be disclosed within these "Notes to Quarterly Financial Statements," the adjustments made were of a normal, recurring nature. Quarterly results are not necessarily indicative of results that may be expected for the year.

- (2) **NET INCOME (LOSS) PER COMMON SHARE.** Net income (loss) per common share was determined by dividing net income, as adjusted, by applicable shares outstanding. For the three and nine months ended September 30, 1996, the computation of fully diluted net loss per share was antidilutive; therefore, amounts reported for primary and fully diluted loss were the same.

For the three and nine months ended September 30, 1996 and 1995, primary average shares included common shares outstanding and, if dilutive, common stock equivalents attributable to stock options, Series E conversion preferred stock prior to converting to shares of the Company's common stock on January 15, 1995, and Series G conversion preferred stock. For the three and nine months ended September 30, 1996, common stock equivalents attributable to stock options and the effect of the Series G conversion preferred stock were antidilutive. Accordingly, 7,253,000 and 7,384,000 common equivalent shares are excluded for those periods. In addition to common and common equivalent shares, fully diluted average shares include common shares that would be issuable upon conversion of the Company's other convertible securities.

	Three Months Ended September 30	
	1996	1995
	(expressed in thousands)	
Net income (loss) as reported	\$ (1,650)	\$ 118,480
Preferred dividends	(9,839)	(6,403)
Primary income (loss)	<u>(11,489)</u>	<u>112,077</u>
Assumed conversions:		
Preferred dividends eliminated	7,136	3,700
Interest on 7% debentures eliminated	-	805
Supplemental ESOP contribution	(3,188)	(3,162)
Fully diluted income (loss)	<u>\$ (7,541)</u>	<u>\$ 113,420</u>
Average number of common shares		
Primary	48,469	55,300
Fully diluted	60,591	62,182

	Nine Months Ended September 30	
	1996	1995
	(expressed in thousands)	
Net income as reported	\$ 6,910	\$ 281,440
Preferred dividends	(29,479)	(19,180)
Primary income (loss)	(22,569)	262,260
Assumed conversions:		
Preferred dividends eliminated	21,371	11,072
Interest on 7% debentures eliminated	-	2,502
Supplemental ESOP contribution	(9,531)	(9,464)
Fully diluted income (loss)	\$ (10,729)	\$ 266,370
Average number of common shares		
Primary	48,211	54,886
Fully diluted	60,526	61,667

Primary income excludes and primary loss includes the aggregate amount of dividends on the Company's preferred stock, if dilutive. The dividend attributable to the Company's Series D convertible preferred stock held by the Company's ESOP (employee stock ownership plan) is net of a tax benefit. To determine the fully diluted income (loss), dividends on convertible preferred stock and interest, net of any applicable taxes, have been added back to primary income (loss) to reflect assumed conversions. The fully diluted income was reduced by and the fully diluted loss was increased by the after-tax amount of additional contributions that the Company would be required to make to its ESOP if the Series D ESOP preferred shares were converted to common stock.

- (3) INVENTORIES. Inventories include the following:

	September 30		December 31
	1996	1995	1995
	(expressed in thousands)		
Finished goods and work in process	\$400,178	\$317,893	\$394,163
Logs	110,393	84,786	116,959
Other raw materials and supplies	165,622	177,086	175,877
LIFO reserve	(95,105)	(105,215)	(118,094)
	\$581,088	\$474,550	\$568,905

- (4) INCOME TAXES. The estimated tax provision rate, excluding the effect of not providing taxes related to "Gain on subsidiary's issuance of stock," for the first nine months of 1996 was 39%. The estimated tax provision rate for the first nine months of 1995, before any effects of unusual items, was 38%.

- (5) DEBT. At September 30, 1996, the Company had a \$600 million revolving credit agreement with a group of banks. Borrowing under the agreement was \$150 million. In the first quarter of 1996, the Company guaranteed amounts outstanding under a loan agreement between a group of banks and a wholly owned subsidiary. At September 30, 1996, amounts outstanding under this agreement were \$277 million. Additionally, the Company's majority-owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), had a \$350 million revolving credit agreement with a group of banks. Borrowing under this agreement was \$95 million. On June 5, 1996, the revolving credit agreement was amended to extend the termination date from June 30, 1999, to June 30, 2001, and the aggregate of all commitments that can be outstanding was increased from \$225 million to \$350 million.

On January 24, 1996, the Company sold \$125 million of 7.35% debentures due 2016.

- (6) BOISE CASCADE OFFICE PRODUCTS CORPORATION. During the first nine months of 1996, BCOP, the Company's majority-owned subsidiary, made nine acquisitions which were accounted for under the purchase method of accounting. Accordingly, the purchase prices were allocated to the assets acquired and liabilities assumed based upon their estimated fair values. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill and is being amortized over 40 years. The results of operations of the acquired businesses are included in BCOP's operations subsequent to the dates of acquisition.

On January 31, 1996, BCOP acquired the contract stationer business of Sierra Vista Office Products, Inc., based in Albuquerque, New Mexico. On February 5, 1996, BCOP acquired Grand & Toy Limited, a Canadian office products distributor. On February 9, 1996, BCOP acquired the contract stationer businesses of Loring, Short & Harmon, Inc., based in Portland, Maine, and McAuliffe's based in Burlington, Vermont. On March 29, 1996, BCOP acquired the contract stationer and office furniture business of Office Essentials based in Milwaukee, Wisconsin. On April 26, 1996, BCOP acquired the contract stationer business of Crawford's Office Supplies, based in Seattle, Washington. On May 31, 1996, BCOP acquired the contract stationer business of Zemlick Brothers, Inc., based in Kalamazoo, Michigan. On July 1, 1996, BCOP acquired the contract stationer business of Pedersen Contact, based in Melbourne, Australia. On July 31, 1996, BCOP acquired the contract stationer business of Mike Bryan Office Products, Inc., based in Oklahoma City, Oklahoma. These acquisitions, including Grand & Toy, were purchased for cash of \$145.1 million, \$1.7 million of BCOP's common stock issued to the sellers, and the recording of \$20.6 million of liabilities.

Unaudited pro forma results of operations, reflecting these acquisitions, would have been as follows. If these businesses had been acquired on January 1, 1996, the Company's sales for the first nine months of 1996 would have increased by \$60 million, net income and primary and fully diluted earnings per common share would have been unchanged. If these businesses had been acquired on January 1, 1995, the Company's sales for the first nine months of 1995 would have increased by \$238 million, net income would have decreased by \$4 million, and primary and fully diluted earnings per common share would have decreased by 7 cents and 6 cents, respectively. In the first quarter of 1995, Grand & Toy Limited recorded a restructuring charge. Excluding the impact of this restructuring charge, pro forma net income and earnings per share would have been essentially the same as the historical amounts reported for the nine months ended September 30, 1995. This unaudited pro forma financial information does not necessarily represent the actual consolidated results of operations that would have resulted if the acquisitions had occurred on the dates assumed.

In November 1996, BCOP acquired Oregon Wholesale Novelty Company, Inc. (OWNCO), an advertising specialties company with annual sales of approximately \$30 million. Also in October and November 1996, BCOP acquired seven other contract stationer businesses with combined annual sales of approximately \$56 million. In the second quarter of 1996, BCOP started up office products distribution centers in Las Vegas, Nevada, and Miami, Florida.

In April, BCOP's board of directors authorized a two-for-one split of BCOP common stock in the form of a 100% stock dividend. Each BCOP shareholder of record at the close of business on May 6, 1996, received one additional share for each share held on that date. The new shares were distributed on May 20, 1996.

- (7) **SHAREHOLDER'S EQUITY.** On January 15, 1995, the Company's Series E preferred stock converted to 8,625,000 shares of common stock.

In October 1995, the Company announced that its board of directors had authorized the Company to purchase up to 4,300,000 shares of its common stock or common stock equivalents. In April 1996, the Company announced that because of recent weakness in paper and wood products markets, it had slowed the purchase of its common stock or common stock equivalents. The repurchase program was to be in effect for 12 to 18 months, but that period may be extended. Since October 1995, the Company purchased 622,505 shares of stock through September 30, 1996.

- (8) **INVESTMENTS IN EQUITY AFFILIATES.** In October 1994, Rainy River Forest Products Inc. ("Rainy River"), the Company's former Canadian subsidiary, completed an initial public offering of units of its equity and debt securities. As a result of the offering, the Company owned 49% of the outstanding voting common shares and 60% of the total equity of Rainy River. During 1995, Rainy River was accounted for on the equity method in the Company's consolidated financial statements. For the three and nine months ended September 30, 1995, Rainy River's results of operations were included in "Equity in net income of affiliates." In November 1995, the Company divested its remaining interest in Rainy River through Rainy River's merger with Stone-Consolidated Corporation. At September 30, 1996, the Company held 6,646,217 shares of Stone-Consolidated common stock, representing less than 10% of Stone-Consolidated's outstanding common stock. The Company accounts for its holdings in Stone-Consolidated on the cost method. The investment in Stone-Consolidated stock totaled \$74.2 million at September 30, 1996.

The investment has been classified as available for sale and is being marked to market. At September 30, 1996, "Retained Earnings" was reduced by \$14.3 million, including the impact of foreign currency translation and deferred income taxes, for this market adjustment.

On October 16, 1995, the Company announced its intent to form a joint venture with Companhia Suzano de Papel e Celulose ("Suzano"), a Brazilian pulp and paper producer, to acquire, operate, and expand the Company's pulp and paper mill, timberlands, sawmill, and wastepaper recycling plant in Jackson, Alabama. In April 1996, the Company announced that it had discontinued talks with Suzano regarding formation of the joint venture. Regardless, the Company will complete the expansion of the mill, including construction of a new uncoated free sheet paper machine, which represents a \$290 million capital investment. The new paper machine should begin production in the second quarter of 1997.

- (9) OTHER. On November 1, 1996, the Company completed the sale of its coated publication paper operations, consisting primarily of its pulp and paper mill in Rumford, Maine, and 667,000 acres of timberland, to The Mead Corporation for approximately \$637 million in cash. After payment of certain related tax indemnification requirements, the net cash proceeds from the sale will be used to reduce debt and to improve the competitive position of the Company's remaining paper business. The transaction resulted in a pretax gain of approximately \$40 million, which was offset, in part, by approximately \$15 million of pretax expense arising from the related tax indemnification requirements. The gain will be recorded in the fourth quarter of 1996. (See "Item 5. Other Information" for pro forma data.)

In April 1996, the Company completed the previously announced reconfiguration of its Vancouver, Washington, paper mill by permanently shutting down the mill's three paper machines and recycled wastepaper operations. The mill will operate as a paper converting facility, converting papers made elsewhere by the Company primarily into security papers. In the fourth quarter of 1995, the Company recorded a pretax charge of \$74.9 million, most of which was related to the reconfiguration of this mill.

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

Three Months Ended September 30, 1996, Compared With Three Months Ended September 30, 1995

Boise Cascade Corporation's net loss for the third quarter of 1996 was \$1.7 million, compared with net income of \$118.5 million for the third quarter of 1995. Primary and fully diluted loss per common share for the third quarter of 1996 were 24 cents. For the same quarter in 1995, primary earnings per common share were \$2.03, while fully diluted earnings per common share were \$1.83. Results for the third quarter of 1995 included a gain of \$6.2 million, or 10 cents per fully diluted share, related to the issuance of common shares by Boise Cascade Office Products Corporation (BCOP).

Sales for the third quarter of 1996 were \$1.4 billion compared with \$1.3 billion for the third quarter of 1995.

The Company's paper segment reported operating income of \$10.1 million in the third quarter of 1996, compared with operating income of \$164.0 million in the third quarter of 1995. Sales fell 26% to \$500.0 million in the third quarter of 1996 from \$674.7 million in the third quarter of 1995. The decline in results was due primarily to lower paper prices. Average prices for all of the Company's paper grades declined from third-quarter 1995 levels. Uncoated free sheet papers fell \$283 a ton, or 27%; coated papers fell \$243 a ton, or 23%; containerboard fell \$210 a ton, or 43%; newsprint fell \$122 a ton, or 20%; and market pulp fell \$349 a ton, or 49%. Sales volumes for the third quarter of 1996 were 729,000 tons, compared with 726,000 tons in the third quarter of 1995.

Paper segment manufacturing costs in the third quarter of 1996 were \$551 per ton compared with \$577 per ton in the comparison quarter. The decrease is primarily due to lower variable wood costs.

Operating income in the office products segment improved in the third quarter of 1996 to \$22.0 million, compared with \$21.2 million in the prior-year quarter. Total sales rose 53% to \$506.7 million, compared with \$332.0 million in the third quarter of 1995. The growth in sales resulted from increased accounts at both the national and local level, continued growth in BCOP's direct marketing business, product line extensions, and acquisitions. Same location sales increased 12% in the third quarter of 1996 compared with sales in the third quarter of 1995. Gross margins were down in the third quarter of

1996 relative to the year-ago third quarter primarily because of continued competitive pressures and sales growth in BCOP's computer consumables product offering which has lower margins. For the third quarter of 1996, the gross margin was 25.2% compared with 26.4% in the prior year third quarter.

Building products operating income decreased from \$29.6 million for the year-ago third quarter to \$12.9 million in the third quarter of 1996. Results for the quarter just ended were weaker than those of a year ago, largely because of lower prices for plywood and residual wood chips. Relative to the year-ago quarter, average prices for lumber increased 14%, while plywood prices decreased 10%. Unit sales volumes for lumber and plywood sales volume decreased 6% compared with the year-ago volumes. In the engineered wood products business, sales increased 19% while the price for I-joists increased 3% compared with last year. Sales for the building products segment were \$426.2 million in the third quarter of 1996, about flat with the \$428.7 million reported in the third quarter of 1995. For the third quarter of 1996, building materials distribution sales were up 20% from the comparison quarter, while income was flat. The improvement in sales resulted primarily from the addition of three new distribution centers purchased in 1996 and an increase in housing starts.

In October 1994, Rainy River Forest Products Inc. ("Rainy River"), the Company's former Canadian subsidiary, completed an initial public offering of units of its equity and debt securities. As a result of the offering, the Company owned 49% of the outstanding voting common shares and 60% of the total equity of Rainy River. During 1995, Rainy River was accounted for on the equity method in the Company's consolidated financial statements. For the three and nine months ended September 30, 1995, Rainy River's results of operations were included in "Equity in net income of affiliates." In November 1995, the Company divested its remaining interest in Rainy River through Rainy River's merger with Stone-Consolidated Corporation.

Interest expense was \$34.3 million in the third quarter of 1996, compared with \$33.1 million in the same period last year. The Company's debt is predominately fixed rate. Consequently, when there are changes in short-term market interest rates, the Company experiences only modest changes in interest expense.

Nine Months Ended September 30, 1996, Compared With Nine Months Ended September 30, 1995

The Company had net income of \$6.9 million for the first nine months of 1996, compared with net income of \$281.4 million for the first nine months of 1995. Primary and fully diluted loss per common share for the first nine months of 1996 were 47 cents. Primary earnings per common share for 1995 were \$4.78 and fully diluted earnings per common share were \$4.32. Sales for the first nine months of 1996 and 1995 were \$3.8 billion.

In April 1995, the Company's wholly owned subsidiary, Boise Cascade Office Products Corporation ("BCOP"), completed the initial public offering of 10,637,500 shares of common stock at a price of \$12.50 per share. After the offering, the Company owned 82.7% of the outstanding BCOP common stock. The net proceeds of the offering to BCOP were approximately \$123 million, of which approximately \$102 million was indirectly (through retention of accounts receivable and a small dividend payment) available to the company for general corporate purposes. The remainder of the proceeds was retained by BCOP for its general corporate purposes.

From the BCOP offering, the Company recorded a gain of approximately \$60 million or 98 cents per fully diluted share in the second quarter of 1995. In the third quarter of 1995, BCOP issued 890,610 shares of its stock to effect various acquisitions. As a result of these share issuances, the Company recorded a gain of \$6.2 million or 10 cents per fully diluted share. In 1996, BCOP issued 176,927 shares of its stock to effect various acquisitions and for stock options exercised; as a result of these share issuances, the Company recorded a gain of \$2.5 million or 5 cents per fully diluted share. In accordance with SFAS 109, Accounting for Income Taxes, income taxes were not provided on the gains. At September 30, 1996, the Company owned 81.2% of the outstanding BCOP common stock.

BCOP effected a two-for-one split of their common stock in the form of a 100% stock dividend on May 20, 1996, to shareholders of record at the close of business on May 6, 1996. All references to numbers of shares of common stock of BCOP and common stock prices have been adjusted to reflect the stock split.

In the second quarter of 1995, the Company provided \$32.5 million of income taxes, or 53 cents per fully diluted share, for the tax effect of the difference in the book and tax bases of its stock ownership in Rainy River, the Company's former Canadian subsidiary. Also in the second quarter of 1995, the Company established reserves for the write-down of certain assets in its paper and paper products segment to their net realizable value with a pretax

charge of \$19 million, or 19 cents per fully diluted share after taxes. The Company also added to its existing reserves \$5 million before taxes, or 5 cents per fully diluted share after taxes, for environmental and other contingencies.

The net effect of the gain on the issuance of BCOP stock, the tax provision for Rainy River, and the establishment of the above reserves increased net income \$18.8 million and fully diluted earnings per share 31 cents for the nine months ended September 30, 1995.

Operating income in the Company's paper and paper products segment was \$48.3 million for the first nine months of 1996, compared with \$394.3 million for the first nine months of 1995. Included in the 1995 operating income is a \$19 million reserve for the write-down of certain paper-related assets. Average prices for all of the Company's paper grades decreased sharply during the first nine months of 1996, compared with a year ago.

Paper segment manufacturing costs for the first nine months of 1996 were \$578 per ton compared with \$573 per ton in the comparison period. The increase was primarily due to higher fixed costs being spread over a smaller number of tons of paper produced, offset, in part, by lower variable wood costs.

Paper segment sales declined 24% to \$1.46 billion for the nine months ended September 30, 1996, compared with sales of \$1.93 billion for the nine months ended September 30, 1995. Sales volumes for the first nine months of 1996 were 1,987,000 tons, compared with 2,207,000 tons for the first nine months of 1995.

Office products segment income for the first nine months of 1996 was \$74.5 million compared with \$47.4 million reported for the first nine months of 1995. Office products segment sales were up 52% to \$1.43 billion for the first nine months of 1996, compared with \$941.0 million for the first nine months of 1995. The growth in sales resulted from increased accounts at both the national and local level, continued growth in BCOP's direct marketing business, product line extensions, and acquisitions. Same location sales increased 14%. Gross margins increased to 26.2% in the first nine months of 1996, from 25.0% in 1995. The increase in gross margins was primarily the result of improved margins in office papers.

Operating income for the Company's Building Products segment dropped from \$75.9 million reported in the first nine months of 1995 to \$20.1 million in the first nine months of 1996. The decrease was mainly due to lower prices for plywood and residual wood chips. Segment sales decreased 2% in the first nine months of 1996 to \$1.19 billion from \$1.21 billion in the first nine months of 1995. Plywood sales volumes were up 2% while lumber sales were down 3% compared to those of the same period last year. Building materials distribution sales were up 16%, while income was up 19%. The improvement resulted primarily from the addition of three new distribution centers purchased in 1996 and an increase in housing starts.

Total long- and short-term debt outstanding was \$2.1 billion at September 30, 1996, compared with \$1.6 billion at December 31, 1995. The increase was primarily the result of \$95 million of long-term borrowings by the Company's majority-owned subsidiary, Boise Cascade Office Products, and \$277 million of long-term debt outstanding under a loan agreement between a group of banks and a wholly owned subsidiary.

Financial Condition

At September 30, 1996, the Company had working capital of \$408.1 million. Working capital was \$303.6 million at September 30, 1995, and \$543.3 million at December 31, 1995. Cash provided by operations was \$134.7 million for the first nine months of 1996, compared with \$475.4 million for the same period in 1995.

The Company's revolving credit agreement requires the Company to maintain a minimum amount of net worth and not to exceed a maximum ratio of debt to net worth. The Company's net worth at September 30, 1996, exceeded the defined minimum amount by \$121 million. The payment of dividends by the Company is dependent upon the existence of and the amount of net worth in excess of the defined minimum under this agreement. The Company is also required to maintain a defined minimum interest coverage in each successive four-quarter period. The Company met this requirement at September 30, 1996. In July 1996, Moody's Investors Service (Moody's) announced that it had placed the credit ratings of the Company under review for possible downgrade. On September 30, 1996, Moody's, as well as Standard and Poor's, confirmed the Company's current investment grade debt ratings.

Capital expenditures for the first nine months of 1996 and 1995 were \$662.6 million and \$232.7 million. Capital expenditures for the year ended December 31, 1995, were \$427.5 million. The increase in capital expenditures

is primarily due to acquisitions by the Company's majority-owned subsidiary, Boise Cascade Office Products Corporation, and capital spending related to the Jackson, Alabama, paper mill expansion.

On October 16, 1995, the Company announced its intent to form a joint venture with Companhia Suzano de Papel e Celulose ("Suzano"), a Brazilian pulp and paper producer, to acquire, operate, and expand the Company's pulp and paper mill, timberlands, sawmill, and wastepaper recycling plant in Jackson, Alabama. In April 1996, the Company announced that it had discontinued talks with Suzano regarding formation of the joint venture. Regardless, the Company will complete the expansion of the mill, including construction of a new uncoated free sheet paper machine, which represents a \$290 million capital investment. The new paper machine should begin production in the second quarter of 1997.

On November 1, 1996, the Company completed the sale of its coated publication paper operations, consisting primarily of its pulp and paper mill in Rumford, Maine, and 667,000 acres of timberland, to The Mead Corporation for approximately \$637 million in cash. Sales for the nine months ended September 30, 1996, were \$279 million, compared with \$411 million in the same period of the prior year. Sales for the year ended December 31, 1995, were \$526 million. Operating income for the nine months ended September 30, 1996 and 1995, was \$31 million and \$108 million, and \$137 million for the year ended December 31, 1995. After payment of certain related tax indemnification requirements, the net cash proceeds from the sale will be used to reduce debt and to improve the competitive position of the Company's remaining paper business, representing a potential decrease in what annual interest expense would otherwise be of more than \$40 million. The transaction resulted in a pretax gain of approximately \$40 million, which was offset, in part, by approximately \$15 million of pretax expense arising from the related tax indemnification requirements. The gain will be recorded in the fourth quarter of 1996. (See "Item 5. Other Information" for pro forma data.)

An expanded discussion and analysis of financial condition is presented on pages 18 and 19 of the Company's 1995 Annual Report under the captions "Financial Condition" and "Capital Investment."

Market Conditions

The Company expects its paper business to remain sluggish until market conditions improve further. The Company's office products distribution business is expected to show higher operating income and the building products business is likely to weaken seasonally in the fourth quarter.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1996, for information concerning certain legal proceedings.

As reported in the Company's annual report on Form 10-K for the year ended December 31, 1995, the Company has been notified that it is a "potentially responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or similar federal and state laws with respect to a number of sites where hazardous substances or other contaminants are located. In 1993, the Company filed a lawsuit in State District Court in Boise, Idaho, against its current and previous insurance carriers seeking insurance coverage for response costs the Company has incurred or may incur at these sites. The Company has settled with all carriers except the insolvent London market carriers, where settlement negotiations are underway. The Company anticipates dismissing this case when outstanding settlement proceeds have been received. In the meantime, the court is holding the case in abeyance. The Company cannot predict with certainty the total response and remedial costs, the Company's share of the total costs, the extent to which contributions will be available from other parties, or the amount of time necessary to complete the cleanups. However, based on the Company's investigations, the Company's experience with respect to cleanup of hazardous substances, the fact that expenditures will, in many cases, be incurred over extended periods of time, and the number of solvent potentially responsible parties, the Company does not presently believe that the known actual and potential response costs will, in the aggregate, have a material adverse effect on its financial condition or the results of operations.

The Company is involved in other litigation and administrative proceedings primarily arising in the normal course of its business. In the opinion of management, the Company's recovery, if any, or the Company's liability, if any, under any pending litigation or administrative proceedings, including that described in the preceding paragraph, would not materially affect its financial condition or operations.

Item 2. Changes in Securities

The payment of dividends by the Company is dependent upon the existence of and the amount of net worth in excess of the defined minimum under the Company's revolving credit agreement. At September 30, 1996, under this agreement, the Company's net worth exceeded the defined minimum amount by \$121 million.

Item 3. Defaults Upon Senior Securities

Not applicable.

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

Not applicable.

Item 5. Other Information

Pro Forma Information

The following unaudited pro forma consolidated condensed balance sheet as of September 30, 1996, and the unaudited pro forma consolidated statements of income for the nine months ended September 30, 1996, and the twelve months ended December 31, 1995, give effect to the following transaction:

On November 1, 1996, the Company completed the sale of its coated publication paper operations, consisting primarily of its pulp and paper mill in Rumford, Maine, and 667,000 acres of timberland, to The Mead Corporation for approximately \$637 million in cash (the "Sale"). After payment of certain related tax indemnification requirements, the net cash proceeds are assumed in these pro forma statements to be used to reduce the Company's debt. The transaction resulted in a pretax gain of approximately \$40 million, which was offset, in part, by approximately \$15 million of pretax expense arising from the related tax indemnification requirements. The unaudited pro forma consolidated income statements presented do not include the nonrecurring effect of the gain from the Sale.

The unaudited pro forma consolidated financial information is presented as if these transactions had been completed as of September 30, 1996, for the pro forma consolidated condensed balance sheet and as of the first day of each period for which pro forma consolidated statements of income are presented. Amounts shown are based on preliminary closing information and may change subject to purchase price adjustments. Any adjustments are not expected to be significant to the pro forma financial position or pro forma results of operations shown in this pro forma consolidated financial information. The unaudited pro forma consolidated financial statements do not necessarily represent the consolidated financial position and results of operations that actually would have occurred for the periods presented if the Company had completed the transaction on the date indicated and are not necessarily indicative of the results of future operations.

Boise Cascade Corporation and Subsidiaries
Pro Forma Balance Sheet
September 30, 1996
(expressed in thousands)
(unaudited)

	Historical Boise Cascade Corporation and Subsidiaries (Note 1)	Coated Publication Paper Operations Increase (decrease) (Notes 1 and 2(a))	Pro Forma Adjustments (decrease) (Note 2)	Pro Forma Boise Cascade Corporation and Subsidiaries
ASSETS				
Current				
Cash and cash items	\$ 55,945	\$ -	\$ -	\$ 55,945
Short-term investments	2,233	-	-	2,233
	<u>58,178</u>	<u>-</u>	<u>-</u>	<u>58,178</u>
Receivables, net	522,887	(41,459)	-	481,428
Inventories	581,088	(77,785)	-	503,303
Deferred income tax benefits	58,705	-	-	58,705
Other	131,393	(2,972)	(26,295) (b)	102,126
	<u>1,352,251</u>	<u>(122,216)</u>	<u>(26,295)</u>	<u>1,203,740</u>
Property				
Property and equipment	5,209,187	(887,520)	-	4,321,667
Accumulated depreciation	(2,273,006)	(463,985)	-	(1,809,021)
	<u>2,936,181</u>	<u>(423,535)</u>	<u>-</u>	<u>2,512,646</u>
Timber, timberlands, and timber deposits	371,901	(71,222)	-	300,679
	<u>3,308,082</u>	<u>(494,757)</u>	<u>-</u>	<u>2,813,325</u>
Investments in equity affiliates	38,607	(19,829)	-	18,778
Other assets	445,047	(1,720)	-	443,327
	<u>38,607</u>	<u>(19,829)</u>	<u>-</u>	<u>18,778</u>
	<u>445,047</u>	<u>(1,720)</u>	<u>-</u>	<u>443,327</u>
Total assets	\$5,143,987	\$ (638,522)	\$ (26,295)	\$4,479,170
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Notes payable	\$ 94,300	\$ -	\$ (57,000) (c)	\$ 37,300
Current portion of long-term debt	107,427	-	-	107,427
Accounts payable	424,871	(20,302)	-	404,569
Accrued liabilities	317,541	(21,530)	19,541 (b)	315,552
	<u>944,139</u>	<u>(41,832)</u>	<u>(37,459)</u>	<u>864,848</u>
Debt				
Long-term debt, less current portion	1,734,923	-	(563,703) (c)	1,171,220
Guarantee of ESOP debt	210,453	-	-	210,453
	<u>1,945,376</u>	<u>-</u>	<u>(563,703)</u>	<u>1,381,673</u>
Other				
Deferred income taxes	270,558	-	(36,471) (b)	234,087
Other long-term liabilities	238,530	-	-	238,530
	<u>509,088</u>	<u>-</u>	<u>(36,471)</u>	<u>472,617</u>
Minority interest	76,481	-	-	76,481
Shareholders' equity				
Preferred stock	556,388	-	-	556,388
Deferred ESOP benefit	(210,453)	-	-	(210,453)
Common stock	121,172	-	-	121,172
Additional paid-in capital	230,655	-	-	230,655
Retained earnings	971,141	-	14,648 (d)	985,789
	<u>1,668,903</u>	<u>-</u>	<u>14,648</u>	<u>1,683,551</u>
Total liabilities and shareholders' equity	\$5,143,987	\$ (41,832)	\$ (622,985)	\$4,479,170

The accompanying notes are an integral part of this Pro Forma Financial Statement.

Boise Cascade Corporation and Subsidiaries
Pro Forma Statement of Income
Nine Months Ended September 30, 1996
(expressed in thousands, except earnings per share)
(unaudited)

	Historical Boise Cascade Corporation and Subsidiaries (Note 1)	Coated Publication Paper Operations Increase (decrease) (Notes 1 and 3(a))	Pro Forma Adjustments (decrease) (Note 3)	Pro Forma Boise Cascade Corporation and Subsidiaries
Revenues				
Sales	\$3,845,480	\$ (278,711)	\$ -	\$3,566,769
Other income, net	7,170	(168)	-	7,002
	<u>3,852,650</u>	<u>(278,879)</u>	<u>-</u>	<u>3,573,771</u>
Cost and expenses				
Materials, labor, and other operating expenses	3,145,020	(220,691)	-	2,924,329
Depreciation and cost of company timber harvested	174,160	(26,699)	-	147,461
Selling and administrative expenses	419,060	(3,602)	-	415,458
	<u>3,738,240</u>	<u>(250,992)</u>	<u>-</u>	<u>3,487,248</u>
Equity in net income (loss) of affiliates	2,800	(2,856)	-	(56)
Income from operations	<u>117,210</u>	<u>(30,743)</u>	<u>-</u>	<u>86,467</u>
Interest expense	(97,720)	-	(36,128) (b)	(61,592)
Interest income	1,130	-	-	1,130
Foreign exchange loss	(830)	-	-	(830)
Gain on subsidiary's issuance of stock	2,450	-	-	2,450
	<u>(94,970)</u>	<u>-</u>	<u>(36,128)</u>	<u>(58,842)</u>
Income before income taxes and minority interest	22,240	(30,743)	36,128	27,625
Income tax provision	7,720	-	2,100 (c)	9,820
Income before minority interest	<u>14,520</u>	<u>(30,743)</u>	<u>34,028</u>	<u>17,805</u>
Minority interest, net of income tax	(7,610)	-	-	(7,610)
Net income	<u>\$ 6,910</u>	<u>\$ (30,743)</u>	<u>\$ 34,028</u>	<u>\$ 10,195</u>
Primary net loss per share	\$ (.47)			\$ (.40)
Fully diluted net loss per share	\$ (.47)			\$ (.40)
Average primary common shares	48,211			48,211
Average fully diluted common shares	48,211			48,211

The accompanying notes are an integral part of this Pro Forma Financial Statement.

Boise Cascade Corporation and Subsidiaries
Pro Forma Statement of Income
Year Ended December 31, 1995
(expressed in thousands, except earnings per share)
(unaudited)

	Historical Boise Cascade Corporation and Subsidiaries (Note 1)	Coated Publication Paper Operations Increase (decrease) (Notes 1 and 3(a))	Pro Forma Adjustments (Note 3)	Pro Forma Boise Cascade Corporation and Subsidiaries
Revenues				
Sales	\$5,074,230	\$ (525,941)	\$ -	\$4,548,289
Other income (expense), net	(16,560)	(995)	-	(17,555)
	<u>5,057,670</u>	<u>(526,936)</u>	<u>-</u>	<u>4,530,734</u>
Cost and expenses				
Materials, labor, and other operating expenses	3,764,960	(349,211)	-	3,415,749
Depreciation and cost of company timber harvested	240,920	(40,852)	-	200,068
Selling and administrative expenses	436,260	(4,371)	-	431,889
	<u>4,442,140</u>	<u>(394,434)</u>	<u>-</u>	<u>4,047,706</u>
Equity in net income of affiliates	40,070	(4,110)	-	35,960
Income from operations	<u>655,600</u>	<u>(136,612)</u>	<u>-</u>	<u>518,988</u>
Interest expense	(135,130)	-	(48,170) (b)	(86,960)
Interest income	2,970	-	-	2,970
Foreign exchange loss	(300)	-	-	(300)
Gain on subsidiary's issuance of stock	66,270	-	-	66,270
	<u>(66,190)</u>	<u>-</u>	<u>(48,170)</u>	<u>(18,020)</u>
Income before income taxes and minority interest	589,410	(136,612)	48,170	500,968
Income tax provision	231,290	-	(34,492) (c)	196,798
Income before minority interest	<u>358,120</u>	<u>(136,612)</u>	<u>82,662</u>	<u>304,170</u>
Minority interest, net of income tax	(6,260)	-	-	(6,260)
Net income	<u>\$ 351,860</u>	<u>\$ (136,612)</u>	<u>\$ 82,662</u>	<u>\$ 297,910</u>
Primary net income per share	\$ 5.93			\$ 4.95
Fully diluted net income per share	\$ 5.39			\$ 4.51
Average primary common shares	55,028			55,028
Average fully diluted common shares	61,351			61,351

The accompanying notes are an integral part of this Pro Forma Financial Statement.

Boise Cascade Corporation
Notes to Pro Forma Financial Information
(unaudited)

1. Basis of Reporting

The following unaudited pro forma consolidated condensed balance sheet as of September 30, 1996, and the unaudited pro forma consolidated statements of income for the nine months ended September 30, 1996, and the twelve months ended December 31, 1995, give effect to the following transaction:

On November 1, 1996, the Company completed the sale of its coated publication paper operations, consisting primarily of its pulp and paper mill in Rumford, Maine, and 667,000 acres of timberland, to The Mead Corporation for approximately \$637 million in cash (the "Sale"). After payment of certain related tax indemnification requirements, the net cash proceeds are assumed in these pro forma statements to be used to reduce the Company's debt. The transaction resulted in a pretax gain of approximately \$40 million, which was offset, in part, by approximately \$15 million of pretax expense arising from the related tax indemnification requirements. The unaudited pro forma consolidated income statements presented do not include the nonrecurring effect of the gain from the Sale.

The unaudited pro forma consolidated financial information is presented as if these transactions had been completed as of September 30, 1996, for the pro forma consolidated condensed balance sheet and as of the first day of each period for which pro forma consolidated statements of income are presented. Amounts shown are based on preliminary closing information and may change subject to purchase price adjustments. Any adjustments are not expected to be significant to the pro forma financial position or pro forma results of operations shown in this pro forma consolidated financial information. The unaudited pro forma consolidated financial statements do not necessarily represent the consolidated financial position and results of operations that actually would have occurred for the periods presented if the Company had completed the transaction on the date indicated and are not necessarily indicative of the results of future operations.

2. Pro Forma Balance Sheet

The pro forma consolidated condensed balance sheet gives effect to the adjustments described below:

- (a) To delete the historical balances as of September 30, 1996, related to the Sale.
- (b) To record reclassifications from prepaid taxes and deferred taxes to current taxes payable to reflect the taxes to be paid resulting from the Sale.
- (c) To record the Company's use of net cash proceeds from the Sale to reduce notes payable and long-term debt.
- (d) To record the net gain related to the Sale.

3. Pro Forma Statements of Income

The pro forma consolidated statements of income give effect to the adjustments described below:

- (a) To delete the historical amounts for the periods presented related to the Sale.
- (b) To record the reduction in interest expense resulting from interest saved due to reducing debt by the amount of net cash proceeds received from the Sale.
- (c) To record the tax effects of the above adjustments.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

A list of the exhibits required to be filed as part of this report is set forth in the Index to Exhibits, which immediately precedes such exhibits and is incorporated herein by this reference.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed during the quarter ended September 30, 1996.

SIGNATURES

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

BOISE CASCADE CORPORATION

As Duly Authorized Officer and
Chief Accounting Officer:

/s/Tom E. Carlile

Tom E. Carlile
Vice President and Controller

Date: November 13, 1996

BOISE CASCADE CORPORATION
INDEX TO EXHIBITS
Filed With the Quarterly Report on Form 10-Q
for the Quarter Ended September 30, 1996

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10.1	1983 Board of Directors Deferred Compensation Plan, as amended through July 26, 1996	
10.2	1987 Board of Directors Deferred Compensation Plan, as amended through July 26, 1996	
10.3	1984 Key Executive Stock Option Plan and Form of Agreement, as amended through July 25, 1996	
10.4	Deferred Compensation and Benefits Trust, as amended and restated as of July 26, 1996	
12	Ratio of Earnings to Fixed Charges	
27	Financial Data Schedule	

ACQUISITION AGREEMENT

among

BOISE CASCADE CORPORATION,
a Delaware corporation

OXFORD PAPER COMPANY,
a Delaware corporation

and

MEAD OXFORD CORPORATION,
a Delaware corporation

THE MEAD CORPORATION,
an Ohio corporation

Dated September 28, 1996

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ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT ("Agreement") is made and entered into this 28th day of September, 1996, among BOISE CASCADE CORPORATION, a Delaware corporation ("Boise Cascade"), and OXFORD PAPER COMPANY, a Delaware corporation ("Oxford"), MEAD OXFORD CORPORATION, a Delaware corporation ("Purchaser"), and THE MEAD CORPORATION, an Ohio corporation ("Purchaser Parent").

The parties hereby agree as follows:

1. Definitions. For purposes of this Agreement, the terms identified in this Section 1 shall have the meanings assigned to them herein.

1.1 Accounts Receivable. The term "Accounts Receivable" shall mean the obligations to make payment to Boise Cascade or Oxford by all persons who have purchased products or services in the ordinary course of the operation of the Business prior to the Closing, including intercompany receivables, but excluding any such obligations which have been written off the books of Boise Cascade prior to Closing.

1.2 Androscoggin. The term "Androscoggin" shall mean the Androscoggin Reservoir Company, a Maine corporation.

1.3 Androscoggin Stock. The term "Androscoggin Stock" shall mean all shares of Androscoggin common stock par value \$100 per share, held by Boise Cascade, Oxford, or Rumford Falls as of the Closing.

1.4 Assets. The term "Assets" shall mean the Rumford Mill Assets, the Rumford Falls Stock, the Cogeneration Stock, and the Timberlands, collectively.

1.5 Assumed Liabilities. The term "Assumed Liabilities" shall mean all of the liabilities and obligations of Boise Cascade and Oxford relating to the Business which Purchaser has specifically agreed to assume pursuant to Section 5.1.

1.6 Balance Sheet Adjustment. The term "Balance Sheet Adjustment" shall have the meaning assigned to it in Section 3.2.

1.7 BCT Inc. The term "BCT Inc." means BCT Inc., a Delaware corporation, and a wholly owned subsidiary of Boise Cascade.

1.8 Boise Cascade. The term "Boise Cascade" shall mean Boise Cascade Corporation, a Delaware corporation.

1.9 Business. The term "Business" shall mean the ownership and management of timberlands in Maine, New Hampshire, and Vermont, the harvest, sale, and purchase of timber therefrom and from other timberlands in such geographic area, the production of pulp, paper, and electrical and steam power at the facility located in Rumford, Maine, and the sale of such goods and services locally and throughout the United States and in foreign countries. The Business is conducted by Boise Cascade and Oxford directly and through their subsidiaries and affiliates included in the definition of the term "Entities."

1.10 Cleanup. The term "Cleanup" means all actions, excluding asbestos abatement and PCB equipment removal, required to: (1) clean up, remove, treat, or remediate Hazardous Materials in the indoor or outdoor environment; (2) prevent the migration of Hazardous Materials so that they do not endanger or threaten to endanger public health or welfare or the indoor or outdoor environment; (3) perform preremedial studies and investigations and post-remedial monitoring and care; (4) respond to any government requests for information or documents in any way relating to cleanup, removal, treatment, or remediation or potential cleanup, removal, treatment, or remediation of Hazardous Materials in the indoor or outdoor environment; or (5) perform any other remediation activities required by a governmental order issued in connection with any Release of Hazardous Materials.

1.11 Closing. The term "Closing" shall mean the simultaneous conveyance by Boise Cascade and Oxford of the Assets

to Purchaser and the payment by Purchaser of the Purchase Price to Boise Cascade. The Closing shall be held at the time, date, and location specified in Section 14 hereof and shall be deemed to occur as of 12:00 a.m. Eastern standard time on such date.

1.12 Closing Statement. The term "Closing Statement" shall mean the Preliminary and Final Closing Statements, collectively or singularly as the context may indicate.

1.13 Code. The term "Code" shall mean the Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder.

1.14 Cogeneration Facility. The term "Cogeneration Facility" shall mean the cogeneration facility operated by RCC.

1.15 Cogeneration Stock. The term "Cogeneration Stock" shall mean all of the issued and outstanding shares of Rumford Cogen common stock, no par value, as of Closing.

1.16 Collective Bargaining Agreements. The term "Collective Bargaining Agreements" shall mean all of the labor agreements applicable to employees employed in the Business. Such agreements are identified in Schedule 6.7 hereof.

1.17 Companies. The term "Companies" shall mean Rumford Falls and Rumford Cogen.

1.18 Contracts. The term "Contracts" shall mean all executory leases, licenses, contracts, and agreements of Boise Cascade and Oxford that have previously been entered into in the ordinary course of their conduct of, and are related to, the Business or are entered into after the date hereof in accordance with the terms of this Agreement. Boise Cascade's Multiple Mill Purchasing Agreements are excluded from the term "Contracts."

1.19 Elections. The term "Elections" shall mean, with respect to Rumford Falls and Rumford Cogen, the election to be made by Purchaser, Boise Cascade, and Oxford pursuant to Section 338(h)(10) of the Code, as described in Section 12.1 hereof.

1.20 Employees. The term "Employees" shall mean all of the persons employed by Boise Cascade in its conduct of the Business as of Closing, including the sales force for the products produced at the Rumford Facility, whether or not such persons are actively at work at Closing and including, without limitation, persons on paid or unpaid leaves of absence, layoff, short-term disability, workers' compensation, or receiving accident and sickness benefits.

1.21 Entities. The term "Entities" shall mean, collectively, Boise Cascade, Oxford, Rumford Falls, Rumford Cogen, and RCC.

1.22 Environmental Laws. The term "Environmental Laws" shall mean any and all federal, state or local laws, statutes, ordinances, codes, rules, regulations, orders, decrees and directives imposing liability or standards of conduct for or relating to the protection of the environment, including, but not limited to, the following statutes as now written and amended, and as amended hereafter, including any and all regulations promulgated thereunder and any and all state counterparts: the Federal Water Pollution Control Act, 33 U.S.C. Section 1251, et seq. the Oil Pollution Act, 33 U.S.C. Section 2701, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Solid Waste Disposal Act, 42 U.S.C. Section 6901, et seq., the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001, et seq., and the Safe Drinking Water Act, 42 U.S.C. Section 300f, et seq.

1.23 Environmental Liabilities and Costs. The term "Environmental Liabilities and Costs" means all costs of Cleanup, all fines and penalties, and the cost of defending, settling, or otherwise disposing of any claim by a third party for injury to or death of any person or damage to property resulting from any Release of Hazardous Materials into the indoor or outdoor environment as a result of the ownership or operation of the Assets during the Operating Period.

1.24 Equipment. The term "Equipment" shall mean (i) all of the computer hardware and software owned by Boise Cascade or Oxford and located at the Rumford Facility or any of the Leased Facilities and (ii) all other machinery, equipment, and similar items of tangible personal property which are (in either case) owned by Boise Cascade or Oxford and used or held for use primarily in the operation of the Business, including, without limitation, all removable trade fixtures and leasehold improvements, construction in progress, furniture and furnishings, office machinery and equipment, tools, plant and warehouse machinery and equipment, rolling stock, delivery, and other vehicles, and similar items located at the Facilities, excluding, however, the Excluded Assets.

1.25 Excluded Assets. The term "Excluded Assets" shall mean (i) any asset described in Schedule 1.25 hereof or otherwise specifically referred to herein as an Excluded Asset; or (ii) any other asset owned, leased or licensed by Boise Cascade which is not located at the Rumford Facility and/or Leased Facilities and whose use is not devoted primarily to the Rumford Facility or Leased Facilities. Any asset listed in Schedule 1.25 shall be an Excluded Asset notwithstanding the fact that it may be included in the definition of any of the classes of Assets described herein.

1.26 Facility. The term "Facility" shall mean any plant, warehouse, sales office, or other site of a Business operation and may be preceded by the name of the community in which the operation is located (e.g., Rumford Facility).

1.27 Facility Leases. The term "Facility Leases" shall mean the leases identified in Part I of Schedule 1.27 hereof.

1.28 Final Balance Sheet. The term "Final Balance Sheet" means the balance sheet that shall reflect, as of the Closing, all assets owned by Boise Cascade, Oxford, Rumford Falls, and Rumford Cogen and used by them primarily in the conduct of the Business, and all undischarged liabilities incurred by Boise Cascade, Oxford, Rumford Falls, and Rumford Cogen in the conduct of the Business, stated on a consolidated basis, exclusive of (i) any Excluded Assets; and (ii) any liabilities of Boise Cascade or Oxford not constituting Assumed Liabilities. The Final Balance Sheet shall be based on the books and records of the Business and shall be prepared on a basis consistent with the Historical Balance Sheet utilizing Historical Accounting Procedures, except for the adjustments reflected in Schedule 1.33. Such books and records shall not include (i) entries for specific assets and liabilities of RCC, which are accounted for on an equity basis pursuant to Historical Accounting Procedures, (ii) entries for Androscoggin and Gulf Island, which are accounted for on a historical cost basis, or (iii) any obligations for borrowed money incurred by Boise Cascade or any of its subsidiaries or affiliates to finance the acquisition of any of the assets recorded on the books and records of the Business.

1.29 Final Closing Statement. The term "Final Closing Statement" shall mean the document bearing that name to be prepared pursuant to Section 4.2.1 hereof by Boise Cascade from the books and records of the Business as of Closing. It shall be prepared in accordance with the Historical Accounting Procedures used in the preparation of the Historical Balance Sheet, provided, however, that the Final Closing Statement shall not include (i) any liabilities not assumed by Purchaser pursuant to Section 5.1 hereof; (ii) the liabilities set forth in Schedule 5.3; and (iii) the Excluded Assets.

1.30 Gulf Island. The term "Gulf Island" shall mean Gulf Island Pond Oxygenation Project, a general partnership in which Boise Cascade holds a 30.5% equity interest.

1.31 Hazardous Materials. The term "Hazardous Material" shall mean (a) any "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601(14), et seq.), as amended, and the regulations promulgated thereto ("CERCLA"), or any similar state law; (b) any petroleum, including crude oil or any extraction thereof; (c) natural gas liquids or liquefied natural gas; and (d) any asbestos, polychlorinated biphenyl ("PCB") or any material or thing containing such substance in a

concentration which makes its disposal or release subject to regulatory control.

1.32 Historical Accounting Procedures. The term "Historical Accounting Procedures" means the accounting policies and procedures in use by Boise Cascade in respect of the Business on June 30, 1996, except that no cash (other than a petty cash account if it is less than \$500) will be included in any balance sheet. Such procedures are those used to prepare the divisional financial statements that are combined to prepare the audited, consolidated financial statements of Boise Cascade.

1.33 Historical Balance Sheet. The term "Historical Balance Sheet" shall mean the internally prepared June 30, 1996, balance sheet for the Business, which includes the assets and liabilities of Rumford Cogen and Rumford Falls on a consolidated basis, and is attached as Schedule 1.33 hereto.

1.34 Industrial Revenue Bonds. The term "Industrial Revenue Bonds" means the financings described in Schedule 1.34.

1.35 Intangible Rights. The term "Intangible Rights" shall mean the various registered copyrights, patents, trademarks, service marks and applications therefor listed in Schedule 1.35, licenses with respect to any of the foregoing, trade secrets, proprietary manufacturing information and know-how and customer and supplier lists with respect to the Business and the goodwill associated with any of the foregoing and all other similar intangible rights of any form or nature which are owned by Boise Cascade or Oxford and used by them exclusively in their conduct of the Business but excluding the Excluded Assets.

1.36 Inventory. The term "Inventory" shall mean all inventories of raw materials, logs, wood chips, chemicals, resin, strapping, dies, tools, pallets, paper stock, inks, spare parts, operating and office supplies, shipping supplies, gasoline, diesel, and other fuel supplies, miscellaneous supplies and materials owned by Boise Cascade or Oxford and used in the Business and either on hand at the Facilities, at offsite public warehouses, or in transit thereto as of Closing; and all work in process and finished goods not yet sold which are owned by Boise Cascade or which were delivered by Boise Cascade in the ordinary course of its conduct of the Business pursuant to terms where title has not yet passed to the buyer thereof; together with any rights of Boise Cascade to the warranties, if any, and to the extent assignable, received from manufacturers and sellers of the raw materials and rollstock, and any related claims, credits, right of recovery and set-off with respect thereto, but excluding finished goods inventory held by Boise Cascade at its regional service centers, none of which will be recorded on the Final Balance Sheet.

1.37 Joint Facility. The term "Joint Facility" means any Facility set forth in Schedule 1.37.

1.38 Miscellaneous Assets. The term "Miscellaneous Assets" shall mean all of the assets, properties, and rights of the Business, other than the Excluded Assets, of every kind and description, real or personal, tangible or intangible, whether or not fully depreciated, capitalized or expensed, to the extent such assets are (i) presently used primarily in the Business, or subsequently acquired for use in the conduct of the Business prior to Closing, (ii) either located at the Facilities, in the process of being delivered to the Facilities as of Closing, or reserved primarily for use at the Facilities, (iii) not within the definition of Realty, Facilities, Equipment, Inventory, Spare Parts, Contracts, Collective Bargaining Agreements, Intangible Rights, Accounts Receivable, or Excluded Assets, and (iv) owned by Boise Cascade or Oxford as of Closing.

1.39 Multiple Mill Purchasing Agreements. The term "Multiple Mill Purchasing Agreements" means contracts covering goods or services that are applicable to the Business and at least one location outside of the Business, such as Boise Cascade's Corporate and Paper Division bulk purchasing or engineering services arrangements with third parties, which apply by their terms to multiple mills or facilities in addition to the Rumford Facility.

1.40 Net Book Value of the Business. The term "Net Book Value of the Business" means the amount by which assets

exceed liabilities as reflected on the Final Balance Sheet.

1.41 Oxford. The term "Oxford" shall mean Oxford Paper Company, a Delaware corporation, a wholly owned subsidiary of Boise Cascade.

1.42 Pre-Closing Period. The term "Pre-Closing Period" shall mean that portion of any Straddle Period that ends on the Closing date.

1.43 Preliminary Closing Statement. The term "Preliminary Closing Statement" shall mean the statement prepared by Boise Cascade for purposes of the Closing which shall include its best estimate of the Purchase Price. The Preliminary Closing Statement shall be in the form attached as Schedule 1.43 and shall be prepared in accordance with the Historical Accounting Procedures.

1.44 Purchase Price. The term "Purchase Price" shall have the meaning assigned to it in Section 3.1.

1.45 Purchaser. The term "Purchaser" shall mean Mead Oxford Corporation, a Delaware corporation.

1.46 Realty. The term "Realty" shall mean (i) the parcels of real property described in Schedule 1.46 hereof, together with all improvements located thereon and all rights appurtenant thereto, and (ii) any other real property owned by Boise Cascade or Oxford and utilized by either of them in the Business which are located in the states of Maine, Vermont, or New Hampshire. Timberlands are excluded from the definition of Realty. Specific pieces of real property may be referred to from time to time herein by a combination of the name of the community in which the real property is located and the term "Realty."

1.47 Release. The term "Release" means any release, spill, emission, discharge, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching, or migration into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Materials through or in the air, soil, surface water, groundwater, or property, but excluding any such Release by a third party originating on property adjoining or in the vicinity of Realty or Timberlands.

1.48 RCC. The term "RCC" shall mean Rumford Cogeneration Company Limited Partnership, a Maine limited partnership.

1.49 Rumford Cogen. The term "Rumford Cogen" shall mean Rumford Cogeneration Inc., a Delaware corporation, a wholly owned subsidiary of Boise Cascade and the general partner of RCC.

1.50 Rumford Cogeneration Support Contracts. The term "Rumford Cogeneration Support Contracts" shall mean the contracts between RCC and Oxford or Boise Cascade listed in Schedule 1.50.

1.51 Rumford Falls. The term "Rumford Falls" shall mean Rumford Falls Power Company, a Maine corporation, a wholly owned subsidiary of Oxford.

1.52 Rumford Falls Stock. The term "Rumford Falls Stock" shall mean all of the issued and outstanding shares of Rumford Falls common stock, par value of \$100 per share, as of the Closing.

1.53 Rumford Mill Assets. The term "Rumford Mill Assets" shall mean the Accounts Receivable, Contracts, Collective Bargaining Agreements, Equipment, Facility Leases, Inventory, Miscellaneous Assets, Realty, Spare Parts, and Intangible Rights, but excluding the Excluded Assets.

1.54 Shares. The term "Shares" shall mean the Rumford Falls Stock and the Cogeneration Stock.

1.55 Spare Parts. The term "Spare Parts" shall mean (i) all spare parts owned by Boise Cascade or Oxford and either located at the Facilities or reserved primarily for use at the Facilities, and (ii) all spare parts installed on the Equipment and currently being amortized.

1.56 Straddle Period. The term "Straddle Period" shall mean any taxable period that begins before and ends after the Closing date.

1.57 Straddle Period Return. The term "Straddle Period Return" shall mean any Tax Return for a Straddle Period.

1.58 Taxes. The term "Taxes" shall mean all taxes, levies, or other like assessments, charges, or fees (including estimated taxes, charges, and fees), including, without limitation, income, corporation, add-on minimum, ad valorem, advance corporation, gross receipts, transfer, excise, property, sales, use, value-added, license, payroll, employment, severance, pay as you earn ("PAYE"), withholding on amounts paid by or to the relevant party, social security, and franchise or other governmental taxes or charges imposed by the United States or any state, county, local, or foreign government or subdivision or agency thereof; and such term shall include any interest, penalties, or additions to tax attributable to such taxes.

1.59 Tax Returns. The term "Tax Returns" shall mean any report, return, or other information, including, without limitation, property tax bills, filed, or required to be filed, with any taxing authority with respect to Taxes.

1.60 Timberlands. The term "Timberlands" shall mean all of the timberlands in the states of Maine, Vermont, and New Hampshire owned by Boise Cascade or Oxford as further described in summary fashion in Schedule 1.60 hereof.

1.61 Trucking Terminal Assets. The term "Trucking Terminal Assets" shall mean those trucks, trailers, and related assets owned by Boise Cascade or BCT Inc. located at the Rumford Facility which are used in the conduct of the Business and are not recorded on the Historical Balance Sheet.

1.62 Additional Terms. The following terms have the meaning set forth in the following sections.

Accounting Records. The term "Accounting Records" shall have the meaning set forth in Section 19.12.

Adjustment Report. The term "Adjustment Report" shall have the meaning set forth in Section 4.2.2.

Agreement. The term "Agreement" shall have the meaning set forth in the recitals.

Allocation. The term "Allocation" shall have the meaning set forth in Section 3.4.

Boise Cascade Preliminary Tax Payment. The term "Boise Cascade Preliminary Tax Payment" shall have the meaning set forth in Section 12.2.3.

Claims. The term "Claims" shall have the meaning set forth in Section 19.3.

CO. The term "CO" shall have the meaning set forth in Section 6.9.4.

COBRA. The term "COBRA" shall have the meaning set forth in Section 11.4.3.

Employee Benefit Plans. The term "Employee Benefit Plans" shall have the meaning set forth in Section 6.16.

Environmental Assessment. The term "Environmental Assessment" shall have the meaning set forth in Section 6.17.10.

ERISA. The term "ERISA" shall have the meaning set forth in Section 6.16.

FERC. The term "FERC" shall have the meaning set forth in Section 6.18.1.

Final Determination. The term "Final Determination" shall have the meaning set forth in Section 4.2.1.

Final Purchase Date. The term "Final Purchase

Date" shall have the meaning set forth in Section 4.2.4.

Flex Plans. The term "Flex Plans" shall have the meaning set forth in Section 11.7.

FPA. The term "FPA" shall have the meaning set forth in Section 6.18.1.

GAAP. The term "GAAP" shall have the meaning set forth in Section 6.3.2.

Gain Sharing Plan. The term "Gain Sharing Plan" shall have the meaning set forth in Section 11.8.

HSR Act. The term "HSR Act" shall have the meaning set forth in Section 9.5.

Indemnified Party. The term "Indemnified Party" shall have the meaning set forth in Section 19.7.

Indemnifying Party. The term "Indemnifying Party" shall have the meaning set forth in Section 19.7.

Independent Accountants. The term "Independent Accountants" shall have the meaning set forth in Section 4.2.3.

Issuer. The term "Issuer" shall have the meaning set forth in Section 5.1.4.

Large Cleanup. The term "Large Cleanup" shall have the meaning set forth in Section 19.8.

Liabilities. The term "Liabilities" shall have the meaning set forth in Section 6.13.

LIBOR Rate. The term "LIBOR Rate" shall have the meaning set forth in Section 4.2.5.

Loan Agreement. The term "Loan Agreement" shall have the meaning set forth in Section 5.1.4.

Modified Aggregate Deemed Sale Price. The term "Modified Aggregate Deemed Sale Price" shall have the meaning set forth in Section 12.1.2.

Negative Balance Sheet Adjustment. The term "Negative Balance Sheet Adjustment" shall have the meaning set forth in Section 3.2.

New Plans. The term "New Plans" shall have the meaning set forth in Section 11.7.

Operating Period. The term "Operating Period" shall have the meaning set forth in Section 6.17.1.

Permitted Encumbrances. The term "Permitted Encumbrances" shall have the meaning set forth in Section 8.3.

Phase I Environmental Assessment. The term "Phase I Environmental Assessment" shall have the meaning set forth in Section 6.17.10.

Phase II Environmental Assessment. The term "Phase II Environmental Assessment" shall have the meaning set forth in Section 6.17.10.

Positive Balance Sheet Adjustment. The term "Positive Balance Sheet Adjustment" shall have the meaning set forth in Section 3.2.

Pre-Closing Returns. The term "Pre-Closing Returns" shall have the meaning set forth in Section 12.2.1.

Preliminary Payment. The term "Preliminary Payment" shall have the meaning set forth in Section 4.1.

PUHCA. The term "PUHCA" shall have the meaning set forth in Section 6.18.1.

Records. The term "Records" shall have the meaning set forth in Section 19.12.

Reserved Identification. The term "Reserved Identification" shall have the meaning set forth in Section 21.

Service. The term "Service" shall have the meaning set forth in Section 11.2.

Settlement Date. The term "Settlement Date" shall have the meaning set forth in Section 4.2.4.

Site. The term "Site" shall have the meaning set forth in Section 6.17.4.

Tax Claim. The term "Tax Claim" shall have the meaning set forth in Section 12.5.1.

Tax Indemnification Obligation. The term "Tax Indemnification Obligation" shall have the meaning set forth in Section 12.2.3.

Tax Indemnified Party. The term "Tax Indemnified Party" shall have the meaning set forth in Section 12.5.1.

Tax Indemnifying Party. The term "Tax Indemnifying Party" shall have the meaning set forth in Section 12.5.1.

Transfer Taxes. The term "Transfer Taxes" shall have the meaning set forth in Section 12.3.

Transferred Employees. The term "Transferred Employees" shall have the meaning set forth in Section 11.2.

Transferred Hourly Employees. The term "Transferred Hourly Employees" shall have the meaning set forth in Section 11.2.

Transferred Salaried Employees. The term "Transferred Salaried Employees" shall have the meaning set forth in Section 11.2.

Underground Storage Tanks. The term "Underground Storage Tanks" shall have the meaning set forth in Section 6.17.5.

WARN Act. The term "WARN Act" shall have the meaning set forth in Section 6.14.1.

2. Purchase and Sale. At the Closing, Boise Cascade and Oxford shall sell and convey to Purchaser, and Purchaser shall purchase and accept the Assets from Boise Cascade and Oxford. Also at the Closing, Purchaser shall assume the Assumed Liabilities.

3. Purchase Price.

3.1 Purchase Price. The purchase price for the Assets shall be the sum of US\$643,604,000, adjusted by adding thereto any Positive Balance Sheet Adjustment or subtracting therefrom any Negative Balance Sheet Adjustment determined pursuant to Section 3.2 hereof. Such amount, as further adjusted pursuant to Section 3.3 hereof, shall be referred to herein as the "Purchase Price."

3.2 Balance Sheet Adjustment Determination. The "Balance Sheet Adjustment" shall be equal to the amount by which the Net Book Value of the Business exceeds US\$603,291,000 (a "Positive Balance Sheet Adjustment") or is less than US\$603,291,000 (a "Negative Balance Sheet Adjustment").

3.3 Purchase Price Adjustments. The Purchase Price shall be subject to the following additional adjustments:

3.3.1 The Purchase Price shall be increased or decreased, as appropriate, by an amount equal to any amounts either to be received or paid out under any Contracts or Facility Leases, or related to any real or personal property taxes and other continuing periodic expenses of the Business which shall be prorated as of the Closing except to the extent such prorations are reflected in the Closing Statements. For example, if Boise Cascade shall have paid expenses which also covered periods after

the Closing, the Purchase Price shall be increased by the amount of the prorated portion of such prepaid expenses relating to the post-Closing period, except to the extent that such prepayment is reflected as an asset on the Final Balance Sheet. Similarly, if certain payments, such as real estate taxes, are to be paid in arrears following the Closing, but also cover periods prior to the Closing, the Purchase Price shall be reduced by the prorated amount reflecting the pre-Closing period, except to the extent that any such amounts are reflected as a liability on the Final Balance Sheet.

3.3.2 The Purchase Price shall be increased or decreased by the adjustment provided for in Section 11.7.

3.3.3 The Purchase Price shall be increased or decreased to reflect the obligations of the parties under Section 4.3 herein.

3.4 Allocation of Purchase Price. Purchaser shall prepare, and Purchaser, Boise Cascade, and Oxford shall agree to, the allocation of the Purchase Price and the Assumed Liabilities (other than contingent liabilities) among the Assets to be purchased hereunder which allocation shall be finalized as soon as practicable after the Closing, but not later than six months after Closing, but shall be adjusted to take account of any post-closing purchase price adjustments (the "Allocation"). The Allocation shall be made in accordance with Section 1060 of the Code and applicable Treasury regulations. The Purchaser, Boise Cascade, and Oxford shall (i) be bound by the Allocation for purposes of determining any Taxes, (ii) prepare and file, and cause their affiliates to prepare and file, their Tax Returns on a basis consistent with the Allocation and (iii) take no position, and cause their affiliates to take no position, inconsistent with the Allocation on any applicable Tax Return, in any proceeding before any taxing authority or otherwise. In the event that the Allocation is disputed by any taxing authority, the party receiving notice of the dispute shall promptly notify the other party hereto concerning resolution of the dispute.

4. Terms of Payment.

4.1 Closing. At the Closing, Boise Cascade shall prepare and deliver to Purchaser the Preliminary Closing Statement showing the estimated Purchase Price based on the best information then available to Boise Cascade. At Closing, Purchaser shall pay the full amount of the Purchase Price to Boise Cascade by wire transfer of immediately available US funds to an account designated by Boise Cascade at least three business days prior to Closing. The amount so paid shall be referred to as the "Preliminary Payment".

4.2 Final Settlement.

4.2.1 Within 45 days after the Closing, Boise Cascade shall prepare and deliver to Purchaser a Final Balance Sheet and a final determination of the Purchase Price which shall be set forth on the Final Closing Statement ("Final Determination").

4.2.2 Purchaser shall have a period of 30 days to audit or review the Final Closing Statement, including the Final Balance Sheet upon which it is based, to determine that it has been prepared in accordance with the requirements of this Agreement. Boise Cascade shall make available its work papers, or the work papers of any accounting firm retained by Boise Cascade, for review and examination by Purchaser and its representatives. On or prior to the expiration of such 30 day period, Purchaser shall deliver to Boise Cascade either (i) the written acknowledgment of Purchaser's acceptance of the Final Closing Statement; or (ii) a written report setting forth any proposed adjustments thereto ("Adjustment Report"). A failure to make the delivery within such 30 day period shall constitute acceptance of the Final Closing Statement as delivered.

4.2.3 If Boise Cascade and Purchaser fail to agree on any of Purchaser's proposed adjustments to the Final Closing Statement contained in the Adjustment Report within 20 days after Purchaser delivers the Adjustment Report, then Boise Cascade and Purchaser mutually agree that their respective independent accountants shall jointly select an accountant from another of the "Big 6 Accounting Firms" ("Independent

Accountants"), who shall make the final determination with respect to the correctness of the proposed adjustments in the Adjustment Report based upon the terms and conditions of this Agreement after presentations made by Boise Cascade and Purchaser. The decision of the Independent Accountants shall be final and binding on Boise Cascade and Purchaser. The parties shall request that the Independent Accountants make a prompt determination and shall cooperate to achieve such a resolution. The costs and expenses of the Independent Accountants and their services rendered pursuant to this Section 4.2.3 shall be borne equally by Boise Cascade and Purchaser.

4.2.4 The date on which the Final Closing Statement is accepted by Purchaser, or on which all disputes in respect thereof are resolved, shall hereinafter be referred to as the "Settlement Date" and the amount so determined shall be referred to as the "Final Purchase Price."

4.2.5 In the event the Final Purchase Price is greater than the Preliminary Payment, then Purchaser shall pay to Boise Cascade within five days after the Settlement Date an aggregate amount equal to such excess plus interest thereon from the Closing at the per annum interest rate of one percent over one month LIBOR, as reported on Rueters screen on the Closing date and on each date thereafter on which a loan based on one month LIBOR would customarily be reset until such balance is paid in full (the "LIBOR Rate"). In the event the Final Purchase Price is less than the Preliminary Payment, Boise Cascade shall pay to Purchaser within five days after the Settlement Date an aggregate amount equal to such deficiency plus interest thereon from the Closing at the per annum interest rate of one percent over the LIBOR Rate.

4.3 Overaccruals, Property Taxes. Certain accrued liabilities for accrued real and personal property tax liabilities which will be assumed by Purchaser will be established by Boise Cascade using its past experience and best estimate of the actual liability. When those liabilities are finally determined, Purchaser shall notify Boise Cascade of the actual liability and provide such supporting documentation as may be reasonably required by Boise Cascade to establish the actual liability. To the extent the liability was over- (or under-) accrued, the parties shall promptly make the necessary adjusting payment, without interest.

5. Assumption of Liabilities.

5.1 Assumed Liabilities. At the Closing, Purchaser shall assume the following liabilities of Boise Cascade or Oxford, as the case may be:

5.1.1 All undischarged current liabilities and obligations of Boise Cascade and Oxford, which arose in the ordinary course of and are related to the operation of the Business prior to the Closing and which are recorded pursuant to Historical Accounting Procedures in the books and records of Boise Cascade for the Business at Closing but only to the extent of the dollar amount reflected therein;

5.1.2 All liabilities and obligations of Boise Cascade and Oxford arising from and after the Closing under the Contracts, Facility Leases, Rumford Cogeneration Support Contracts, and any permits or licenses included in the Assets, which are not required by the Historical Accounting Procedures to be recorded in the Closing Statements;

5.1.3 Liabilities and obligations relating to the employee benefit plans, workers' compensation, and Transferred Employees in accordance with, but only to the extent contemplated by, Sections 11.1 through 11.8 of this Agreement.

5.1.4 The obligations of Boise Cascade arising after Closing pursuant to Sections 5.7 and 5.8 (subject to Section 5.11) of the Loan Agreement dated as of June 1, 1990 ("Loan Agreement"), by and between the Finance Authority of Maine ("Issuer") and Boise Cascade, provided that at such time as Purchaser decides in its sole discretion to remove the equipment, which is subject to such covenants, from service or take any other actions prohibited by such sections of the Loan Agreement, it shall give Boise Cascade 90 days' prior written notice of any such removal or other actions, and Boise Cascade shall, prior to

the expiration of such notice period, procure for Purchaser the right to refrain from further performance of such covenants. Such action shall be taken by waiver or release by the Issuer of such covenants or, if necessary, prepayment of the bonds which are secured by a lien granted by the Issuer on said Loan Agreement.

5.2 Performance. Purchaser shall fully perform and discharge the Assumed Liabilities.

5.3 Nonassumption of Other Liabilities. Except as specifically set forth in Section 5.1 of this Agreement, Purchaser does not, and will not, be obligated to assume the Industrial Revenue Bond obligations (other than as provided in Section 5.1.4) or any other debt, obligation, liability, or duty of Boise Cascade or Oxford of any form or nature, absolute or contingent, known or unknown, whether incurred in connection with its operation of the Business or otherwise. Other than the specific obligations assumed by Purchaser pursuant to Section 5.1.4, Boise Cascade shall fully perform and discharge such Industrial Revenue Bonds and other obligations in accordance with their terms. Without limiting the foregoing, Purchaser shall not assume the liabilities set forth in Schedule 5.3.

5.4 Consents to Assignment. Boise Cascade and Purchaser shall use their best efforts and cooperate with each other to obtain any required consent to the assignment of the Contracts prior to the Closing. With respect to any Contracts other than those listed on Schedule 6.2.1, if Boise Cascade is unable to obtain consent to the assignment prior to Closing, the Contract in question shall be deemed an Excluded Asset and any obligation or liability arising therefrom shall be excluded from the Assumed Liabilities with an appropriate adjustment made to the Closing Statements in the amount, if any, recorded on the Closing Statements for such liability or asset. If any Contract so excluded is an obligation of Boise Cascade to sell product produced at the Rumford Facility, Purchaser shall enter into and perform a subcontract with Boise Cascade pursuant to which Purchaser will sell product to Boise Cascade on substantially the same terms as Boise Cascade is obligated to sell or perform under the excluded Contract. If any Contract so excluded is an obligation of Boise Cascade to purchase inventories of raw materials, Purchaser shall repurchase such inventories from Boise Cascade on substantially the same terms as Boise Cascade is obligated to purchase the inventories under the excluded Contract.

6. Representations and Warranties of Boise Cascade. Boise Cascade hereby represents and warrants to Purchaser as follows:

6.1 Organization and Standing. Boise Cascade is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and duly qualified, in good standing or licensed as a foreign corporation authorized to do business in all states in which any of its assets may be situated and where it is required to be so qualified in order to conduct the Business as a foreign corporation. Except for Oxford, Rumford Falls, RCC, Rumford Cogen, Androscoggin, and Gulf Island, Boise Cascade does not own, directly or indirectly, any capital stock of, or other equity interest in, any person or participate in any joint venture or similar arrangement with any person relating to the Business.

Oxford is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and duly qualified, in good standing or licensed as a foreign corporation authorized to do business in all states in which its ownership of any of its assets or its business activities require such qualification or license. Except for Rumford Falls and Androscoggin, Oxford does not, directly or indirectly, own any capital stock of, or other equity interest in, any person or participate in any joint venture or similar arrangement with any person relating to the Business.

Rumford Falls is a corporation duly organized, validly existing and in good standing under the laws of the state of Maine and duly qualified, in good standing or licensed as a foreign corporation authorized to do business in all states in which its ownership of any of its assets or its business activities require such qualification or license. Rumford Falls does not own any capital stock of, or other equity interest in,

any person or participate in any joint venture or similar arrangement with any person, except that it owns 25% of the equity of Androscoggin.

Rumford Cogen is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and duly qualified, in good standing or licensed as a foreign corporation authorized to do business in all states in which its ownership of any of its assets or its business activities require such qualification or license. Rumford Cogen does not own any capital stock of, or other equity interest in, any person or participate in any joint venture or similar arrangement with any person, except for a 30% interest as the general partner in RCC.

RCC is a limited partnership duly organized, validly existing, and in good standing under the laws of the state of Maine and duly qualified, in good standing or authorized to do business in all states in which its ownership of any of its assets or its business activities require such qualification or license.

None of the Entities is a "foreign person" within the meaning of Section 1445(b)(2) of the Code.

6.2 Authority. Boise Cascade and Oxford currently have, and have had at all relevant times, full corporate power and authority to execute and deliver this Agreement and all documents and instruments referred to herein or contemplated hereby and to carry out the terms and conditions hereof and thereof. Boise Cascade and Oxford have duly and lawfully taken all corporate action necessary to authorize the execution, delivery and performance of this Agreement and all documents and instruments related thereto. This Agreement has been duly executed and constitutes the valid and binding obligation of Boise Cascade and Oxford, enforceable in accordance with its terms and conditions except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).

6.2.1 No Default. None of the execution, delivery and performance of this Agreement by Boise Cascade or Oxford will constitute a violation of or a default under, or give rise to the acceleration of rights under, any mortgage, indenture, promissory note, contract, understanding, arrangement, or other agreement of any kind or character, to which Boise Cascade, Oxford, Rumford Cogen, Rumford Falls, or RCC is a party, or by which any of them is bound (except as set forth in Schedule 6.2.1 and further excepting any consents which, if not obtained, would not individually or in the aggregate have a material adverse effect on the Business), Boise Cascade's or Oxford's charter or bylaws, or any court injunction or decree or any valid and enforceable order of a governmental agency having jurisdiction over Boise Cascade or Oxford. Boise Cascade and Oxford will use their best efforts to obtain any required approval or consent of any federal, state, county, local or other governmental or regulatory body or any other person.

6.3 Financial.

6.3.1 Historical Balance Sheet. The Historical Balance Sheet was prepared from the books and records of the Business, and all such books and records were prepared and maintained in accordance with the Historical Accounting Procedures except for the adjustments disclosed in Schedule 1.33. The Historical Balance Sheet presents fairly in all material respects the financial position of such Business at June 30, 1996.

6.3.2 RCC. The financial statements of RCC, dated December 31, 1995, which have previously been provided to the Purchaser, have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved and fairly present in all material respects the financial position and results of operations and cash flows of RCC as at the date thereof and for the period presented therein. Since such date, there has been no material adverse change in its financial condition, operations or properties.

6.3.3 Absence of Certain Changes. Since July 1, 1996: (i) the Entities have conducted the operations of the Business only in the ordinary course consistent with past practice, (ii) there has not been a material adverse effect on the Assets, liabilities, or physical operations of the Business (other than as a result of changes in market conditions); and (iii) the Entities have not taken action that if taken after the date hereof would constitute a violation of Section 9.1 hereof.

6.4 Taxes.

6.4.1 Schedule 6.4.1 lists (i) all Tax Returns and the jurisdiction in which such Tax Returns are filed and (ii) all elections with respect to Taxes and any consents pursuant to section 341(f) of the Code filed by the Entities (excluding Boise Cascade) during 1995 relating to or attributable to the Companies, RCC, the Assets or the Business.

6.4.2 Except as otherwise set forth on Schedule 6.4.2:

(a) The Entities (excluding Boise Cascade) have or will have (i) timely filed, or caused to be filed on a timely basis, with the appropriate taxing authorities all Tax Returns required to be filed on or before the Closing with respect to or attributable to the Companies, the Assets, the Business or RCC and such Tax Returns are true, correct and complete in all material respects and (ii) paid, or caused to be paid, on a timely basis all Taxes due and payable or established adequate reserves in accordance with GAAP for the payment of all such Taxes.

(b) The Entities (excluding Boise Cascade) have not (i) received any notice of deficiency or assessment from any taxing authorities with respect to liability for Taxes of the Companies or otherwise attributable to or arising from the Assets, the Business or RCC that have not been fully paid or finally settled, (ii) requested an extension of time within which to file any Tax Return that has not since been filed, (iii) made any requests to any taxing authority for rulings or determinations with respect to any Taxes of the Companies or otherwise attributable to or relating to the Assets, the Business or RCC which is currently pending and (iv) granted any requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment of any Taxes with respect to any Tax Returns relating to or attributable to the Companies, the Assets, the Business or RCC which period (after giving effect to such extensions or waivers) has not expired.

(c) There are no ongoing audits or examinations of any of the Tax Returns relating to or attributable to the Companies, the Assets, the Business or RCC.

(d) None of the Entities (excluding Boise Cascade) has received any inquiry or claim from any taxing authority in a jurisdiction in which the Entities (excluding Boise Cascade) do not file Tax Returns which states that the Entities (excluding Boise Cascade) with respect to the Companies, the Assets, the Business, or RCC are or may be subject to taxation in such jurisdiction.

(e) There are no liens for Taxes upon any of the Assets or any of the other properties of the Business, the Companies or RCC other than liens for Taxes not yet due or payable.

(f) No taxing authority is now asserting or threatening to assert any deficiency or assessment for additional Taxes of any of the Entities (excluding Boise Cascade) or otherwise attributable to or relating to the Assets, the Business or RCC, and none of the Entities have knowledge of any facts that, if known to any taxing authority, would likely result in the issuance of a notice of proposed deficiency or similar notice of intention to assess Taxes of the Companies or otherwise relating to or attributable to the Assets, the Business or RCC.

(g) There has been no change in the method of accounting utilized with respect to RCC that would require any adjustment to taxable income pursuant to section 481 of the Code, and none of the Entities have knowledge that the Internal Revenue

Service has proposed any such adjustment or has proposed any such change in accounting method.

(h) Neither Rumford Falls nor Rumford Cogen is a party to any agreement providing for the allocation or apportionment of any liability for Taxes, payments of Taxes or Tax benefits or refunds.

(i) Neither Rumford Falls nor Rumford Cogen has been a member of any affiliated, consolidated, combined or unitary group other than one with respect to which Boise Cascade was the common parent since 1976.

(j) No power of attorney has been granted by the Entities (excluding Boise Cascade) to any party with respect to any Tax matter of or relating to the Companies, the Assets, the Business or RCC which is currently in force.

(k) The aggregate amount of Tax credits of Rumford Falls and Rumford Cogen does not exceed \$5 million.

(l) RCC has filed an election under section 754 of the Code to adjust the basis of RCC's property in the manner provided in section 734 (in the case of a distribution of property) and section 743 (in the case of a transfer of a partnership interest).

(m) None of the Entities has participated in or cooperated with an international boycott within the meaning of section 999 of the Code.

(n) Effective as of Closing, the Entities will not own any property that is or will be required to be treated as being owned by another person pursuant to the provisions of section 168(f)(8) of the Code (as in effect prior to the amendment by TEFRA of 1982).

(o) There have not been any transfers of any of the partnership interests in RCC within the twelve month period immediately preceding the date of this Agreement.

6.5 Compliance with Laws; Permits. Except as noted in Schedule 6.5, to the best of Boise Cascade and Oxford's knowledge after due inquiry of their key managers, the Business is being, and has been for the last three years, conducted in compliance in all material respects with all applicable federal, state or local laws, rules and regulations, and any court or administrative order. Boise Cascade has all federal, state, and local governmental licenses and permits required to conduct the Business in the manner in which it is presently conducted, except where the failure to have such licenses and permits will not have a material adverse effect on the operations or financial condition of the Business. Except for environmental permits (which are addressed in Section 6.17.7), Schedule 6.5 lists all licenses and permits material to the operation of the Business and, to the best knowledge of Boise Cascade, all such permits are valid and in full force and effect.

6.6 Litigation. Except as set forth on Schedule 6.6, there are no outstanding orders, judgments, injunctions, awards or decrees of any court, governmental or regulatory body or arbitration tribunal which affect the Assets or the operation of the Business. Schedule 6.6 sets forth all currently pending, or to Boise Cascade's knowledge after review with the key managers of the Business, threatened actions, investigations, suits, claims, legal, administrative and arbitral proceedings with respect to or arising out of the Assets or the Business.

6.7 Contracts and Agreements. Schedule 6.7 lists all of the following for the Entities:

6.7.1 The Collective Bargaining Agreements.

6.7.2 Contracts and other agreements (including accepted purchase orders) for the purchase or sale of product, materials, supplies, merchandise or services for use in the conduct of the Business except for those entered into in the ordinary course of business and (i) which have terms expiring in less than one year from the date of this Agreement; (ii) are cancelable on less than 61 days' notice without penalty, liability or premium; (iii) involve an amount of \$500,000 or

less; or (iv) provide for the supply of goods or services under Multiple Mill Purchase Agreements.

6.7.3 Railroad sidetrack agreements associated with the Rumford Facility.

6.7.4 Trucking, delivery and service agreements, including truck/trailer leases, or driver leases associated with the Business except for those terminable on less than 91 days' notice without penalty, liability or premium.

6.7.5 Contracts and other agreements for the sale of any of the Assets, except for those not required to be disclosed pursuant to Section 6.7.2 hereof, or for the grant to any person of any preferential rights to purchase any of the Assets.

6.7.6 Any joint development, joint venture or partnership agreements relating to the Business.

6.7.7 Contracts and other agreements containing covenants of any of the Entities not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with any of the Entities in any line of business or any geographic area which directly affect all or any portion of the Business, excluding any Employee Benefit Plan listed in Schedule 6.16.

6.7.8 Contracts and other agreements relating to the acquisition of any operating business or the capital stock of any other person, if such operating business or stock will become part of the Assets or the Business.

6.7.9 Options or contracts for the purchase of any fixed asset or real property for the Business, tangible or intangible, for a purchase price of more than \$250,000 per individual item or \$2,000,000 in the aggregate for all items, exclusive of the option held by Rumford Cogen to acquire, subject to certain conditions, the interests of the limited partners in RCC and the option held by RCC, subject to certain conditions, to acquire the stock of Rumford Falls.

6.7.10 Contracts and other agreements arising out of or related to the Business requiring the payment to or by any person of a royalty, license fee, know-how, or technical fee, or override or similar commission or fee.

6.7.11 Guarantees by any of the Entities of any obligation of any other person arising out of or related to the Business.

6.7.12 Construction agreements or equipment purchase orders or contracts relating to any capital improvements currently being made to the Assets requiring capital in excess of \$1,000,000 per individual contract, or \$5,000,000 in the aggregate, except in either case as set forth on capital plans previously delivered to Purchaser.

6.7.13 All employment agreements and all consulting agreements relating to the Business excluding consulting agreements terminable on 31 days' notice or less.

6.7.14 All leases for equipment or machinery used in the conduct of the Business, except those entered into in the ordinary course of business and (i) which have terms expiring less than one year from the date of this Agreement; (ii) are cancelable on less than 61 days' notice without penalty, liability or premium; or (iii) involve an amount of \$100,000 or less.

6.7.15 All sales agreements of the Business that have a remaining term of more than one year; and

6.7.16 All other contracts, agreements or commitments relating to the Business except for those entered into in the ordinary course of business and (i) which have terms expiring in less than one year from the date of this Agreement; (ii) are cancelable on less than 61 days' notice without penalty, liability or premium; or (iii) involve an amount of \$500,000 or less.

6.7.17 At least 30 days prior to Closing, Boise Cascade shall deliver or make available to Purchaser true and complete copies of all of the items set forth in Schedule 6.7. Except as set forth in Schedule 6.7.17, all of such contracts, agreements, leases, and other items are valid, subsisting, in full force and effect and binding upon the parties thereto in accordance with their terms, subject to the qualifications that enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditor's rights generally and by general principles of equity (whether applied in a proceeding at law or in equity) and that no representation is made as to the power or authority of the counterparty of each such contract to enter into and perform such contract in accordance with its terms. Boise Cascade or its relevant subsidiary has satisfied in full or provided for all of its liabilities and obligations thereunder requiring performance prior to the date hereof in all material respects, is not in default under any of them, nor does any condition exist that with notice or lapse of time or both would constitute such default.

6.8 Conditions of and Title to Personal Property.

6.8.1 Personal Property. Boise Cascade, Oxford, Rumford Cogen, and Rumford Falls have, and as of the Closing will have, good and marketable title to all of the personal property reflected in the Historical Balance Sheet or acquired after June 30, 1996 (except for personal property sold or otherwise disposed of after June 30, 1996), free and clear of all security interests, mortgages, pledges, liens, charges, and encumbrances of any nature whatsoever, except for minor imperfections of title, encumbrances, or liens as do not materially detract from or interfere with the present use of the property or otherwise materially impair the operation of the Business. THE BUILDINGS, MACHINERY, AND EQUIPMENT BEING SOLD PURSUANT TO THIS AGREEMENT (DIRECTLY AND BY VIRTUE OF TRANSFER OF THE STOCK OF RUMFORD FALLS AND RUMFORD COGEN AND INCLUDING, WITHOUT LIMITATION, THE ASSETS OF RCC), ARE BEING SOLD "AS IS," AND NEITHER BOISE CASCADE NOR OXFORD MAKES ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, WITH RESPECT TO ANY OF SUCH BUILDINGS, MACHINERY, AND EQUIPMENT, EXCEPT FOR THE WARRANTY OF TITLE HEREINABOVE SET FORTH. BOISE CASCADE AND PURCHASER REPRESENT THAT THEY ARE ENGAGED IN THE PAPER BUSINESS AT NUMEROUS LOCATIONS THROUGHOUT THE UNITED STATES AND ARE KNOWLEDGEABLE AND EXPERIENCED IN THAT BUSINESS.

6.8.2 RCC. RCC has, and as of the Closing will have, good and marketable title to all of the personal property reflected in its financial statements or acquired after the date thereof (except for personal property sold or otherwise disposed of since such date), free and clear of all security interests, mortgages, pledges, liens, charges, and encumbrances of any nature whatsoever, except for the mortgages and security interests granted by it to Bank of America, as agent for the financing provided at the time of its organization and for the mortgage and security interest granted by it to Central Maine Power Company in connection with its execution of a long-term agreement to sell the bulk of its power output to such firm and for minor imperfections of title, encumbrances, or liens as do not materially detract from or interfere with the present use of its assets or materially impair the operation of its portion of the Business.

6.8.3 Rumford Cogen. Rumford Cogen has no property or assets other than its general partnership interest in RCC and certain accounts receivable from Boise Cascade and has no material liabilities other than its obligations under RCC's partnership agreement and deferred tax liabilities. Upon consummation of the transactions contemplated by this Agreement, Purchaser will succeed to all of Boise Cascade's or Oxford's rights, powers, liabilities, and obligations with respect to RCC and the cogeneration project owned by RCC. Consummation of the transactions contemplated by this Agreement will not accelerate, augment or otherwise change the rights of any other party with respect to RCC, including the limited partners of RCC.

6.8.4 Inventory. That portion of the Inventory which is finished goods has been produced in the ordinary course of business and is of a quality salable in the ordinary course of business.

6.8.5 Accounts Receivable. The Accounts Receivable, all other receivables shown on the Historical Balance Sheet and all receivables acquired or generated by Boise Cascade and Oxford since June 30, 1996 (subject to reserves for noncollectibility as reflected in the Final Balance Sheet), are bona fide receivables and represent amounts due with respect to transactions entered into in the ordinary course of business. No such account has been assigned or pledged to any other person, firm or corporation and no defense or setoff to any such account has been asserted by the account obligor.

6.9 Real Property.

6.9.1 Schedule. Schedules 1.46 and 1.60 identify all the owned real property included in Realty and Timberlands. All acreages specified in such Schedules are approximately accurate.

6.9.2 No Assessments. Boise Cascade and Oxford have not received any written notice or communication advising them of any material general or special assessment relating to the Realty and/or Timberlands that is not fully paid or which is not disclosed in a schedule to this Agreement. To the knowledge of Boise Cascade and Oxford, there are no plans by any governmental authority which may result in the imposition of any special assessment relating to the Realty and/or Timberlands.

6.9.3 Ownership. Oxford and/or Boise Cascade has good, valid, marketable, and fee simple title to those portions of the Realty upon which the Rumford pulp and paper mill is located, free and clear of all security interests, liens, mortgages, encumbrances, and restrictions other than Permitted Encumbrances and encumbrances which will be extinguished prior to Closing. Boise Cascade and Oxford represent and warrant, and will convey to Purchaser, only such title to the Timberlands and the balance of the Realty as they received from their vendors, and they further represent and warrant that they have not done or suffered any security interests, liens, mortgages, encumbrances, and restrictions that will continue after Closing other than Permitted Encumbrances.

To the best knowledge of Boise Cascade, after due inquiry of the Rumford mill manager, there is no claim of any third party affecting the title to said portion of the Realty, or defect in the zoning thereof, which would materially impair the operation of the Business as it is currently conducted.

6.9.4 Use of the Real Properties. Boise Cascade and Oxford have used the Rumford Facility in conformity with any Certificate of Occupancy ("CO") issued for the Rumford Facility. No proceeding is currently pending or threatened regarding the revocation or limitation of any CO issued for the Rumford Facility, and to Boise Cascade's knowledge, there is no basis or grounds for any such revocation.

6.9.5 Access to the Real Properties. To the best of Boise Cascade and Oxford's knowledge after consultation with the Rumford mill manager, no fact or condition exists which would prohibit adequate rights of access to and from the Rumford Facility from and to public highways and roads, and Boise Cascade and Oxford have not received written notice of any pending or threatened restriction or denial, governmental or otherwise, upon such ingress or egress which would adversely affect the operation of the Rumford Facility. To the best knowledge of Boise Cascade, Boise Cascade presently has adequate rights of access to the Timberlands to permit their proper use as Timberlands.

6.9.6 No Condemnation. Neither Boise Cascade nor Oxford has received any written notice of any pending condemnation or eminent domain proceeding which, if successfully prosecuted, would have a material adverse effect on the continued use or operation of the Business.

6.9.7 Rumford Facility. Every plant, warehouse, sales office, or other building that comprises the Rumford Facility is located within the perimeter of the Rumford Realty.

6.9.8 Utilities. The Realty conveyed to Purchaser provides Purchaser with adequate access to all

utilities necessary for the operation of the Rumford Facility in a manner substantially consistent with the manner in which it is presently being operated.

6.9.9 Native American Claims. To the best of Boise Cascade and Oxford's knowledge, within the past three years, no claims have been asserted and there are no current claims with respect to the Realty or Timberlands constituting tribal lands.

6.10 Leased Facilities. Part I of Schedule 1.27 lists all leased real property used by Boise Cascade or Oxford in the Business which will be assigned to Purchaser. Part II of Schedule 1.27 lists all leased real property held by Rumford Cogen, Rumford Falls, and RCC. The leased real property listed in Schedule 1.27 is all of the real property leased and used by any of the Entities in their conduct of the Business other than leased property used in the operation of any Joint Facility. True, complete and correct copies of the current lease agreements for each of the leases scheduled in Schedule 1.27 have previously been delivered to Purchaser. The Entities enjoy peaceful possession of all the Leased Facilities. None of the Entities nor, to the best of Boise Cascade's knowledge, the lessor is in default under any of the terms or conditions of any of such leases, and there is no event which, but for the passing of time or the giving of notice or both, would constitute an event of default under any of such leases by the lessee or, to the best of Boise Cascade's knowledge, the lessor. None of the Entities nor any such lessor has commenced any action or given or received any written notice for the purpose of terminating any of such leases.

6.11 All Necessary Assets. Except for the Excluded Assets, all of the rights, properties and assets utilized or required by Boise Cascade in connection with owning and operating the Business are (i) either owned by the Entities; or (ii) licensed or leased to the Entities under one of the Contracts conveyed to Purchaser under this Agreement. The Assets constitute all the assets necessary for Purchaser to conduct the Business following the Closing in a manner substantially similar to the manner in which it was conducted by the Entities prior to the Closing, except for those aspects of the Business which utilize the Excluded Assets. Neither Boise Cascade nor Oxford has a commitment or legal obligation, absolute or contingent, to any person other than the Purchaser to sell, assign, transfer, lease, sublease, or effect a sale of any Assets, except in the ordinary course of business consistent with past practice.

6.12 Intangible Rights. Part I of Schedule 1.35 sets forth all patents, trademarks, service marks, trade names, and all applications and licenses for any of the foregoing which are owned by any of the Entities and used by any of them exclusively in the Business, true and complete copies of which have been previously delivered to Purchaser. Part II of Schedule 1.35 sets forth all patents, trademarks, service marks, trade names, and all applications for any of the foregoing which are owned by any of the Entities and used by them in the Business on a nonexclusive basis and which shall be deemed Excluded Assets. All registrations listed in Part I of Schedule 1.35 are in full force and effect in accordance with their terms. Except as set forth in Schedule 1.35, no licenses, sublicenses, covenants or agreements have been granted or entered into by Boise Cascade or Oxford in respect of any of such trade names, trademarks, service marks, copyrights or patents or any applications therefor. Boise Cascade and/or Oxford is transferring all patents, trademarks, trade names, service marks or copyrights necessary for the conduct of the Business as presently operated, other than those listed in Part II of Schedule 1.35. To the best knowledge of Boise Cascade, there is not now, and has not been during the past three years, any infringement, misuse or misappropriation by any of the Entities of any valid patent, trademark, trade name, service mark, copyright or trade secret which relates to the Business and which is owned by any third party. There is not now any pending or, to the best knowledge of Boise Cascade, threatened claim of infringement, misuse or misappropriation of any patent, trademark, trade name, service mark, copyright or trade secret against any of the Entities relating to the Business. There is no pending or threatened claim by any of the Entities against others for infringement, misuse or misappropriation of any patent, trademark, trade name, service mark, copyright or trade secret used by the Business and owned by the Entities.

6.13 Liabilities. There is no direct or indirect indebtedness, liability, claim, loss, damage, deficiency, obligation or responsibility, fixed or unfixed, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or otherwise, relating to the Business (the "Liabilities") that either would be material to the Business taken as a whole or that would be required pursuant to Historical Accounting Procedures to be reflected on the Historical Balance Sheet and that is not reflected on the Historical Balance Sheet, except for liabilities and obligations of RCC, all of which are disclosed in the financial statements of RCC to the extent required by GAAP. Since the date of the Historical Balance Sheet, none of Boise Cascade, Oxford, Rumford Falls or Rumford Cogen has incurred any Liabilities that would be required pursuant to Historical Accounting Procedures to be reflected on or reserved against in any of their balance sheets or that would be material to the Business taken as a whole, except for Liabilities incurred in the ordinary course of business consistent with past practice and in accordance with Section 9.1. None of the liabilities of RCC, Androscoggin, or Gulf Island are recorded on the Historical Balance Sheet because such entities are not accounted for on a consolidated basis with the balance sheet of Boise Cascade and its subsidiaries or affiliates. Boise Cascade, Rumford Falls, and/or Oxford, as appropriate, have recorded in their financial statements all liabilities and obligations arising out of the ownership of an interest in Androscoggin and Gulf Island in accordance with and to the extent required by Historical Accounting Procedures. Except as set forth in Schedule 6.13, neither Boise Cascade, Oxford, Rumford Falls, nor Rumford Cogen have any Liabilities arising out of or connected with the Business other than:

6.13.1 Liabilities fully and adequately reflected or reserved on the Historical Balance Sheet in accordance with Historical Accounting Procedures;

6.13.2 Liabilities incurred since June 30, 1996, in the ordinary course of business in accordance with Section 9.1;

6.13.3 Liabilities and obligations not required by Historical Accounting Procedures to be reflected or reserved against in the Historical Balance Sheet; and

6.13.4 Liabilities and obligations arising out of the Industrial Revenue Bonds.

6.14 Employee Relations.

6.14.1 Labor Relations. (a) Except to the extent set forth in Schedule 6.14.1, (i) there is no labor strike, dispute, slowdown, stoppage or lockout actually pending, or to the knowledge of Boise Cascade, threatened against or affecting the Business and during the past three years there has not been any such action; (ii) Boise Cascade has provided to Purchaser, or will provide prior to Closing, copies of all current published personnel policies, rules or procedures applicable to employees of the Business; (iii) to Boise Cascade's knowledge, the Business has for the last three years been in compliance in all material respects with all applicable laws respecting employment and employment practices, terms and conditions of employment, wages, hours of work and occupational safety and health, and is not engaged in any unfair labor practices as defined in the National Labor Relations Act or other applicable law, ordinance or regulation; (iv) to the knowledge of Boise Cascade, there is no unfair labor practice charge or complaint against the Business pending or threatened before the National Labor Relations Board or any similar state or foreign agency; (v) there is no grievance arising out of any collective bargaining agreement or other grievance procedure; (vi) to the knowledge of Boise Cascade, no charges with respect to or relating to the Business are pending before the Equal Employment Opportunity Commission or any other agency responsible for the prevention of unlawful employment practices; (vii) Boise Cascade has not received notice of the intent of any federal, state, or local agency responsible for the enforcement of labor or employment laws to conduct an investigation with respect to or relating to the Business and no such investigation is in progress; and (viii) to the knowledge of Boise Cascade after consultation with the key managers of the Rumford Facility, there

are no complaints, lawsuits or other proceedings pending or threatened in any forum by or on behalf of any present or former employee of the Business, any applicant for employment or classes of the foregoing alleging breach of any express or implied contract or employment, any law or regulation governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship.

(b) Since the enactment of the Worker Adjustment and Retraining Notification Act (the "WARN Act"), Boise Cascade has not effectuated (i) a "plant closing" (as defined in the WARN Act) affecting any site of employment or one or more Facilities or operating units within any site of employment or Facility of the Business; or (ii) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or Facility of the Business; nor has the Business been involved in any transaction or engaged in layoffs or employment terminations sufficient in number to trigger application of any similar state or local law. No Employee has suffered an "employment loss" (as defined in the WARN Act) in the past six (6) months.

6.14.2 Employees. Boise Cascade has separately provided a list of the names, social security numbers, dates of hire, locations of employment, and dates of birth of each Employee. The list is a true, correct, and complete schedule of such information as of the date hereof and will be updated to provide a true, correct, and complete schedule of such information as of the date of Closing. None of Oxford, Rumford Falls, Rumford Cogen, or RCC have employees because all labor and management services required by such companies are provided by Boise Cascade under management agreements.

6.15 Products and Services. There are no orders or decrees of any court or governmental or regulatory body by which any of the Entities are bound and there are no statements, citations or decisions by any governmental or regulatory body to the effect that any product or service manufactured, marketed, distributed, or provided at any time by any of the Entities with the Assets is defective or fails to meet in any material respect any standards promulgated by any such governmental or regulatory body. There have been no recalls ordered by any such governmental or regulatory body with respect to any product manufactured or distributed by any of the Entities in the course of its operation of the Business. Schedule 6.15 sets forth any pending (i) product warranty claims or causes of action where the amount claimed exceeds \$50,000 and (ii) product liability claims or causes of action alleging personal injury or property damage resulting from products or materials sold by the Business.

6.16 Employee Benefit Plans. Schedule 6.16 contains a true and complete list of all employee benefit plans ("Employee Benefit Plans") maintained by Boise Cascade which are applicable to the Employees. Boise Cascade has complied in all material respects with the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and the Code as they apply to such plans. No "party in interest" or "disqualified person" has engaged in a "prohibited transaction" with such plans within the meaning of Section 406 of ERISA or Section 4975 of the Code. All contributions required by law or the terms thereof with respect to the Employee Benefit Plans have been made. There exists no encumbrance upon any of the Assets and no obligation among the Assumed Liabilities that is attributable to the establishment or operation of such Employee Benefit Plans.

6.17 Environmental Matters.

6.17.1 Purchaser acknowledges that Oxford acquired the Rumford Facility in 1976 from a previous operator of the Business. All of the representations and warranties contained in this Section 6.17 made by any of the Entities are limited to the period of time from the date in 1976 when Oxford acquired the Rumford Mill until the date of the Closing (the "Operating Period"), provided, however, that Boise Cascade will disclose, without accepting any liability to Purchaser, any information or knowledge it has with respect to environmental matters occurring prior to the Operating Period. Notwithstanding anything to the contrary contained herein, the representations and warranties set forth in this Section 6.17 shall not apply to contamination of any of the Realty or Timberlands caused by adjoining landowners provided, however, that Boise Cascade will

disclose, without accepting any liability to Purchaser, any information or knowledge it has with respect to contamination of the Realty or Timberlands from adjoining landowners.

6.17.2 Except as set forth in Schedule 6.17, none of the Entities have in connection with their operation of the Business or their ownership and use of the Assets transported, stored, treated or disposed of, nor have they allowed or arranged for any third person to transport, store, treat or dispose of, Hazardous Material to or at any location other than a site lawfully permitted at the time to receive such Hazardous Material for such purposes, nor have they performed, arranged for or allowed by any method or procedure such transportation, storage, treatment or disposal in contravention of any Environmental Laws in force at that time.

6.17.3 Except as set forth in Schedule 6.17, none of the Entities have in connection with their operation of the Business or their ownership and use of the Assets used, generated, treated, stored or disposed of Hazardous Materials which resulted in a Release thereof on, into, or beneath the surface of the Assets, except for inventories of such substances to be used, and wastes generated therefrom, in the ordinary course of business of Boise Cascade, which inventories and wastes, if any, were and are stored or disposed of in accordance with applicable laws and regulations, and except for any Release from which the Hazardous Materials have been removed. Except as set forth in Schedule 6.17, except for any Release from which the Hazardous Materials have been removed, and except in compliance with Environmental Laws and permit terms, there has not occurred, nor is there presently occurring in the operations of the Business or use of the Assets, a Release of any Hazardous Material on, into, or beneath the surface of the Assets, and no part of the Assets, including the groundwater located thereon, is, to the best knowledge of Boise Cascade, presently contaminated by Hazardous Materials.

6.17.4 Except as set forth in Schedule 6.17, to the knowledge of Boise Cascade, none of the Entities have transported or disposed of, nor, to the actual knowledge of Boise Cascade, have any of the Entities allowed, or arranged for any third parties to transport or dispose of, in the conduct of the Business, any Hazardous Materials to or at a site which pursuant to CERCLA or any similar state law has been placed on the CERCLIS, the National Priorities List, or their state equivalents, or which the United States Environmental Protection Agency or the relevant state agency has proposed or is proposing to place on the CERCLIS, the National Priorities List, or their state equivalents (hereinafter collectively referred to as a "Site"). Except as set forth in Schedule 6.17, none of the Entities have received notice that they are a potentially responsible party for a federal or state environmental cleanup site arising from or relating to the Business or the Assets or any Site under any Environmental Law. Except as set forth in Schedule 6.17, none of the Entities have received any written or oral request for information in connection with any federal or state Site arising from or relating to the Business or the Assets nor have any of the Entities undertaken (or been requested to undertake) any response, remedial, or cleanup action of any kind arising from or relating to the Business at the request of any federal, state or local government entity, or at the request of any other person or entity.

6.17.5 Except as identified in Schedule 6.17, there are no Underground Storage Tanks, asbestos containing materials, or regulated PCB capacitors and transformers in any or on any Asset. For purposes of this Section 6.17.5, the term "Underground Storage Tanks" shall have the meaning given it in the Solid Waste Disposal Act, 42 U.S.C. Section 6991, et seq., and the applicable state law or regulation.

6.17.6 Schedule 6.17 identifies (i) all environmental audits, assessments, or occupational health studies (other than routine safety surveys of job sites) undertaken by Boise Cascade with respect to the Business or the Assets within the past three years; (ii) the results of any groundwater, soil or air monitoring undertaken with respect to any Facility within the past three years other than routine sampling and analysis required by license or permit; (iii) all citations issued with respect to the Business or the Assets within the past three years under the Occupational Safety and Health Act of 1970; and (iv)

all claims, liabilities, litigation, notices of violation, administrative enforcement proceedings, whether pending or threatened, or judgment or enforcement orders issued with respect to the Business or the Assets within the past three years or currently outstanding under the applicable Environmental Laws.

6.17.7 All permits, licenses and authorizations held by Boise Cascade and Oxford required by applicable Environmental Laws are listed on Schedule 6.17, and to the knowledge of Boise Cascade, all such permits, licenses and authorizations are valid and in full force and effect. With respect to the Business, Boise Cascade and Oxford are currently in compliance in all material respects with all applicable Environmental Laws, including without limitation, obtaining and maintaining in effect all permits, licenses, or other authorizations required by applicable Environmental Laws, and Boise Cascade and Oxford are currently in compliance with all such permits, licenses and authorizations.

6.17.8 Except as set forth on Schedule 6.17, Boise Cascade has not entered into any agreement with respect to the Assets that may require it to pay to, reimburse, guarantee, pledge, defend, indemnify or hold harmless any person for or against any Environmental Liabilities and Costs.

6.17.9 Boise Cascade has not been notified that its operation or use of the Assets has resulted in the "taking" of any endangered or threatened species or the adverse modification of "critical habitat" of an endangered or threatened species as those terms are defined under the Endangered Species Act, 16 U.S.C. Section 1531, et seq., or similar state statutes applicable to the Timberlands.

6.17.10 Purchaser, at its sole cost and expense, shall have the right prior to the Closing to conduct a Phase I environmental assessment (the "Phase I Environmental Assessment") commencing after the execution of this Agreement, and where it has reasonable grounds to believe that there is contamination of the soil or groundwater by Hazardous Materials, which contamination has not been investigated by Boise Cascade, a Phase II environmental assessment (the "Phase II Environmental Assessment," and together with the Phase I Environmental Assessment, the "Environmental Assessment"). In the event of a Phase II Assessment, Boise Cascade shall be accorded the right to provide comments on the design of such Phase II Assessment and to collect split samples of soil or groundwater during such Phase II Assessment. Purchaser shall deliver a copy of its Phase I and Phase II reports to Boise Cascade.

6.18 Rumford Cogen; RCC.

6.18.1 No Utility Status. Pursuant to Sections 292.202(n) and 292.206(c)(i) of the Federal Energy Regulatory Commission's ("FERC") regulations, and Rule 5 under the Public Utility Holding Company Act of 1935, as amended ("PUHCA"), the general partnership interest of Rumford Cogen in RCC is not considered to be an interest of an "electric utility" as defined in Section 3(22) of the Federal Power Act, as amended ("FPA"), or an "electric utility holding company" as defined in Section 292.202(n) of FERC's regulations, or any combination thereof. Neither Boise Cascade nor Oxford are (i) subject to regulation under PUHCA, (ii) subject to regulation under the FPA other than as contemplated by Section 3(18)(A) of the FPA and 18 CFR Section 292.601(c) or (iii) subject to regulation as an "electric utility," "electric corporation," "electrical company," "public utility," "holding company," "public utility holding company" or "public service corporation" or the equivalent under any existing law, rule, regulation, order or interpretation of any governmental authority.

6.18.2 Project Documents. Schedule 6.18.2 is a complete and correct list of all agreements and instruments to which either Rumford Cogen or RCC is a party or by which Rumford Cogen, RCC or their respective assets is bound. Neither Rumford Cogen nor RCC is in default under or with respect to any such agreement, and except as disclosed in Schedule 6.18.2, the consummation of the transactions contemplated by this Agreement will not give rise to the acceleration of rights under any of such agreements.

6.18.3 Qualifying Facility. The cogeneration

project as owned and operated by RCC meets all requirements for a "qualifying cogeneration facility" under PURPA, the FERC regulations implemented thereunder and all administrative and judicial precedents relating thereto, including without limitation all requirements as to utility ownership, operating and efficiency standards and useful thermal output.

7. Representations and Warranties of Purchaser. Purchaser hereby represents, warrants, and covenants to Boise Cascade as follows:

7.1 Purchaser Organization and Standing. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the state of Delaware and, prior to Closing, or as promptly as practical thereafter, will be duly qualified, in good standing or licensed as a foreign corporation authorized to do business in all states in which any of the Assets may be situated, and where it is required to be so qualified in order to conduct the activities currently carried on by the Entities with such assets. Purchaser is not a "foreign person" within the meaning of Section 1445(b)(2) of the Code.

7.2 Purchaser Parent Organization and Standing. Purchaser Parent is a corporation duly organized, validly existing, and in good standing under the laws of the state of Ohio, and is duly qualified, in good standing, or licensed as a foreign corporation authorized to do business in all states in which such qualification or licensing is required by reason of its execution, delivery, and performance of this Agreement. Purchaser Parent is not a "foreign person" within the meaning of Section 1445(b)(2) of the Code.

7.3 Authority. Purchaser and Purchaser Parent each have full corporate power and authority to execute and deliver this Agreement and all documents and instruments required of them by the terms hereof and to carry out the terms and conditions hereof and thereof. Purchaser and Purchaser Parent have taken all corporate action necessary to authorize their respective execution, delivery, and performance of this Agreement and all related documents and instruments. This Agreement has been duly executed and constitutes a valid and binding obligation of each of Purchaser and Purchaser Parent, enforceable in accordance with its terms and conditions except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity).

7.4 No Default or Consents. Except as set forth in Schedule 7.4, none of the execution, delivery and performance of this Agreement by either of Purchaser or Purchaser Parent will constitute a violation or default or give rise to the acceleration of rights under any mortgage, indenture, promissory note, contract, understanding, arrangement, or other agreement of any kind or character to which Purchaser or Purchaser Parent is a party, or by which either of them are bound, or their respective charter or bylaws, any court injunction or decree or any valid and enforceable order of a governmental agency having jurisdiction over Purchaser or Purchaser Parent. No approval or consent of any foreign, federal, state, county, local or other governmental or regulatory body (except as otherwise specified in Schedule 7.4) is required in connection with the execution and delivery by Purchaser or Purchaser Parent of this Agreement and the consummation and performance by either of them of the transactions contemplated hereby.

7.5 Condition of Assets. Subject to Section 9.2 hereof, Purchaser and Purchaser Parent acknowledge and agree that Purchaser is acquiring the tangible personal property included in the Assets in AS IS and WHERE IS physical condition. Nothing contained in this Section 7.5 shall limit, restrict or modify any of the warranties and representations made by Boise Cascade to Purchaser in Section 6 hereof.

8. Real Property.

8.1 Mill Property. Title to the Realty which constitutes the principal property of the Rumford Facility will be conveyed to the Purchaser by a full warranty deed, subject to Permitted Encumbrances as defined in Section 8.3 below.

8.2 Other Property. Title to the Timberlands and that portion of the Realty not covered by Section 8.1 shall be conveyed by a Quitclaim Deed with Covenant against grantor's acts in Maine, a Quitclaim Deed against grantor's acts in New Hampshire, and a Limited Warranty Deed against grantor's acts in Vermont, subject to Permitted Encumbrances.

8.3 Permitted Encumbrances. The term "Permitted Encumbrances " means (i) all easements, conditions, mineral interests, restrictions, and agreements of record; (ii) liens for state and local property taxes, water charges, sewer rents, and other taxes and assessments, which are not delinquent or subject to penalty; and (iii) such minor encumbrances or imperfections of title, if any, which are not substantial in nature or amount and which do not distract from the value of the Realty or Timberlands as presently used or impair the operations of the Business conducted thereon.

8.4 Imperfections. After the Closing, Boise Cascade shall cooperate with Purchaser to clear any imperfections of title to the Realty and Timberlands.

9. Covenants of Boise Cascade.

9.1 Operations. Except as set forth in Schedule 9.1 or as expressly contemplated by this Agreement, with respect to the Business, and from the date hereof through the Closing, none of the Entities shall, without the prior consent of Purchaser, which consent shall not be unreasonably withheld or delayed:

9.1.1 Enter into, amend or terminate an employment agreement with any Employee; or adopt, enter into or amend any employee benefit plan which materially affects the Business;

9.1.2 Knowingly waive any right of material value to the Business;

9.1.3 Make any change in the application of the Historical Accounting Procedures or GAAP;

9.1.4 Make or revoke any tax election or settle or compromise any tax liability or change (or make a request to any taxing authority to change) any aspect of the method of accounting for tax purposes utilized by any of the Entities relating to or otherwise attributable to the Companies and RCC;

9.1.5 Other than in the ordinary course of its conduct of the Business, make any wage or salary increase or bonus, or increase in any other direct or indirect compensation, for or to any of its Employees or any accrual for or commitment or agreement to make or pay the same;

9.1.6 Other than in the ordinary course of its conduct of the Business, (i) enter into any lease (as lessor or lessee), or sell, abandon or make any other disposition of any of the Assets, except for disposition of Equipment which, due to its age, physical condition or obsolescence, is no longer used or useful in the Business in which it was used and which does not in the aggregate have a book value, net of depreciation, in excess of \$250,000; or (ii) grant any lien, mortgage, security interest or other encumbrance on any of the Assets;

9.1.7 Incur in connection with its operation of the Business or assume in connection therewith, any debt, obligation or liability (whether absolute or contingent or whether or not currently due and payable) except for current liabilities incurred in the ordinary course of Business and the prepayment of portions thereof;

9.1.8 Except for Inventory and Equipment acquired in the ordinary course of the conduct of the Business, make, in connection with its operation of the Business, any acquisition of all or any part of the assets, properties, capital stock or business of any other person;

9.1.9 Pay, directly or indirectly, any of the material liabilities arising out of or connected with the Business except for payment otherwise in the ordinary course of their conduct of the Business;

9.1.10 Terminate or fail to renew any Contract or other agreement that is or was of a nature required to be disclosed on Schedule 6.7 where such Contract or other agreement may be terminated or renewed unilaterally by Boise Cascade;

9.1.11 In connection with their operation of the Business, enter into, or become obligated under any lease, contract, agreement or commitment except for those that have a term of less than one year or are cancelable on less than 61 days' notice without penalty, liability or premium and involve an amount of \$250,000 or less; or

9.1.12 Hire or terminate any key managers of the Business with a salary range of 116 or above.

9.2 Corporate Examinations and Investigations. Prior to the Closing, Purchaser and its employees and representatives shall be permitted, upon prior notice to John Holleran, to make such investigation of the assets, properties, business and operations relating to the Business and such examination of the books, records, returns, and financial statements relating to the Business, as Purchaser may reasonably request. Any such investigation and examination shall be conducted at reasonable times and under reasonable circumstances, and Boise Cascade shall cooperate fully therein. In order that Purchaser may have full opportunity to make such a business, accounting and legal review, examination, or investigation as it may wish of the Business and of the Assets, Boise Cascade shall furnish the representatives of Purchaser during such period with all such information and copies of documents concerning the Business as such representatives may reasonably request, and shall cause the officers, employees, consultants, agents, accountants, and attorneys of Boise Cascade to cooperate fully with such representatives in connection with such review and examination. In the event this transaction is not completed for any reason, Purchaser shall continue to be subject to the confidentiality obligations set forth in a Letter Agreement dated July 24, 1996, between Purchaser and Boise Cascade.

9.3 Permits, Consents, and Approvals. Boise Cascade shall cooperate with Purchaser to obtain all permits, consents, and approvals from any governmental or regulatory body or any other person where required for the consummation of the Closing and the transactions contemplated hereby and the continuance in full force and effect of the contracts and other agreements set forth on any schedule to this Agreement. Boise Cascade shall render such assistance to Purchaser as may be necessary and reasonable to obtain any such consents, permits, or approvals, provided, however, that such assistance shall not include the payment of monies or consent to material modifications of the terms of any permit, license, contract, or agreement. Boise Cascade shall use its best efforts to cause the UPIU and IBEW to consent to the assumption of the Collective Bargaining Agreements by Purchaser without any changes, provided that such efforts shall not require the payment of any monies to the UPIU or IBEW or their respective members or agreement to any change in the terms of the Collective Bargaining Agreements.

9.4 Accounts Receivable Lock Box. Boise Cascade shall make appropriate lockbox arrangements in order that any payments received after the Closing with respect to the Accounts Receivable are promptly remitted to the Purchaser.

9.5 Antitrust Approvals. Boise Cascade will promptly make any filings required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"). Boise Cascade will use its best efforts to supply information to any federal, state or foreign agency reviewing the transactions contemplated by this Agreement under the HSR Act or any applicable state or foreign antitrust law, and to persuade any such agency not to challenge such transactions (it being understood that Boise Cascade shall not be required to enter into any consent decree or similar order). In the event that any federal, state or foreign agency takes action to enjoin such transactions under applicable antitrust laws, Boise Cascade agrees to diligently litigate in good faith against any such action until the entry of a preliminary injunction or other final order enjoining the completion of the transactions contemplated hereunder. Boise Cascade will bear its own costs of defending against any action by a federal, state or foreign antitrust

agency.

9.6 Disclosure Schedule Supplements.

9.6.1 The parties acknowledge that Boise Cascade may not have completed the Schedules to this Agreement prior to executing this Agreement. Accordingly, Boise Cascade shall have the right from time to time prior to the Closing to supplement any Schedule with respect to any matter hereafter arising which, if existing or known as of the date of this Agreement, would have been required to be set forth or described in such disclosure schedule; provided, however, that Boise Cascade shall complete the Schedules as promptly as practicable after the date hereof. Any such supplemental disclosure made in accordance with this Section 9.6 will be deemed to have cured any breach of any representation or warranty made in this Agreement, and will be deemed to have been disclosed as of the date of this Agreement for purposes of determining whether or not the conditions set forth in Section 15 hereof have been satisfied.

9.6.2 Notwithstanding Section 9.6.1 hereof, if in the good faith judgment of the Purchaser, the supplements or amendments to the Schedules, individually or in the aggregate, materially and adversely affect either (i) the value of the Business or (ii) the Purchaser's ability to operate the Business substantially as it has been operated by Boise Cascade, and such affect is greater than \$10 million, then in such event, the parties shall negotiate in good faith for a period of 30 days in respect of an adjustment in the Purchase Price, and if the parties are unable to reach agreement on such an adjustment, the parties shall jointly retain an arbitrator to act as a binding arbitrator of such dispute. The results of such arbitration shall be final and binding upon the parties provided however, that (i) if the arbitration award is less than \$10 million, there shall be no adjustment to the Purchase Price; (ii) if the arbitrator's award is greater than \$10 million and less than \$40 million, the Purchase Price adjustment shall be the amount of the arbitration award less \$10 million; (iii) if the arbitrator's award is greater than \$40 million, Boise Cascade may at its option terminate this Agreement, subject to the right of Purchaser to limit the reduction in the Purchase Price to \$30 million and continue this Agreement in force.

9.6.3 The arbitrator shall be Jaako-Pory if the dispute involves a question of the Purchaser's ability to operate the Business, and shall be Goldman Sachs & Co. if the dispute involves the value of the Business. If Jaako-Pory or Goldman Sachs refuses to serve as an arbitrator, the parties shall select a replacement. If the parties cannot agree on a replacement arbitrator, the arbitrator refusing to serve shall be requested to select a replacement arbitrator. The parties shall share equally the cost of the arbitrator.

10. Covenants of Purchaser.

10.1 Permits, Consents, and Approvals. Purchaser shall use its best efforts (which shall not include the payment of any monies outside the ordinary course) to obtain all permits, consents, and approvals from any governmental or regulatory body or any other person where required for the consummation of the Closing and the transactions contemplated hereby and shall execute such documents as are reasonable to transfer and assume such obligations. Purchaser shall use its best efforts to cause the UPIU and IBEW to consent to the assumption of the Collective Bargaining Agreements by Purchaser without any changes, provided that such efforts shall not require the payment of any monies to the UPIU or IBEW or their respective members or agreement to any change in the terms of the Collective Bargaining Agreements.

10.2 Antitrust Approvals. Purchaser will promptly make any filings required under the HSR Act. Purchaser will use its best efforts to supply information to any federal, state or foreign agency reviewing the transactions contemplated by this Agreement under the HSR Act or any applicable state or foreign antitrust law, and to persuade any such agency not to challenge such transactions (it being understood that the Purchaser shall not be required to enter into any consent decree or similar order). In the event that any federal, state or foreign agency takes action to enjoin such transactions under applicable antitrust laws, Purchaser agrees to diligently litigate in good faith against any such action until the entry of a preliminary injunction or other

final order enjoining the completion of the transactions contemplated hereunder. Purchaser will bear its own costs of defending against any action by a federal, state or foreign antitrust agency.

11. Employees.

11.1 Transfer of Employees. As of 11:59 p.m., Eastern standard time, on the day immediately preceding Closing, Boise Cascade shall terminate its employment of all of the Employees. With respect to each Employee terminated by Boise Cascade, Boise Cascade shall be responsible for payment when due of all salaries, wages, commissions and bonuses earned up to Closing. In accordance with Boise Cascade's "Termination of Employment" policy, Boise Cascade shall not be obligated to pay any severance benefits to any such terminated Employee who is offered employment by Purchaser, provided, however, that Boise Cascade shall be responsible for any claims for severance benefits by Employees arising as a result of any termination of employment occurring on or prior to the Closing. Boise Cascade shall reimburse the Employees for all travel expenses and other business-related expenses arising prior to Closing and for which they are properly entitled to reimbursement from Boise Cascade. Purchaser shall honor the number of days of 1996 and 1997 paid vacation which is unused as of Closing, and to which each Employee hired by Purchaser is entitled pursuant to (a) Boise Cascade's vacation policy for salaried employees as reflected in Schedule 11.1, or (b) any Collective Bargaining Agreement applicable to such Employee. For purposes of determining the amount of vacation to which Employees are entitled, Purchaser shall treat each Employee's Service (as defined below) with Boise Cascade as service with Purchaser.

11.2 Obligation to Hire. Effective 12:00 a.m., Eastern standard time, on the day of Closing, Purchaser shall offer employment to each of the Employees terminated by Boise Cascade pursuant to Section 11.1. Neither Boise Cascade nor Purchaser shall be obligated to pay severance pay to any Employee who rejects Purchaser's offer of employment. Purchaser shall pay and provide wages and benefits to all bargaining unit employees of the Business who accept employment with Purchaser and commence such employment on the day of Closing (the "Transferred Hourly Employees") in accordance with the terms of the applicable Collective Bargaining Agreement. All salaried employees of the Business who accept employment with Purchaser and commence such employment as of Closing (the "Transferred Salaried Employees" and, together with the Transferred Hourly Employees, the "Transferred Employees") will be included in Purchaser's benefits plans applicable to such Employees and will be subject to Purchaser's employment policies. Purchaser shall credit Transferred Salaried Employees and, assuming Purchaser's ability to assume the Collective Bargaining Agreements as contemplated by Section 10.1, Transferred Hourly Employees with their service with Boise Cascade, and its predecessors for whom service is treated as service with Boise Cascade under Boise Cascade's policies (collectively "Service"), as though it had been service with the Purchaser for purposes of benefit amount, vesting, and eligibility under Purchaser's benefit plans and policies, provided that Purchaser shall have the right to offset the benefit amount so provided under Purchaser's pension plans by the amount of the benefit payable to each such Transferred Employee under the respective Boise Cascade pension plan, provided that in no event shall the amount of any such offset cause any Transferred Employee to fail to accrue a benefit payable under Purchaser's plans from and after the Closing. Boise Cascade shall treat the transactions contemplated by this Agreement as a "partial termination" (within the meaning of Section 411 of the Code) with respect to the Transferred Employees for purposes of any plan of Boise Cascade that is intended to be qualified under Section 401(a) of the Code. Purchaser shall provide coverage under its employee benefit plans to Transferred Employees without requiring satisfaction of waiting periods, evidence of insurability, and similar terms and conditions applicable to participants in such plans, as though Transferred Employees had been employees of Purchaser covered by Purchaser's plans during the period of Boise Cascade Service.

11.3 Severance. All Transferred Salaried Employees who accept employment with Purchaser and are subsequently terminated by Purchaser shall receive the severance benefits from Purchaser, if any, to which they may be entitled under Purchaser's then

existing severance policies applicable to Purchaser's employees who are similarly situated provided, however, that Purchaser shall credit the Service the Employee has with both Boise Cascade and Purchaser in the application of such policies.

11.4 Workers' Compensation, Medical Claims and Retirees.

11.4.1 Purchaser shall assume all liabilities arising from workers compensation claims, whether characterized as medical or indemnity, or arising under any other similar government-mandated programs which are based on injuries incurred by Employees or former employees in connection with the Business, without regard to the date of occurrence of the injury or injuries giving rise to the workers' compensation claim; provided, however, that Purchaser does not assume any liability for claims other than workers' compensation claims related to such injuries.

11.4.2 Boise Cascade shall remain solely responsible in accordance with its employee welfare benefit plans for the satisfaction of all claims regardless of when filed (subject to claim filing requirements of such plans), for (i) medical, dental, and vision benefits claims which relate to services provided to Transferred Employees prior to Closing, and (ii) life insurance, accident or disability benefits (other than workers' compensation benefits) claims which relate to events or injuries incurred prior to Closing. Upon Closing, Purchaser shall adopt plans for the remainder of the 1996 calendar year providing medical, dental, and vision benefits substantially identical to those provided by Boise Cascade, and shall give effect under such plans to benefit elections, contributions, copayments, and deductibles of Transferred Employees for the 1996 plan year. Boise Cascade shall provide claims administration services for such plans in accordance with Section 23 hereof. Subject to the approval of the carriers, Purchaser shall also continue in full force and effect through December 31, 1996, the programs of group term life insurance (employee and dependent), accidental death and dismemberment insurance (employee and dependent), accident and sickness insurance, and long-term disability insurance covering Transferred Employees.

11.4.3 As of Closing, with respect to former and retired employees of the Business who had terminated employment or retired on or prior to Closing, Boise Cascade shall be liable for all liabilities and obligations in connection with claims for benefits brought by or in respect of such former or retired employees of the Business under any of Boise Cascade's pension and/or welfare benefit plans, including, but not limited to, such liabilities with respect to medical, dental, life insurance, health, accident or disability benefits, but excluding any claims for or relating to workers' compensation benefits. Boise Cascade will provide eligibility for coverage under provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") to employees who terminate employment with Boise Cascade prior to 11:59 p.m. on the day immediately preceding Closing, and will continue coverage for employees currently on COBRA coverage or eligible to elect such coverage as of Closing. Purchaser will be solely responsible for complying with all employer responsibilities under COBRA after Closing with respect to all Transferred Employees.

11.5 No Third-Party Beneficiary. This Agreement is being entered into solely for the benefit of the parties hereto, and the parties do not intend that any Employee or any other person shall be a third-party beneficiary of the covenants by either Boise Cascade or Purchaser contained in this Agreement.

11.6 Workers Adjustment and Retraining Act ("WARN"). Purchaser shall indemnify and hold Boise Cascade harmless from and against any and all liabilities, claims and losses (including attorney's fees, court costs, and other litigation expenses) arising under WARN Act or any state version of WARN Act by reason of Purchaser's shutdown of any Facility or layoff of over 50 Employees which occurs after the Closing.

11.7 Flexible Spending Account Plans. Prior to Closing, Boise Cascade will amend the Boise Cascade Health Care Flexible Spending Account Plan and the Boise Cascade Dependent Day Care Flexible Spending Account Plan (collectively, the "Flex Plans"), to create new plans covering only the Transferred

Employees ("New Plans"), and Purchaser shall adopt such New Plans and continue them in full force and effect through December 31, 1996. Boise Cascade shall provide claims administration services for such New Plans in accordance with the transition services agreement described in Section 23 hereof. The Purchase Price shall be adjusted by an amount equal to (x) the total liability for benefits under such New Plans adopted by Purchaser, less (y) the sum of (i) the amount of Transferred Employees' Salary Reduction Elections under such New Plans to be effective during the remaining calendar year after the date of Closing, plus (ii) the total amount of benefits Boise Cascade has paid (or is obligated to pay) under such New Plans up to and including the date of Closing. The amounts treated as either employer or employee contributions with respect to the Flex Plan made prior to or on the date of Closing will not constitute "plan assets" as that term is defined in ERISA and regulations thereunder, and no amounts with respect to either employee or employer contributions under the Flex Plans have ever been held in trust for the benefit of participants in the Flex Plans.

11.8 Incentive Plans. Purchaser will continue in full force and effect Boise Cascade's Incentive Plan for Hourly and certain Salaried Employees at the Rumford Facility (the "Gain Sharing Plan") for at least the duration of the 1996 calendar year, and shall assume all Boise Cascade's obligations with respect to the Gain Sharing Plan, a copy of which is set forth in Schedule 11.8. Boise Cascade will make payments to the extent any are earned, prorated through the Closing date, in accordance with the terms of other incentive compensation plans applicable to Transferred Employees as though the Transferred Employees were employed by Boise Cascade through December 31, 1996.

11.9 Non-solicitation of Employees. For a period of two years following the Closing, Boise Cascade shall not solicit any Employee for employment without the prior consent of Purchaser.

12. Tax Matters.

12.1 Section 338(h)(10) Election.

12.1.1 (i) Boise Cascade, Oxford and Purchaser shall jointly make Elections (and any comparable election under state or local tax law) with regard to each of the Companies prior to or on the Closing date; (ii) Boise Cascade and Purchaser shall, as promptly as practicable following the Closing date, cooperate with each other to take all actions necessary and appropriate (including filing such forms, returns, elections, schedules and other documents as may be required) to effect and preserve timely Elections in accordance with the provisions of Treasury regulations promulgated under section 338 of the Code (or any comparable provisions of state or local tax law) or any successor provisions and (iii) Boise Cascade, Oxford and Purchaser shall report the purchase by Purchaser of the Shares pursuant to this Agreement consistent with the Elections (and any comparable elections under state or local tax laws) and shall take no position inconsistent therewith in any Tax Return, any proceeding before any taxing authority or otherwise.

12.1.2 In connection with each Election, Purchaser shall prepare, and Purchaser and Boise Cascade shall agree to, the determination of the "Modified Aggregate Deemed Sales Price" (as defined under Treasury regulation section 1.338(h)(10)-1(f)) and the allocation of each such "Modified Aggregate Deemed Sales Price" among the assets of each respective Company, which shall be finalized as of the Closing date, and which shall be consistent with the Allocation contemplated by Section 3.4 hereof. The determination of the amount of each such "Modified Aggregate Deemed Sales Price" and the allocation thereof shall be made in accordance with section 338(b) of the Code and applicable Treasury regulations. Boise Cascade, Oxford and Purchaser shall (i) be bound by such determination and such allocation for purposes of determining any Taxes, (ii) prepare and file, and cause their affiliates to prepare and file, Tax Returns on a basis consistent with each such determination of the "Modified Aggregate Deemed Sales Price" and each such allocation and (iii) take no position, and cause their affiliates to take no position, inconsistent with any such determination or allocation on any applicable Tax Return, in any proceeding before any taxing authority or otherwise. In the event that any such allocation and/or determination is disputed by any taxing authority, the

party receiving notice of the dispute shall promptly notify the other party hereto concerning resolution of the dispute.

12.1.3 As a result of the Election to be made with respect to Rumford Cogen, the basis of the property owned by RCC shall be adjusted in the manner provided in section 743 of the Code pursuant to the election under section 754 of the Code that has been filed by RCC and the income or loss of RCC for the taxable year in which the Closing occurs, as it pertains to Rumford Cogen, shall be allocated based on the interim-closing-of-the-books method pursuant to section 706(c) of the Code and Treasury regulations promulgated thereunder.

12.2 Tax Return Filing and Payment of Taxes Responsibility.

12.2.1 Boise Cascade shall (i) prepare and file, or cause to be prepared and filed, on a timely basis (in each case, at its sole cost and expense) all Tax Returns with respect to the Companies or otherwise relating to the Assets or the Business for all taxable periods ending on or before the Closing date (the "Pre-Closing Returns") and (ii) pay, or cause to be paid, all Taxes shown to be due on such Pre-Closing Returns.

12.2.2 The Purchaser shall (i) prepare and file, or cause to be prepared and filed, on a timely basis (in each case, at its sole cost and expense) all other Tax Returns for all taxable periods ending after the Closing date with respect to the Companies or otherwise relating to the Assets or to the Business including Straddle Period Returns, and (ii) pay, or cause to be paid, all Taxes shown to be due on such Tax Returns.

12.2.3 In connection with any Straddle Period Return, Boise Cascade shall be liable for and shall pay, or cause to be paid, any Taxes for which Boise Cascade has agreed to indemnify the Purchaser pursuant to Section 12.4 hereof. The Purchaser shall provide Boise Cascade with copies of any Straddle Period Returns at least twenty (20) days prior to the due date thereof (giving effect to any extensions thereto), accompanied by a statement calculating in reasonable detail the Boise Cascade indemnification obligation pursuant to Section 12.4 hereof (the "Tax Indemnification Obligation"). Boise Cascade shall pay, or cause to be paid, to the Purchaser the amount of the Tax Indemnification Obligation within ten (10) days of receiving copies of the Straddle Period Returns (the "Boise Cascade Preliminary Tax Payment"). If Boise Cascade objects to the determination of the Tax Indemnification Obligation, the Purchaser and Boise Cascade shall use reasonable efforts to resolve such dispute, but if a final resolution is not obtained within fifteen (15) days, the dispute shall be submitted to the Independent Accountants with instructions that such Independent Accountants render a determination with respect to the dispute within thirty (30) days. The determination of the Independent Accountants shall be conclusive and binding upon the parties in the manner and to the same effect as a binding arbitration award. All costs and expenses incurred relating to the engagement of the Independent Accountants shall be shared equally by Boise Cascade and the Purchaser. If the Tax Indemnification Obligation, as finally determined, exceeds the amount of the Boise Cascade Preliminary Tax Payment, Boise Cascade shall promptly pay, or cause to be paid, the amount of such excess to the Purchaser. If the Tax Indemnification Obligation, as finally determined, is less than the amount of the Boise Cascade Preliminary Tax Payment, the Purchaser shall promptly refund the amount of such deficiency to Boise Cascade.

12.2.4 Boise Cascade, Oxford and the Purchaser shall reasonably cooperate, and shall cause their respective affiliates, officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns (including amended returns and claims for refund), including the issuance of a power of attorney and maintaining and making available to each other all records necessary in connection with Taxes and in resolving all disputes and audits with respect to all taxable periods relating to Taxes.

12.3 Transfer and Similar Taxes. Notwithstanding any other provision of this Agreement to the contrary, all sales (including, without limitation, bulk sales), use, transfer,

gains, stamp, duties, recording and similar Taxes ("Transfer Taxes") incurred in connection with the transactions contemplated by this Agreement shall be shared equally by Boise Cascade and Oxford, on the one hand, and the Purchaser, on the other. The party charged by law with the duty of making the necessary filings and returns with respect to such Transfer Taxes shall do so in accordance with applicable law and that party shall be reimbursed accordingly.

12.4 Tax Indemnification.

12.4.1 Notwithstanding anything in this Agreement to the contrary and except as provided in Section 5.1.1, 12.3, and 12.4.2 hereof, Boise Cascade shall indemnify the Purchaser and its affiliates and hold them harmless from and against (i) any liability for Taxes of the Companies or otherwise relating to the Assets or Business for all taxable periods ending on or before the Closing date and for the Pre-Closing Period, (ii) any liability for Taxes which result from (A) the deemed sale of assets pursuant to the Elections, and (B) the deemed sale of assets pursuant to any comparable elections under state or local tax laws and (iii) any liability for Taxes imposed upon either of the Companies pursuant to Treasury Regulation section 1.1502-6 as a result of being a member of the affiliated group, within the meaning of section 1504 of the Code, of which the Boise Cascade and Oxford are members.

12.4.2 Notwithstanding anything in this Agreement to the contrary, the Purchaser shall indemnify Boise Cascade and its affiliates and hold them harmless from and against (i) any liability for Taxes of the Companies or otherwise relating to the Assets or Business for any taxable period ending after the Closing date (except to the extent such taxable period began before the Closing date, in which case the Purchaser's indemnity will cover only that portion of any such Taxes that is not attributable to the Pre-Closing Period) and (ii) any liability for real and personal property Taxes accrued on the Final Closing Statement subject to any adjustment made pursuant to Section 4.3 hereof.

12.4.3 In the case of any Straddle Period, the determination of the liability for Taxes for the Pre-Closing Period shall be accrued on the Final Closing Statement on an interim-closing-of-the-books basis as if such taxable period ended on and included the Closing date, except that (i) all standard deductions, exemptions, allowances and other similar items shall be apportioned to the Pre-Closing Period on a per diem basis and (ii) real and personal property Taxes shall be apportioned between Boise Cascade and the Purchaser in accordance with the principles under section 164(d) of the Code.

12.5 Procedures Relating to Indemnification of Tax Claims.

12.5.1 If a claim for Taxes is made or a notice of an audit is issued by any taxing authority in writing, which, if successful, might result in an indemnity payment pursuant to Section 12.4, the party seeking indemnification (the "Tax Indemnified Party") shall promptly notify the other party (the "Tax Indemnifying Party") in writing of such claim (a "Tax Claim") within a reasonably sufficient period of time to allow the Tax Indemnifying Party effectively to contest such Tax Claim, and in reasonable detail to apprise the Tax Indemnifying Party of the nature of the Tax Claim, and provide copies of all correspondence and documents received by it from the relevant taxing authority. Failure to give prompt notice of a Tax Claim hereunder shall not affect the Tax Indemnifying Party's obligation under Section 12.4, except to the extent that the Tax Indemnifying Party is materially prejudiced by such failure to give prompt notice.

12.5.2 With respect to any Tax Claim which might result in an indemnity payment to the Purchaser pursuant to Section 12.4 (including, without limitation, Taxes relating to a Straddle Period), Boise Cascade shall control all proceedings taken in connection with such Tax Claim and, without limiting the foregoing, may in its sole discretion and at its sole expense pursue or forego any and all administrative appeals, proceedings, hearings and conferences with any taxing authority with respect thereto, and may, in its sole discretion, either pay the Tax claimed and sue for a refund where applicable law permits such

refund suits or contest such Tax Claim. Boise Cascade shall not under any circumstances settle or otherwise compromise any Tax Claim referred to in the preceding sentence without the Purchaser's prior written consent not to be unreasonably withheld. In connection with any proceeding taken in connection with such Tax Claim, (i) Boise Cascade shall keep the Purchaser informed of all material developments and events relating to such Tax Claim if involving a material liability for Taxes and (ii) the Purchaser shall have the right to participate, at its sole expense, in (but not control) any such proceedings. The Purchaser shall cooperate with Boise Cascade in contesting such Tax Claim, which cooperation shall include, without limitation, the issuance of a power of attorney, the provision to Boise Cascade of records and information which are reasonably relevant to such Tax Claim, and making employees available to provide additional information or explanation of any material provided hereunder or to testify at proceedings relating to such Tax Claim. In connection with such cooperation, Boise Cascade shall reimburse Purchaser for any out-of-pocket expenses incurred with respect thereto.

12.5.3 With respect to any Tax Claim not described in the preceding paragraph which might result in an indemnity payment to Boise Cascade pursuant to Section 12.4, the Purchaser shall control all proceedings in accordance with provisions that are parallel to those in Section 12.5.2.

12.6 Refunds and Credits. Any refunds and credits of Taxes of any of the Companies or otherwise relating to the Assets or the Business with respect to (i) any taxable period ending on or before the Closing date shall be for the account of Boise Cascade, and if received or utilized by the Purchaser or any of its affiliates, shall be paid to Boise Cascade within five (5) business days after the Purchaser or any of its affiliates receives such refund or utilizes such credit, (ii) any taxable period beginning after the Closing date shall be for the account of the Purchaser, and if received or utilized by Boise Cascade, or any of its affiliates, shall be paid by Boise Cascade to the Purchaser within five (5) business days after Boise Cascade, or any of its affiliates, receives such refund or utilizes such credit, (iii) any Straddle Period shall be apportioned between Boise Cascade and the Purchaser in the same manner as such Taxes originally had been allocated pursuant to Sections 12.1.3 and 12.4.3 hereof and (iv) any Election (and any comparable elections under state or local tax laws) shall be for the account of Boise Cascade, and if received or utilized by the Purchaser, any of its affiliates or either of the Companies shall be paid to Boise Cascade within five (5) business days after Purchaser, any of its affiliates or either of the Companies receives such refund or utilizes such credit.

12.7 Termination of Tax Sharing Agreements. On or prior to the Closing date, all tax sharing agreements and similar arrangements to which either of the Companies is a party or otherwise relating to the Assets or the Business shall be terminated, all obligations thereunder shall be settled, and no additional payments shall be made under any thereof after the Closing date.

12.8 Employee Payroll Information. Boise Cascade and Oxford shall transfer to the Purchaser any records relating to withholding and payment of income and unemployment Taxes (federal, state and local) and FICA Taxes with respect to wages paid to Transferred Employees by Boise Cascade and Oxford during the calendar year in which the Closing occurs (including, without limitation, Forms W-4, Employee's Withholding Allowance Certificate). The Purchaser shall provide the Transferred Employees with Forms W-2, Wage and Tax Statement, for such calendar year setting forth the wages paid and Taxes withheld with respect to the Transferred Employees for the calendar year in which the Closing occurs by Boise Cascade and Oxford and the Purchaser as predecessor and successor employers, respectively, as provided by Revenue Procedure 84-77.

12.9 Survival of Tax Provisions. Any claim to be made pursuant to this Section 12 must be made before the expiration (with valid extensions) of the applicable statute of limitations relating to the Taxes at issue.

13. Risk of Loss. If any loss or damage is suffered prior to Closing to any portion of the Assets which is not material,

Boise Cascade shall at its sole cost and expense repair or replace such damaged or lost assets as soon as reasonably practicable and the Closing shall proceed without delay or adjustment to the Purchase Price on account of such loss or damage. Purchaser shall not, in such event, be entitled to or have any claim against the proceeds of insurance held by Boise Cascade covering such loss. If any of the Assets which are not material are condemned prior to Closing, Closing shall proceed without delay or adjustment of the Purchase Price, provided that Boise Cascade shall deliver the condemnation proceeds to Purchaser or if such condemnation proceedings have not been concluded prior to Closing, Boise Cascade shall at Closing assign its rights in such proceeding to Purchaser. For purposes of this Section 13, "material" shall mean Assets lost, damaged, or condemned with a book value greater than \$65,000,000 or materially affecting the operations of the Rumford Facility.

14. Closing and Termination.

14.1 Closing. The Closing shall occur at 10:00 a.m., Mountain standard time, on November 26, 1996, at the offices of Boise Cascade, 1111 West Jefferson Street, Boise, Idaho 83728-0001, or at such other time and place as Purchaser and Boise Cascade mutually agree upon in writing. If Closing does not occur on November 26, 1996, or any other date agreed upon by the parties, because one or more conditions precedent are not satisfied, then in such event the Closing shall be delayed to a later date agreed upon by the parties, and if the parties are unable to agree upon such a date, it shall be the first business day which is at least 10 days after the day all of the conditions precedent are satisfied.

14.2 Termination. This Agreement may be terminated at any time prior to the Closing as follows, and in no other manner:

14.2.1 By mutual consent of Purchaser and Boise Cascade;

14.2.2 By either Boise Cascade or the Purchaser, if, through no fault of the party seeking termination, the Closing shall not have occurred on or prior to June 30, 1997.

14.2.3 By either Boise Cascade or the Purchaser if any court or governmental body having competent jurisdiction shall have issued a preliminary injunction or other similar or final order enjoining the transactions contemplated hereby.

14.2.4 By Purchaser in the event any representation or warranty made herein for the benefit of Purchaser, or in any certificate, schedule or documents furnished to Purchaser, pursuant to this Agreement is untrue in any material respect, or Boise Cascade shall have defaulted in any material respect in the performance of any material obligation under this Agreement, which breach or default has not been cured within 10 days (or such longer period as is reasonably necessary to cure such breach or default) after notice of such breach or default;

14.2.5 By Boise Cascade at any time prior to Closing if any representation or warranty made herein for the benefit of Boise Cascade, or in any certificate, schedule, or documents furnished to Boise Cascade, pursuant to this Agreement is untrue in any material respect, or Purchaser shall have defaulted in any material respect in the performance of any material obligation under this Agreement, which breach or default has not been cured within 10 days (or such longer period as is reasonably necessary to cure such breach or default) after notice of such breach or default.

14.3 Effect of Termination. In the event of the termination of this Agreement as provided in Section 14.2, written notice thereof shall forthwith be given by the terminating party or parties to the other party or parties specifying the provision hereof pursuant to which such termination is made, and this Agreement shall forthwith become null and void, and there shall be no liability on the part of Boise Cascade, Oxford or the Purchaser; provided that nothing herein shall relieve any party from any liability or obligation with respect to any willful breach of this Agreement.

15. Conditions Precedent to Closing.

15.1 Purchaser. Purchaser shall have no obligation to attend and carry out the actions required of it at the Closing unless all of the following conditions precedent shall have been satisfied:

15.1.1 Continued Truth of Representations and Warranties. All the representations and warranties of Boise Cascade and Oxford contained in this Agreement shall continue to be true and correct at the Closing in all material respects as if made on and as of the Closing.

15.1.2 Performance of Obligations. Boise Cascade shall have performed or tendered performance of each and every one of its obligations hereunder which by its terms is to be performed at or prior to Closing.

15.1.3 Delivery of Closing Documents. Boise Cascade and Oxford shall have tendered delivery to Purchaser of all of the documents required to be delivered under Section 16.1 hereof to Purchaser by it at Closing.

15.1.4 Third-Party Consents. Boise Cascade shall have obtained and delivered to Purchaser the required consents, if any, to the assignment of those Contracts and Facility Leases listed on Schedule 6.2.1.

15.1.5 Legal Proceedings. No order shall have been entered and not vacated by or before any court, administrative agency or other governmental authority to restrain, prohibit or invalidate any of the transactions contemplated by this Agreement. No action, suit, proceeding or investigation by any administrative agency or other governmental authority regarding the transactions contemplated by this Agreement shall have been instituted and be continuing.

15.1.6 Condemnation. No material (as defined in Section 13 hereof) portion of the Assets have been destroyed or are threatened with or subject to any condemnation proceeding.

15.1.7 Permits and Governmental Consents. All material permits and licenses required for the operation of the Business shall have been obtained by Purchaser or transferred to or reissued in Purchaser's name and all material consents and approvals of any federal, state, county, local, or other governmental or regulatory body required for any of the execution, delivery, or performance of this Agreement shall have been obtained, except for any such permit, license, consent, or approval which is routinely and customarily given or granted or issued in connection with similar transactions by the governmental entity empowered to do so after the transaction has closed.

15.1.8 HSR Filing. The applicable waiting period under the HSR Act with respect to the actions contemplated by this Agreement shall have expired or been earlier terminated.

15.1.9 Environmental Assessment. Purchaser shall have completed its Environmental Assessment.

15.2 Boise Cascade. Boise Cascade shall have no obligation to attend and carry out the actions required of it at the Closing unless all of the following conditions precedent shall have been satisfied:

15.2.1 Continued Truth of Representations and Warranties. All the representations and warranties of Purchaser contained herein shall continue to be true and correct as of the Closing in all material respects as if made on and as of the Closing date.

15.2.2 Performance of Obligations. Purchaser shall have substantially performed or tendered substantial performance of each and every one of its obligations hereunder which by its terms is to be performed at or prior to the Closing.

15.2.3 Delivery of Closing Documents. Purchaser shall have tendered delivery to Boise Cascade of all the documents and payments required to be delivered under Section 17.1 hereof to Boise Cascade by it at the Closing pursuant to this Agreement.

15.2.4 Legal Proceedings. No order shall have been entered and not vacated by or before any court, administrative agency or other governmental authority to restrain, prohibit or invalidate any of the transactions contemplated by this Agreement.

15.2.5 HSR Filing. The applicable waiting period under the HSR Act with respect to the actions contemplated by this Agreement shall have expired or been earlier terminated.

16. Items to be Delivered by Boise Cascade.

16.1 Closing. At Closing, Boise Cascade shall deliver the following items to Purchaser:

16.1.1 Title Certificates. A certificate of title for each registered motor vehicle held by Boise Cascade or Oxford.

16.1.2 Opinion of Counsel. The opinion of J. W. Holleran, Senior Vice President and General Counsel of Boise Cascade, to the effect that:

16.1.2.1 Organization. Boise Cascade, Oxford, Rumford Falls, and Rumford Cogen are corporations duly organized, validly existing and in good standing under the laws of their respective states of incorporation and that they are qualified or licensed to do business in all states in which they operate the Business;

16.1.2.2 Authority. Boise Cascade and Oxford's execution and performance of this Agreement have been duly authorized by all necessary corporate action, and this Agreement and each certificate and document to be executed and delivered by it hereunder at or prior to the Closing are valid, legally binding obligations of Boise Cascade and Oxford, enforceable against Boise Cascade and Oxford in accordance with their terms and conditions except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity);

16.1.2.3 Absence of Conflict. None of the execution, delivery, or the performance of this Agreement constitutes a breach of or allows for the acceleration of the rights of any party under any material contract, loan agreement, note, security agreement, lease, indenture or other agreement to which any of the Entities, or, to the best knowledge of such counsel, RCC is a party or any provision of Boise Cascade and Oxford's articles of incorporation, bylaws, or any of the standing resolutions of its board of directors; and

16.1.2.4 Litigation. None of the Entities, Androscoggin, or Gulf Island are a party to any lawsuit or administrative proceeding, nor, to the best of counsel's knowledge, has any person threatened to commence any lawsuit or administrative proceeding against any of the Entities, Androscoggin, or Gulf Island except for pending or threatened lawsuits in respect of Boise Cascade or its subsidiaries which do not seek to prohibit or restrain the transactions provided for in this Agreement or call into question the title to any of the Assets.

16.1.3 Certified Resolution. A copy of the resolutions of the Board of Directors of Boise Cascade and Oxford authorizing the execution and performance of this Agreement, certified by the Secretary or an Assistant Secretary of Boise Cascade and Oxford;

16.1.4 Representations and Warranties. A certificate signed by an officer of Boise Cascade to the effect that (i) all of the representations and warranties of Boise Cascade and Oxford contained herein are true and correct in all material respects as of Closing as if made on and as of the date thereof; and (ii) Boise Cascade and Oxford have performed and complied with or tendered performance of all of its covenants and agreements contained herein which by their terms are to be performed or complied with prior to or as of Closing;

16.1.5 Consents to Assignment. All consents, opinions of counsel, and other third-party action Boise Cascade is required to obtain with respect to the Contracts and Facility Leases listed in Schedule 6.2.1;

16.1.6 Assignments. Such assignments, bills of sale and other instruments of conveyance as may be required to convey the Assets from Boise Cascade or Oxford to Purchaser;

16.1.7 Deeds. Deeds in recordable form to the Realty and Timberlands;

16.1.8 FIRPTA Certificate. A duly executed affidavit of non-foreign status by each of Boise Cascade and Oxford described in Section 1445 of the Code; and

16.1.9 Forms 8023. For each of the Companies, duly completed Internal Revenue Service Forms 8023 (Corporate Qualified Stock Purchase Elections) which are signed by an appropriate officer of the Purchaser, Boise Cascade and Oxford.

16.1.10 Additional Items. Such additional documents, instruments, and other items as counsel for Purchaser may reasonably request.

17. Items to be Delivered at Closing by Purchaser.

17.1 At Closing, Purchaser shall deliver the following items to Boise Cascade:

17.1.1 Certified Resolutions. A copy of the resolutions of the boards of directors of Purchaser and Purchaser Parent authorizing the execution and performance of this Agreement certified by the secretary or an assistant secretary of Purchaser and Purchaser Parent respectively;

17.1.2 Representations and Warranties. A certificate signed by an officer of Purchaser to the effect that (i) all of the representations and warranties of Purchaser contained in this Agreement are true and correct in all material respects as of Closing as if made on and as of Closing; and (ii) Purchaser has performed and complied with all of its covenants and agreements contained herein which by their terms are to be performed or complied with prior to Closing;

17.1.3 Opinion of Counsel. An opinion of Thomas E. Palmer, Vice President and General Counsel of Purchaser Parent, to the effect that:

17.1.3.1 Organization. Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of the state of Delaware, and the Purchaser Parent is a corporation organized and existing in good standing under the laws of the state of Ohio;

17.1.3.2 Authorization. The execution, delivery, and performance of this Agreement by Purchaser and Purchaser Parent have been duly authorized by requisite corporate action lawfully and duly taken and that this Agreement is a valid, legally binding obligation of Purchaser and Purchaser Parent, enforceable against each of them in accordance with its terms and conditions except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity);

17.1.3.3 Absence of Conflict. None of the execution, delivery, or performance of this Agreement by Purchaser and Purchaser Parent constitutes a breach of, or allows for the acceleration of the rights of any party under, any material contract, loan agreement, note, security agreement, lease, indenture, or other agreement to which Purchaser or Purchaser Parent is a party or any provision of their respective articles of incorporation, bylaws, or any of the standing resolutions of their boards of directors; and

17.1.3.4 Litigation. Neither Purchaser nor Purchaser Parent is a party to any lawsuit or administrative proceeding, nor, to the best of such counsel's knowledge, has any

person threatened to commence any lawsuit or administrative proceeding against Purchaser or Purchaser Parent, except for pending or threatened lawsuits in respect of Purchaser or Purchaser Parent, which do not seek to prohibit or restrain the transactions provided for in this Agreement.

17.1.4 Purchase Price. The preliminary Purchase Price payment; and

17.1.5 Additional Items. Such additional documents, instruments, and other items as counsel for Boise Cascade may reasonably request.

18. Press Releases. No press release or other public statement regarding this Agreement or the contents hereof shall be made by either party hereto without prior consultation with the other party except as may be necessary in the opinion of its counsel for each party to meet the requirements or regulations of any applicable law, governmental unit, or agency or stock exchange in which the securities of such party may be listed, in which event, the party required to make the release or statement shall advise the other party of its intention to make a release or statement and shall provide a copy of the proposed release prior to its public release.

19. Claims and Litigation.

19.1 Scope of Representations and Warranties. EXCEPT AS AND TO THE EXTENT SPECIFICALLY SET FORTH IN THIS AGREEMENT OR ANY SCHEDULE, EXHIBIT OR ANY DOCUMENT OR POLICY ATTACHED AS A SCHEDULE OR EXHIBIT HERETO, OR ANY OF THE DOCUMENTS DELIVERED AT THE CLOSING, THE ENTITIES HEREBY DISCLAIM ALL OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS, IMPLIED, OR STATUTORY, IN CONNECTION WITH THE ASSETS, OR THE BUSINESS, INCLUDING BUT NOT LIMITED TO (i) THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (ii) ANY OPINION, INFORMATION OR ADVICE BY ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, CONSULTANT, OR REPRESENTATIVE OF BOISE CASCADE IN CONNECTION WITH THE NEGOTIATIONS OF THIS TRANSACTION; OR (iii) ANY BUSINESS OR MARKETING PLANS, STRATEGIES, OR BUDGETS THAT MAY HAVE BEEN OR MAY BE REVIEWED OR DISCOVERED BY PURCHASER DURING ITS EXAMINATION OF THE BUSINESS.

19.2 Survival of Representations and Warranties. The respective representations and warranties of Boise Cascade and Oxford contained herein shall survive for a period of two years after Closing except that their representations and warranties relating to environmental or tax matters shall survive until the expiration of the applicable statutes of limitations, including any extensions thereof. Purchaser's representations and warranties set forth herein shall survive Closing for a period of two years after Closing. At the end of the applicable survival period set forth above, Boise Cascade or Purchaser, as the case may be, shall, without further action as to such representations and warranties, be deemed to have fully released each other from any and all responsibilities arising thereunder unless during such period the one party shall have notified the other party in writing of the nature and particulars of any claim breached by the other party and that party's intent to seek an award for damages or other available remedies for such breach. Nothing in the preceding sentence shall constitute a waiver or release of rights Purchaser may have under applicable law (without regard to the content of this Agreement) against Boise Cascade for contamination of any of the Realty or Timberlands, any improvement thereto, or any adjoining realty with a Hazardous Material as heretofore defined.

19.3 Indemnification by Boise Cascade. Except for Environmental Liabilities and Costs (which shall be governed by Section 19.4), Boise Cascade, from and after the Closing, shall indemnify and hold Purchaser and its affiliates and any of their respective officers, directors, and employees harmless from and against any and all liabilities, claims for personal injury or property damages, and losses (including all related claims for legal fees, costs, and expenses in connection therewith) asserted by an unrelated third party ("Claims") which are suffered or incurred by Purchaser with respect to (i) any Claims arising out of any event or events occurring prior to Closing and related to Boise Cascade's operation of the Assets or the Business other than the Assumed Liabilities; (ii) any Claims arising out of the noncompliance by Boise Cascade with the bulk sales laws of any

state in which all or any part of Assets are located with respect to the transfer thereof hereunder; (iii) any debts, liabilities or obligations of Boise Cascade and Oxford whether or not related to the Business other than Assumed Liabilities; (iv) any Claims by any Employee who rejects Purchaser's offer of employment in respect of the termination of such Employee's employment with Boise Cascade, so long as such offer of employment meets the requirements of this Agreement; and (v) fines and penalties for violations of the Occupational Safety and Health Act, 29 U.S.C. Section 651, et seq. or similar state statute, which arises out of Boise Cascade's or Oxford's operation of the Business.

19.4 Environmental Indemnification by Boise Cascade.

19.4.1 During the Operating Period. Boise Cascade hereby agrees to defend, indemnify and hold harmless Purchaser and its successors, assigns and affiliates from and against any and all Environmental Liabilities and Costs, resulting from, arising out of or otherwise relating to:

(a) Any misrepresentation or breach of warranty, agreement or undertaking hereunder on the part of Boise Cascade, and any undertaking or other agreement or obligation hereunder;

(b) All penalties and fines and the costs of defending, settling, or otherwise disposing of such actions resulting from Boise Cascade's operation of the Business prior to Closing due to violation of Environmental Laws and all laws relating to endangered or threatened species of fish, wildlife, and plants and the management or use of natural resources; or

(c) Any Release of Hazardous Material that occurred during the Operating Period.

19.4.2 During and After the Operating Period. To the extent that Cleanup is required or undertaken of Hazardous Materials Released both during the Operating Period and after the Operating Period, liability for such Cleanup shall be equitably allocated between Boise Cascade and Purchaser based on the type and estimated quantity of such Releases, or if those are not known or reasonably determinable, the time period during which such Releases took place. In such an equitable allocation, Boise Cascade shall be responsible for Releases during the Operating Period and Purchaser for Releases after the Operating Period. Boise Cascade and Purchaser acknowledge that any Releases discovered by Purchaser within six months following the Closing and which commenced both during the Operating Period and prior to the Closing shall be deemed to have occurred entirely during the Operating Period, unless Purchaser failed or fails to take steps, to the extent reasonably practicable, to prevent the spread or migration of such a Release.

19.5 Indemnification by Purchaser. Purchaser, from and after the Closing, shall indemnify and hold Boise Cascade and its officers, directors, and employees harmless from and against any and all Claims suffered or incurred by Boise Cascade with respect to (i) any Claims arising out of Purchaser's conduct of the Business from and after Closing; (ii) any failure by Purchaser to fully and completely discharge any portion of the Assumed Liabilities; and (iii) any Claims by any Employee hired by Purchaser who is subsequently terminated by Purchaser except to the extent that such claim relates to specific acts of Boise Cascade, its agents or employees, which are unrelated to the termination.

19.6 Limitation of Liability. Notwithstanding any other term or condition of this Agreement, neither Boise Cascade nor Purchaser shall be liable to the other party with respect to any claims under Section 6 or Section 7 hereof until the aggregate direct damages arising from breaches of the representations and warranties set forth in Sections 6 and 7, suffered or incurred by such other party hereto exceeds \$500,000, (except that, with respect to claims under Sections 6.17 and 19.4 hereof, the threshold shall be \$250,000 and shall not be included in the \$500,000 threshold and with respect to Sections 6.4 and 12.4, the threshold will be \$0) whereupon such other party shall be entitled to indemnification hereunder for the aggregate damages suffered by such other party with respect to the Claims to the extent they exceed \$500,000, \$250,000, or \$0, as the case may be. In calculating any amount to be paid by Boise Cascade or Purchaser pursuant to this Section 19.6, such amount shall be reduced by all insurance proceeds, and other reimbursements (but

excluding any calculation of the tax effect of the loss or injury involved) actually received by the other party hereto and relating to such damages and each party waives the rights of subrogation that the issuer of any such insurance or other reimbursing entity may have against the other party in respect of such Claim. If the damages suffered by Purchaser arising from a claim based upon a breach of or inaccuracy in any of the representations and warranties of the Entities set forth in Section 6 hereof is also a debt, liability or obligation of any of the Entities which Purchaser has not assumed as an Assumed Liability, then the limitations set forth in this Section 19.6 (irrespective of whether such matter is disclosed hereunder) shall not apply or restrict Purchaser's right to indemnification. Neither party shall be liable for incidental, indirect, special, collateral, consequential, exemplary or punitive damages arising out of any breach of any representation or warranty under this Agreement.

19.7 Procedure. In the event that, from and after Closing, a third person asserts any Claim against Boise Cascade, Purchaser, or any other person entitled to indemnity pursuant to Section 19.3, 19.4, or 19.5 with respect to any matter to which the foregoing indemnities relate, other than any Tax Indemnity pursuant to Section 12.4, the party hereto against whom the Claim is asserted (the "Indemnified Party") shall give prompt notice to the other party (the "Indemnifying Party") and the Indemnifying Party shall take over the defense or settlement of such Claim at its own expense by giving prompt written notice to the Indemnified Party, provided that such written notification shall expressly acknowledge the Indemnifying Party's responsibility to indemnify and hold the Indemnified Party harmless from and against such third-party Claim. The parties hereto shall cooperate in defending any such third-party Claim and the defending party hereto shall have reasonable access to the books and records in the possession or control of the other party hereto which are pertinent to the defense.

19.8 Release of Hazardous Material Claims. In the event that Purchaser seeks indemnity for any Claim which arises from the Release of a Hazardous Material on any parcel of the Realty or the Timberlands, Purchaser: (i) shall give Boise Cascade prompt notice of its discovery of such Claim; and (ii) if Purchaser's good faith estimate of the cost of Cleanup in respect of such claim is more than \$1,000,000 (a "Large Cleanup"), it shall afford Boise Cascade a right to manage and control the Cleanup of the Release giving rise to such claim which shall include the negotiation and settlement of any fines or penalties associated therewith. In connection with the conduct of a Large Cleanup, Boise Cascade shall (i) provide Purchaser with current information on the progress of the Cleanup; (ii) allow Purchaser to comment on the plans developed therefor as they are developed from time to time; (iii) not take actions which materially or substantially impair the operation of the Facility at which such Release occurred; (iv) not have any authority to commit Purchaser to any consent decree or other settlement arrangement with a third party which requires any action other than a payment of money which shall be supplied by Boise Cascade; and (v) provide Purchaser, prior to beginning work on the affected Realty or Timberlands, with an indemnity and insurance coverage as set forth in Schedule 19.8 hereof. Notwithstanding the foregoing, Purchaser may, at its option, in connection with any Large Cleanup, elect to manage and control the Cleanup itself, in which event it shall bear 10% of the Cost of Cleanup resulting therefrom. In the event of such election, Purchaser shall (i) provide Boise Cascade with current information on the progress of the Cleanup; and (ii) allow Boise Cascade the right to comment upon the plans therefor as they are developed from time to time.

19.9 Litigation Assistance. Boise Cascade and Purchaser shall make reasonably available to one another the services of any of their respective employees who have knowledge of facts involved in any proceeding or litigation, threatened or actual, to which Boise Cascade or Purchaser is, or is likely to become, a party and which arises out of Boise Cascade's conduct of the Business prior to Closing or the provision of any services or sale of goods after Closing which, in any way, relate to any inventory on hand at Closing. Such employees shall be made available for purposes of testimony and assistance to their respective attorneys, insurers, and other agents of Boise Cascade or Purchaser, as the case may be, and for evaluation of and preparation for trial, arbitration, or other resolution of

litigation. The party requiring that employees be made available in accordance with this Section shall reimburse the employing party for reasonable expenses including the cost of travel, food, and lodging.

19.10 Treatment of Indemnification Payments. Any indemnification payment made pursuant to this Agreement by Boise Cascade to the Purchaser or by the Purchaser to Boise Cascade, as the case may be, shall be treated as a Purchase Price adjustment for all Tax purposes.

19.11 Presumption of Sale. Any product liability claim for injury or damages or product warranty claim from products manufactured at the Rumford Facility from and after the Closing, shall be a claim for which Purchaser is responsible. Any product liability claim for injury or damages or product warranty claims from products manufactured at the Rumford Facility prior to the Closing shall be a claim for which Boise Cascade is responsible. As of the Closing, Purchaser shall substitute its label for Boise Cascade's on all products manufactured by Purchaser at the Rumford Facility.

19.12 Preservation of Records. Title to all records of Boise Cascade pertaining primarily to the Business, including, without limitation, property records, engineering records, purchasing and sales records, personnel and payroll records, accounting and financial books and records, customer and vendor lists and records, and any and all other warehouse and/or office books and records of the Business ("Records") shall be transferred to Purchaser at Closing. Notwithstanding the foregoing provision, ownership and possession of all accounting and financial records of the Business located in Boise, Idaho, which are necessary to prepare consolidated financial statements or income tax returns for Boise Cascade ("Accounting Records") shall be retained by Boise Cascade. Purchaser and Boise Cascade shall, respectively, maintain the Records and the Accounting Records for the lesser of seven years or the standard retention policy of the holder, provided that no Records or Accounting Records shall be destroyed unless the holder provides the other party hereunder with at least 90 days' prior written notice. Upon receipt of notice of destruction, the nonholder shall have the option, at its sole cost and expense, to take possession of the records set for destruction, in which case the nonholder shall assume all further cost of storage and destruction of such records.

20. Costs. Each party agrees that to the extent that it has heretofore utilized or subsequently utilizes the services of any accountant, attorney, broker, finder, economist, investment banker, or other similar firm or individual in connection with this transaction, it will pay the fee of such firm or individual.

21. Corporate Identification. As of the Closing, Boise Cascade shall be deemed to have assigned the trade name "Oxford Paper Company," and any and all related trade names, to the Purchaser and, in connection with the Closing, shall change the corporate name of Oxford. Except as otherwise provided herein, Purchaser shall disassociate the trade names "Boise Cascade" and the trademark "[LOGO]" (collectively the Reserved Identification") as soon after the Closing as is practicable but in any event no later than one year after Closing. If Purchaser is unable to meet any of the following requirements within that time, Purchaser shall provide to Boise Cascade the written explanation for the delay and a timetable for completion of the requirements and any such reasonable explanation shall not result in a default. To this end, the following actions shall be taken by Purchaser:

21.1 Motor Vehicles. Within 120 days from the date of Closing, Purchaser shall repaint all motor vehicles acquired by it and signs on Facilities acquired hereunder so as to eliminate the Reserved Identification.

21.2 Correspondence. Immediately after Closing, Purchaser shall instruct all of its employees to indicate on the internal and external correspondence that, notwithstanding the letterhead on any such correspondence, the source of the correspondence is Purchaser and not Boise Cascade.

21.3 Promotional Materials. Within 120 days after Closing, Purchaser shall have printed and distributed to its

production, management, and sales force stickers for all forms of sales and promotional materials and stationery which will overlay the Reserved Identification on such materials with the name and/or logo of Purchaser.

21.4 Phone Books. Purchaser shall cause the Reserved Identification to be deleted from all phone book listings as soon as reasonably practical.

21.5 Advertising. Media advertising, sponsored or paid for in part by Purchaser (including co-op advertising programs) shall utilize Purchaser's name and/or corporate logo. Such advertising and other promotional materials may, for a period of one year from the date of Closing, contain a statement to the effect that Purchaser has acquired the Rumford Facility of Boise Cascade.

22. Notices. Any notice or demand required or permitted to be given under the terms of this Agreement shall be deemed to have been duly given or made if given by any of the following methods and shall be effective as indicated below in respect of each such means of notice:

22.1 If deposited in the United States mail, in a sealed envelope, postage prepaid, by registered or certified mail, return receipt requested, respectively addressed as set forth below, such notice shall be effective on the 7th business day following mailing.

22.2 If sent to the address set forth below via an established national overnight delivery service (such as Federal Express), charges prepaid, such notice shall be effective on the next business day following dispatch.

22.3 If sent via any electronic communications method, provided the sender obtains written confirmation of receipt of the communication by the electronic communication equipment at the office of the addressee listed below, such notice shall be effective on the next business day following dispatch.

To Boise Cascade: Boise Cascade Corporation
 Attn: Chief Financial Officer
 1111 West Jefferson Street
 Boise, ID 83728-0001
 Telephone: 208/384-7851
 Telecopy: 208/384-4913

Copy to: Boise Cascade Corporation
 Attn: Senior Vice President
 and General Counsel
 1111 West Jefferson Street
 Boise, ID 83728
 Telephone: 208/384-7704
 Telecopy: 208/384-4912

To Purchaser: Mead Oxford Corporation
 c/o The Mead Corporation
 Attn: Chief Financial Officer
 Courthouse Plaza N.E.
 Dayton, OH 45463
 Telephone: 513/495-3996
 Telecopy: 513/461-2424

Copy to: The Mead Corporation
 Attention Vice President and
 General Counsel
 Courthouse Plaza N.E.
 Dayton, OH 45463
 Telephone: 513/495-4106
 Telecopy: 513/461-2424

23. Transition Services. The parties agree that certain services currently provided to the Business may need to be continued for a period of time after Closing and that the nature and extent of such need was difficult to ascertain prior to the execution of this Agreement. The parties agree that at or before Closing, they will determine a definitive transition services agreement which will address the following:

23.1 Computer Systems. The parties will determine a transition process to assure that the computer systems relied upon by

the Business are continued in a manner which allows Purchaser to continue to operate the Business, such transition period not to exceed six months from Closing. Purchaser shall provide compensation to Boise Cascade in accordance with Boise Cascade's customary schedule of charges from time to time in effect in respect to intracompany computer services. During the transition period, Boise Cascade and the Purchaser shall cooperate with respect to the transfer to the Purchaser's system of all information relating to the Business.

23.2 Transportation Services. Transportation services, including rail, truck, and intermodal services are currently provided by the Transportation Division of Boise Cascade and BCT, pursuant to contracts between the Rumford Facility and BCT. Such contracts shall be assigned to Purchaser. BCT shall continue to provide such services for a period of up to six months, at market prices. During such transition period, the Purchaser and BCT shall discuss in good faith the best manner in which to transfer such operations to the Purchaser. In furtherance thereof, Purchaser shall acquire all of the Trucking Terminal assets at a price equal to the net book value of such assets upon completion of such transition arrangements which are agreed upon pursuant to this Section 23.2.

23.3 Benefit Plan Services. Boise Cascade shall provide claims processing services relating to the New Plans and the pretax premium medical, dental, and vision plans adopted by Purchaser pursuant to Sections 11.7 and 11.4.2 hereof for claims for services rendered on or before December 31, 1996, and which are timely filed under the terms of such plans. Purchaser shall compensate Boise Cascade for such services at Boise Cascade's cost per claim processed, as described in the definitive transition services agreement.

23.4 Other Services. For a period not to exceed six months after the Closing, Boise Cascade shall reasonably cooperate with and provide to the Purchaser those services Boise Cascade presently provides to the Business as Purchaser shall reasonably require. Purchaser shall use its best efforts to arrange for replacement services as promptly as practical. The Purchaser shall reimburse Boise Cascade in accordance for Boise Cascade's fully loaded cost of providing such services.

24. Bulk Sales. Purchaser hereby waives compliance with any relevant bulk sales law and Boise Cascade hereby promises to hold harmless, indemnify and defend Purchaser against any loss, damage, claim, or demand which may be made against it or against the Purchased Assets by reason of such noncompliance.

25. Further Assurances. Each party shall at any time after Closing execute and deliver to the other party all such additional instruments of conveyance and assignment, certificates or documents as such other party may reasonably request in order to further perfect the intent of this Agreement.

26. Governing Law. This Agreement shall be governed by Delaware state law without regard to its choice of law provision.

27. Entire Agreement. This Agreement, together with the nondisclosure agreement referred to in Section 9.2 hereof, constitutes the entire agreement between the parties with respect to the subject matter hereof and merges and replaces all prior negotiations, discussions, representations, warranties, offers, and agreements between the parties with respect to the subject matter hereof.

28. Amendment. This Agreement may be amended only by a written instrument signed by all of the parties hereto.

29. Assignment. No party shall sell, assign, mortgage, pledge, or otherwise transfer this Agreement or any of its rights hereunder without the prior written agreement of the other party; provided, however, that Purchaser Parent may transfer any of its rights hereunder in connection with a transfer of any of the Assets, in whole or in part; provided further, however, that Purchaser shall not be relieved of any of its obligations hereunder as a result of any such transfer. Any sale, assignment, mortgage, pledge, or other transfer attempted in violation of this provision shall, at the option of the nontransferring party, be void.

30. Counterparts. This Agreement may be executed in two or more duplicate counterparts and upon the execution and delivery thereof by each party of at least one such counterpart, such

counterparts shall collectively constitute a fully executed and delivered agreement as though all parties had signed a single counterpart of the agreement.

31. Severance. If any of the provisions of this Agreement are found to be illegal, void, or unenforceable, such provision shall be deemed eliminated from this Agreement and the balance of the Agreement shall remain fully enforceable in accordance with its terms; provided that, if such elimination causes this Agreement to fail in its essential purpose, this Agreement shall be terminated.

32. Unconditional and Unlimited Guaranties.

32.1 Purchaser Parent hereby extends to Boise Cascade and Oxford an unconditional and unlimited guaranty of the performance by Purchaser of all of its obligations arising hereunder and under any agreement, certificate, or other instrument or document delivered by Purchaser pursuant hereto, including, without limitation, the timely performance by Purchaser of the Assumed Liabilities and the payment of the Purchase Price.

32.2 At Closing, Purchaser Parent shall extend to RCC its guaranty of the performance by Purchaser of the obligations assumed by it under the Contracts assumed by Purchaser at Closing in which RCC is a counterparty. Such guaranty shall be in substantially the same form as the guaranty of such obligations extended to RCC by Boise Cascade on behalf of Oxford dated October 21, 1987; and, to the extent required to obtain the necessary consents to assignment, it shall execute and deliver to Bank of America, N.T. & S.A., as Agent, a Consent to Assignment of such Guaranty by RCC, which shall be substantially in the form of a Consent to Assignment of certain project agreements extended by Boise Cascade to Bank of America, N.T. & S.A., dated as of October 21, 1987, to the extent such Consent related to the Boise Cascade Guaranty referred to above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

BOISE CASCADE CORPORATION

By _____
Title _____

OXFORD PAPER COMPANY

By _____
Title _____

MEAD OXFORD CORPORATION

By _____
Title _____

THE MEAD CORPORATION

By _____
Title _____

LIST OF SCHEDULES

SCHEDULE/TITLE

SCHEDULE 1.25	Excluded Assets
SCHEDULE 1.27	Part I -- Facility Leases Used in the Business Part II -- Leased Real Property Held by Rumford Cogen, Rumford Falls, and RCC
SCHEDULE 1.33	Historical Balance Sheet
SCHEDULE 1.34	Industrial Revenue Bonds
SCHEDULE 1.35	Part I -- Intangible Rights Used Exclusively in the Business Part II -- Intangible Rights Used in the Business on a Nonexclusive Basis and Deemed Excluded Assets
SCHEDULE 1.37	Joint Facilities
SCHEDULE 1.43	Form of Preliminary Closing Statement
SCHEDULE 1.46	Realty
SCHEDULE 1.50	Rumford Cogeneration Support Contracts
SCHEDULE 1.60	Summary Description of Timberlands
SCHEDULE 5.3	Excluded Liabilities
SCHEDULE 6.2.1	Boise Cascade and Oxford Consents and Boise Cascade and Oxford Defaults
SCHEDULE 6.4.1	Tax Returns
SCHEDULE 6.4.2	Tax Returns Not Timely Filed and Tax Payments Not Timely Paid
SCHEDULE 6.5	Reports of Noncompliance with Laws
SCHEDULE 6.6	Litigation
SCHEDULE 6.7	Contracts and Agreements
SCHEDULE 6.7.1	Collective Bargaining Agreements
SCHEDULE 6.7.2	Contracts and Other Agreements for the Purchase or Sale of Product, Materials, Supplies, Merchandise, or Services for Use in the Conduct of the Business
SCHEDULE 6.7.3	Railroad Sidetrack Agreements
SCHEDULE 6.7.4	Trucking, Delivery, and Service Agreements
SCHEDULE 6.7.5	Contracts and Other Agreements for Sale of Assets
SCHEDULE 6.7.6	Joint Development, Joint Venture, or Partnership Agreements Relating to the Business
SCHEDULE 6.7.7	Contracts and Other Agreements Containing Covenants Not to Compete
SCHEDULE 6.7.8	Contracts and Other Agreements Relating to Acquisition of Any Operating Business or Capital Stock
SCHEDULE 6.7.9	Options or Contracts for Purchase of Fixed Assets or Real Property

SCHEDULE 6.7.10	Contracts or Other Agreements Requiring Payment of Royalty, License Fee, Know-How, Technical Fee, Override or Similar Commission or Fee
SCHEDULE 6.7.11	Guarantees
SCHEDULE 6.7.12	Construction Agreements or Equipment Purchase Orders
SCHEDULE 6.7.13	Employment and Consulting Agreements
SCHEDULE 6.7.14	Leases for Equipment or Machinery
SCHEDULE 6.7.15	Sales Agreements
SCHEDULE 6.7.16	All Other Contracts, Agreements, or Commitments
SCHEDULE 6.7.17	Invalid Agreements
SCHEDULE 6.13	Liabilities
SCHEDULE 6.14.1	Labor Relations Matters
SCHEDULE 6.15	Product Claims
SCHEDULE 6.16	Employee Benefit Plans
SCHEDULE 6.17	Environmental Matters
SCHEDULE 6.17.2	Transportation, Storage, Treatment, or Disposal of Hazardous Materials
SCHEDULE 6.17.3	Releases
SCHEDULE 6.17.4	CERCLA or State Sites and Requests for Information
SCHEDULE 6.17.5	Preliminary Underground Storage Tanks, Asbestos, and PCB Transformers
SCHEDULE 6.17.6	Environmental Audits; Environmental Site Assessments; OSHA Citations; Ground Water, Soil, or Air Monitoring; Claims Notice of Violations; and Enforcement Actions
SCHEDULE 6.17.7	Environmental Permits, Licenses, and Authorizations Held by Boise Cascade and Oxford
SCHEDULE 6.17.8	Agreements Concerning Environmental Liabilities and Costs
SCHEDULE 6.18.2	Rumford Cogen and RCC Agreements
SCHEDULE 7.4	Purchaser Consents and Purchaser Defaults
SCHEDULE 9.1	Operations
SCHEDULE 11.1	Salaried Vacation Policy
SCHEDULE 11.8	Gain Sharing Plan
SCHEDULE 19.8	Insurance and Indemnity Provisions

Pursuant to Regulation S-K, Item 601(b)(2), the schedules have been omitted from this exhibit. The company will furnish copies of any omitted schedule to the Securities and Exchange Commission upon request.

1983 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through July 26, 1996)

BOISE CASCADE CORPORATION

1983 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1983 Board of Directors Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing directors of the Company the opportunity to defer a portion or all of their Compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Compensation. A Participant's fees for personal services rendered by a Participant as a director of the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursements.

2.3 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.4 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control,

the Company may reclaim the assets transferred to the trustee or trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.5 Director. A member of the Board of Directors of Boise Cascade Corporation as elected by the shareholders.

2.6 Early Benefit Commencement Date. The first day of the month following a Participant's Termination for reasons other than death prior to attainment of age 72 or, after the four-year deferral, the date selected by a Participant to begin benefit payments. An election to begin benefit payments must be made prior to January 1 of the year in which benefits commence.

2.7 Minimum Death Benefit. The Minimum Death Benefit shall be a multiple of the total amount of Compensation to be deferred over the four-year period. The multiple shall be determined according to the Participant's age at the beginning of the Plan (January 1, 1984):

Age	Multiple of Deferred Compensation
65 and over	2
60	3
55	4
50	5

The Multiple shall be interpolated to the Participant's age on his or her last birth date on the date the Participant begins deferrals under the Plan. For example, age 54 would have a multiple of 4.2.

2.8 Moody's Plus 4%. The Company shall accumulate the Participant's deferred compensation with monthly interest equivalent to an annualized rate of 4% more than Moody's Composite Average of Yields on Corporate Bonds for the preceding calendar month as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly yield is no longer published, a substantially similar average selected by the Board.

2.9 Normal Benefit Commencement Date. The first day of the month coincident with or next following a Participant's 72nd birthday.

2.10 Participant. A Director who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.11 Potential Change in Control. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to

the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.12 Termination. The Participant's ceasing to be a Director of the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of death.

3. Administration and Interpretation of the Plan. The Company shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. Prior to December 20, 1983, a Director who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Director elects to defer a portion of his Compensation otherwise earned and payable on or after January 1, 1984. The amount of annual Compensation to be deferred shall be a minimum of \$5,000 per year and increments of \$1,000 up to all Compensation. The period during which Compensation is deferred shall be the four (4) calendar years immediately following 1983. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 New Directors. A Director who first attains such status subsequent to January 1, 1984, shall be entitled to participate in the Plan for all full calendar years after being elected a Director and prior to January 1, 1988, and shall be bound by all terms and conditions of the Plan.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of Compensation deferred shall be submitted by a Participant in writing to the Company prior to January 1 of the year that such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall be effective for all future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the Company to effect the adjusted benefits payable to the Participant.

4.4 Prior Deferrals. A Participant may transfer to this Plan any account balance that he or she may have, as of December 31, 1983, under the Boise Cascade Corporation Directors' Deferred Compensation Policy, adopted December 16, 1971. The election to transfer must be made prior to December 31, 1983.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain for each Participant an account by accumulating his Compensation deferred and, each month, the account shall be updated with a monthly rate of interest equal to Moody's plus 4%.

5.2 Plan Benefits. Upon Early or Normal Benefit Commencement Date, a Participant shall be paid his account in a lump sum or in equal quarterly installments calculated to distribute his account plus accrued interest for a period of not more than 15 years. Unpaid balances under the installment election continue to earn interest at the rate of Moody's plus 4%. The Participant shall elect the method of payment prior to the calendar year in which the first installment is made. If a Participant does not make an election, his account shall be paid out in quarterly installments over 15 years. A Participant may request a change in the payout election anytime prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

5.3 Payment on Death After Benefits Commence. If a Participant dies after his benefits have commenced and prior to the distribution of his entire account, his beneficiary shall receive any benefit payments that would have been paid to the Participant. In lieu of the monthly benefit payments, upon the request of the Participant's beneficiary, the Company may, in its sole discretion, make a lump-sum payment to the Participant's beneficiary.

5.4 Death Benefit. If a Participant should die while a Participant in the Plan and prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the greater of the accumulated account balance or the Minimum Death Benefit.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may at any time request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.5 Recipients of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Taxes. The Company shall deduct from all payments

made hereunder all applicable federal or state taxes which may be required by law to be withheld from such payments.

6.3. Construction. The Plan shall be construed according to the laws of the state of Idaho.

6.4 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon mailing, if sent by first class mail, postage prepaid, and addressed to the Company's office at 1111 West Jefferson Street (83702), P.O. Box 50, Boise, Idaho 83728-0001.

6.5 Unsecured General Creditor. Except as provided in Section 8 hereof, 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 Company, 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 to the Company ("Policies"). Such Policies or other assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets and Policies shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

7. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant accrued under the Plan prior to the amendment without the prior consent of a Participant.

8. Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and the Company shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

BOISE CASCADE CORPORATION

1987 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

(As Amended Through July 26, 1996)

BOISE CASCADE CORPORATION

1987 BOARD OF DIRECTORS DEFERRED COMPENSATION PLAN

1. Purpose of the Plan. The purpose of the Boise Cascade Corporation 1987 Board of Directors Deferred Compensation Plan (the "Plan") is to further the growth and development of Boise Cascade Corporation (the "Company") by providing directors of the Company the opportunity to defer a portion or all of their compensation and thereby encourage their productive efforts.

2. Definitions.

2.1 Change in Control. A "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a change in control of the Company (a "Transaction") shall not constitute a change in control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title, and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.2 Compensation. A Participant's fees for services rendered by a Participant as a director of the Company during a calendar year. Compensation shall not include any amounts paid by the Company to a Participant that are not strictly in consideration for personal services, such as expense reimbursements.

2.3 Deferred Compensation Agreement. A written agreement between a Participant and the Company, whereby a Participant agrees to defer a portion of his or her Compensation pursuant to the provisions of the Plan, and the Company agrees to make benefit payments in accordance with the provisions of the Plan.

2.4 Deferred Compensation and Benefits Trust. An irrevocable trust or trusts established or to be established by the Company with an independent trustee or trustees for the benefit of persons entitled to receive payments or benefits hereunder, the assets of which nevertheless will be subject to claims of the Company's creditors in the event of bankruptcy or insolvency and with respect to which the Company shall have received a ruling from the Internal Revenue Service that the trust is a "grantor trust" for federal income tax purposes.

The Deferred Compensation and Benefits Trust contains the following additional provisions:

(a) If a Change in Control of the Company does not occur within one year after the Potential Change in Control, the Company may reclaim the assets transferred to the trustee or

trustees subject to the requirement that it be again funded upon the occurrence of another Potential Change in Control.

(b) Upon a Change in Control, the assets of the Deferred Compensation and Benefits Trust shall be used to pay benefits under this Plan, except to the extent such benefits are paid by the Company, and the Company and any successor shall continue to be liable for the ultimate payment of those benefits.

(c) The Deferred Compensation and Benefits Trust will be terminated upon the exhaustion of the trust assets or upon payment of all the Company's obligations.

(d) The Deferred Compensation and Benefits Trust shall contain other appropriate terms and conditions consistent with the purposes sought to be accomplished by it. Prior to a Change in Control, the Deferred Compensation and Benefits Trust may be amended from time to time by the Company, but no such amendment may substantially alter any of the provisions set out in the preceding paragraphs.

2.5 Director. A member of the Board of Directors of Boise Cascade Corporation as elected by the shareholders.

2.6 Early Benefit Commencement Date. The date of a Participant's Termination as a Director for reasons other than death, prior to attainment of age 72.

2.7 Minimum Death Benefit. The Minimum Death Benefit shall be equal to the sum of the following:

(a) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions made to the Plan for the period January 1, 1988, through December 31, 1991, which shall be an amount equal to 1.5 times the Participant's total expected deferrals, up to a maximum of \$500,000.

and

(b) The Minimum Death Benefit to which a Participant is entitled for the deferrals and corresponding Company Contributions to the Plan for the period January 1, 1992, through December 31, 1995, which shall be an amount equal to 1.5 times the Participant's total expected deferrals, up to a maximum of \$500,000.

The amount of the Minimum Death Benefit payable under this Section 2.7 shall be subject to adjustment in the event there is an alteration of the amount to be deferred as provided in Section 4.3.

2.8 Moody's Times 130%. The Company shall accumulate the Participant's deferred compensation with monthly interest equivalent to an annualized rate of 130% times Moody's Composite Average of Yields on Corporate Bonds for the preceding calendar month as determined from Moody's Bond Record published by Moody's Investor's Service, Inc. (or any successor thereto), or, if such monthly yield is no longer published, a substantially similar average selected by the Board.

2.9 Normal Retirement Date. The first day of the month coincident with or next following a Participant's 72nd birthday.

2.10 Participant. A Director who has entered into a written Deferred Compensation Agreement with the Company in accordance with the provisions of the Plan.

2.11 Potential Change in Control. A "Potential Change in Control of the Company" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to

the effect that a Potential Change in Control of the Company has occurred.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

2.12 Termination. The Participant's ceasing to be a Director of the Company for any reason whatsoever, whether voluntarily or involuntarily, including by reason of early retirement, normal retirement or death.

3. Administration and Interpretation of the Plan. The Company shall administer and interpret the Plan, and interpretation by the Company shall be final and binding upon a Participant. The Company may adopt rules and regulations relating to the Plan as it may deem necessary or advisable for the administration of the Plan. The Company may also delegate administrative responsibilities to advisors or other persons who are not employees of the Company and may rely upon information or opinions of legal counsel or experts selected to render advice with respect to the Plan.

4. Participant Compensation Deferral.

4.1 Compensation Deferral. Prior to January 1, 1988, a Director who wishes to participate in the Plan shall execute a written Deferred Compensation Agreement, in the format provided by the Company, whereby the Director elects to defer a portion of his or her Compensation otherwise earned and payable on or after January 1, 1988, and through the four-year period ending December 31, 1991. Prior to January 1, 1992, a Director who wishes to participate in the Plan for the period from January 1, 1992, through December 31, 1995, shall execute a written Deferred Compensation Agreement covering such period. The amount of annual Compensation to be deferred shall be specified in the Deferred Compensation Agreement. The period during which Compensation is deferred shall be the calendar years specified in the Deferred Compensation Agreement immediately following 1987. The amount deferred shall result in corresponding reductions in the Compensation payable to a Participant.

4.2 Participation After January 1, 1988. A Director who first attains such status subsequent to January 1, 1988, and prior to December 31, 1991, shall be entitled to participate in the Plan until December 31, 1991, and shall be bound by all the other terms and conditions of the Plan. A Director who first attains such status subsequent to January 1, 1992, and prior to December 31, 1995, shall be entitled to participate in the Plan until December 31, 1995, and shall be bound by all the other terms and conditions of the Plan. A Director shall complete a Deferred Compensation Agreement within 30 days of becoming eligible and being notified of the terms and conditions of the Plan. Contributions to the Plan shall commence the first of the month following the completion of the Deferred Compensation Agreement. The Company shall notify a new Participant promptly upon becoming eligible.

4.3 Alteration of Compensation Deferral. The amount of Compensation to be deferred, once selected by a Participant, shall be irrevocable except upon written approval by the Company. A request to alter the amount of Compensation deferred must be submitted by a Participant in writing to the Company prior to January 1 of the year for which such modification is requested and shall detail the reasons for the modification. If a modification of the deferral amount is granted by the Company, the modification shall affect only future years of participation; and all benefits under the Plan shall be adjusted to reflect the new deferred amount and also to reflect any costs incurred by the

Company to effect the adjusted benefits payable to the Participant.

5. Payment of Deferred Amounts.

5.1 Participant Account. The Company shall maintain for each Participant an account by accumulating his or her deferred compensation each month, the account shall be updated with a monthly rate of interest equal to Moody's Times 130%.

5.2 Benefits. Upon Termination for reasons other than disability, after completing five Years of Participation, or after attaining age 55 with 10 or more Years of Service, a Participant shall be paid his or her account in a lump sum or in equal quarterly installments calculated to distribute his or her account plus accrued interest for a period of not more than 15 years. Payments shall commence on the date and shall be made in the manner elected by the Participant in the Deferred Compensation Agreement. Unpaid balances under the installment election continue to earn interest at the rate of Moody's Times 130%. If a Participant does not make an election, his or her account shall be paid out in quarterly installments over 15 years beginning January 1 of the year following Termination. The Participant may request other forms of payout which are subject to approval by the Company, pursuant to Section 5.3.

5.3 Change of Election. A Participant may request a change in the payout election anytime prior to January 1 of the year benefits are scheduled to be paid, provided that the request is received by the Company at least 30 days prior to the date benefits are scheduled to be paid. The changed payout election must be one of the payout options in the original deferral agreement. Such request must be in writing and shall be approved or denied at the sole discretion of the Company. No change will be permitted that would allow a payment to be made earlier than originally elected in the Deferred Compensation Agreement.

Notwithstanding any provision in this Plan to the contrary, a Participant or Beneficiary may at any time request a single lump-sum payment of the amount credited to an account or accounts of the Participant under the Plan. The amount of the payment shall be equal to (i) the Participant's accumulated account balance under the Plan as of the payment date, reduced by (ii) an amount equal to 10% of such accumulated account balance. This lump-sum payment shall be subject to withholding of federal, state, and other taxes to the extent applicable. This request must be made in writing to the Company. The lump-sum payment shall be made within 30 days of the date on which the Company received the request for the distribution. If a request is made under this provision, the Participant shall not be eligible to participate in any nonqualified deferred compensation plan maintained by the Company, including this Plan, for a period of 12 months after such request is made. In addition, in such event any deferred compensation agreement under any nonqualified deferred compensation plan of the Company shall not be effective with respect to Compensation payable to the Participant during this 12-month period.

5.4 Payment on Death After Benefits Commence. If a Participant dies after his or her benefits have commenced and prior to the distribution of his or her entire Participant Account, his or her beneficiary shall receive any benefit payments in accordance with the Deferred Compensation Agreement.

5.5 Death Benefit. If a Participant should die prior to the commencement of Plan distributions, the Company shall pay his or her designated beneficiary or beneficiaries the greater of the accumulated account balance or the Minimum Death Benefit. Payments shall be made as specified in the Deferred Compensation Agreement. The Participant Account shall be updated with a monthly rate of interest of Moody's Times 130%.

5.6 Recipient of Payments; Designation of Beneficiary. All payments to be made by the Company shall be made to the Participant, if living. In the event of a Participant's death prior to the receipt of all benefit payments, all subsequent payments to be made under the Plan shall be to the beneficiary or beneficiaries of the Participant. The Participant shall designate a beneficiary by filing a written notice of such designation with the Company in such form as the Company may prescribe. If no designation shall be in effect at the time when

any benefits payable under this Plan shall become due, the beneficiary shall be the spouse of the Participant, or if no spouse is then living, the representatives of the Participant's estate.

5.7 Reduction in Benefits. In connection with participation in this Plan, the Company may require the completion of health questionnaires and the taking of physical examinations by Participants. Notwithstanding any other provision of the Plan, in the event of a Participant's death during the first two years of his or her participation in the Plan, if his or her death is the result of suicide, or if a Participant made any material misstatement or failed to make a material disclosure of information in connection with his or her application for participation in the Plan, then in lieu of any other benefits payable under the Plan the Company shall distribute to the Participant or his or her designated beneficiary or beneficiaries a lump-sum payment of his or her accumulated account balance and no Minimum Death Benefit shall be payable. The Company at its sole discretion may extend to a Participant or his or her beneficiary or beneficiaries other benefits provided under the Plan.

6. Miscellaneous.

6.1 Assignability. A Participant's rights and interests under the Plan may not be assigned or transferred except, in the event of the Participant's death, to his or her designated beneficiary, or in the absence of a designation, by will or to his or her legal representative.

6.2 Taxes. The Company shall deduct from all payments made hereunder all applicable federal or state taxes required by law to be withheld from such payments.

6.3 Construction. The Plan shall be construed according to the laws of the state of Idaho.

6.4 Form of Communication. Any election, application, claim, notice or other communication required or permitted to be made by a Participant to the Company shall be made in writing and in such form as the Company shall prescribe. Such communication shall be effective upon mailing, if sent by first-class mail, postage prepaid, and addressed to the Company's office at 1111 West Jefferson Street (83702), P.O. Box 50, Boise, Idaho 83728-0001.

7. Amendment and Termination. The Board of Directors may, at any time, amend the Plan, provided that the amendment shall not adversely affect any right or benefit of a Participant under the Plan without the prior consent of a Participant.

8. Unsecured General Creditor. Except as provided in Section 9 hereof, 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 Company. Such assets of the Company shall not be held under any trust for the benefit of Participants, their beneficiaries, heirs, successors, or assigns, or held in any way as collateral security for the fulfilling of the obligations of the Company under this Plan. Any and all Company assets shall be, and remain, the general, unpledged, unrestricted assets of the Company. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise of the Company to pay money in the future.

9. Deferred Compensation and Benefits Trust. The Company is establishing a Deferred Compensation and Benefits Trust ("Trust"), and the Company shall comply with the terms of the Trust. Upon the occurrence of any Potential Change in Control of the Company, the Company shall transfer to the Trust an amount of cash, marketable securities, or other property acceptable to the trustee(s) equal in value to 105% of the amount necessary, on an actuarial basis and calculated in accordance with the terms of the Trust, to pay the Company's obligations under this Agreement (the "Funding Amount"). The cash, marketable securities, and other property so transferred shall be held, managed, and disbursed by the trustee(s) subject to and in accordance with the terms of the Trust. In addition, from time to time the Company shall make any and all additional transfers of cash, marketable securities, or other property acceptable to the

trustee(s) as may be necessary in order to maintain the Funding Amount with respect to this Plan.

BOISE CASCADE CORPORATION

1984 KEY EXECUTIVE STOCK OPTION PLAN

(As Amended Through July 25, 1996)

BOISE CASCADE CORPORATION
1984 KEY EXECUTIVE STOCK OPTION PLAN

1. Establishment and Purpose.

1.1 Establishment. Boise Cascade Corporation, a Delaware corporation, hereby establishes a Stock Option Plan for key employees, which shall be known as the Boise Cascade Corporation 1984 KEY EXECUTIVE STOCK OPTION PLAN (the "Plan"). It is intended that some of the Options issued pursuant to the Plan may constitute Incentive Stock Options within the meaning of Section 422A of the Internal Revenue Code, and the remainder of the Options issued pursuant to the Plan shall constitute Nonstatutory Options. The Committee referred to in Section 2.1(c) of this Plan shall determine which Options are to be Incentive Stock Options and which are to be Nonstatutory Options and shall enter into Option Agreements with Optionees accordingly.

1.2 Purpose. The purpose of this Plan is to attract, retain and motivate key employees of the Company and to encourage stock ownership by these employees by providing them with a means to acquire a proprietary interest or to increase their proprietary interest in the Company's success.

2. Definitions.

2.1 Definitions. Whenever used in this Plan, the following terms shall have the meanings set forth below:

(a) "Board" means the board of directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(c) "Committee" means the Executive Compensation Subcommittee of the Human Resources Committee of the Board of Directors of the Company or any successor to the subcommittee.

(d) "Company" means Boise Cascade Corporation, a Delaware corporation, as well as any subsidiary of which 50% or more of the outstanding stock is owned by Boise Cascade Corporation.

(e) "Competitor" means any business, foreign or domestic, which is engaged at any time relevant to the provisions of this Plan, in the manufacture, sale, or distribution of products, or in the providing of services, in competition with products manufactured, sold, or distributed, or services provided, by the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his/her sole discretion.

(f) "Date of Exercise" means the date the Company receives written notice, by an Optionee, of the exercise of an Option or Option and Stock Appreciation Right, pursuant to subsection 8.1 of this Plan.

(g) "Employee" means a key employee (including an officer of the Company), who is employed by the Company on a full-time basis, who is compensated for such employment by a regular salary and who, in the opinion of the Committee, is in a position to contribute materially to its continued growth and development and to its future financial success. The term "Employee" does not include persons who are retained by the Company only as consultants.

(h) "Employment with any Competitor" means providing significant services as an employee or consultant, or otherwise rendering services of a significant nature for remuneration, to a Competitor.

(i) "Executive Officer" means an Employee who has been duly elected by the Company's board of directors to serve as an executive officer of the Company in accordance with Section 29 of the Company's Bylaws but shall not include assistant treasurers or assistant secretaries.

(j) "Fair Market Value" means the closing price of the Stock as reported by the consolidated tape of the New York Stock Exchange on a particular date, or if the Stock is not listed or traded on the New York Stock Exchange, then the closing sales price of the Stock on a national securities exchange on a particular date, or if the Stock is not listed on a national securities exchange, then the average of the closing bid and asking prices for the Stock in the over-the-counter market for a particular date, or if the Stock is not traded in the over-the-counter market, such value as the Company in its discretion may determine, but in no event greater than the then fair market value of the Stock for federal income tax purposes. In the event that there are no Stock transactions on such date, the Fair Market Value shall be determined as of the immediately preceding date on which there were Stock transactions.

(k) "Grant Price" means an amount not less than 100% of the Fair Market Value of the Company's Stock on the date of an Option's grant.

(l) "Option" means the right to purchase Stock of the Company at the Grant Price for a specified duration. For purposes of this Plan, an Option may be either (i) an "Incentive Stock Option" within the meaning of Section 422A of the Code or (ii) a "Nonstatutory Option."

(m) "Optionee" means an Employee who has been granted an Option under this Plan.

(n) "Retirement" means an Employee's termination of employment with the Company, other than as a result of death, total and permanent disability, or for disciplinary reasons (as defined for purposes of the Company's Corporate Policy Manual) at any time after the Employee has reached age 55 with ten or more Years of Service with the Company as defined in the Company's Pension Plan for Salaried Employees.

(o) "Stock" means the common stock, \$2.50 par value, of the Company.

(p) "Stock Appreciation Right" means the right, exercisable by the Optionee, to receive a cash payment from the Company upon the exercise of an Option. The amount of this cash payment and the conditions upon the exercise of the Stock Appreciation Right shall be determined by the Committee pursuant to subsection 6.2 and Section 7.

(q) "Tax Offset Bonus" means a cash payment which the Company makes automatically upon the exercise of an Option equal to a percentage (as determined by the Committee pursuant to subsection 6.2 and Section 7) of the excess of the Fair Market Value of the Stock on a date determined by the Committee over the Grant Price of the Option, the purpose of which is to offset partially the federal income tax incurred incident to exercising a Nonstatutory Option.

(r) "Window Period" means the period described in Rule 16b-3(e)(3)(iii) under the Securities Exchange Act of 1934.

2.2 Number. Except when otherwise indicated by the context, the definition of any term in the Plan in the singular shall also include the plural.

3. Participation. Participation in the Plan shall be determined by the Committee. Any Employee at any one time and from time to time may hold more than one Option or Stock Appreciation Right granted under this Plan or under any other plan of the Company. No member of the Committee may participate in the Plan.

4. Stock Subject to the Plan.

4.1 Number. The total number of shares of Stock as to which Options and Stock Appreciation Rights may be granted under the Plan shall not exceed 8,600,000. These shares may consist,

in whole or in part, of authorized but unissued Stock or treasury Stock not reserved for any other purpose.

4.2 Unused Stock. If any shares of Stock are subject to an Option or Stock Appreciation Right which, for any reason, expires or is terminated unexercised as to such shares, such Stock may again be subjected to an Option or Stock Appreciation Right pursuant to this Plan.

4.3 Adjustment in Capitalization. In the event of any change in the outstanding shares of Stock occurring after ratification by shareholders of this Plan, by reason of a Stock dividend or split, recapitalization, reclassification, merger, consolidation, combination or exchange of shares or other similar corporate change, the aggregate number of shares of Stock under this Plan and the number of shares of Stock subject to each outstanding Option and the related Grant Price shall be appropriately adjusted by the Committee, whose determination shall be conclusive, provided, however, that fractional shares shall be rounded to the nearest whole share. No adjustments shall be made in connection with the issuance by the Company of any warrants, rights or Options to acquire additional shares of Stock or of securities convertible into Stock.

5. Duration of the Plan. The Plan shall remain in effect until all Stock subject to it has been purchased pursuant to the exercise of the Options or Stock Appreciation Rights granted under the Plan. Notwithstanding the foregoing, no Options or Stock Appreciation Rights may be granted pursuant to this Plan on or after the twentieth anniversary of the Plan's effective date.

6. Options.

6.1 Grant of Options. Subject to the provisions of subsection 4.1 and Section 5, Options may be granted to Employees at any time and from time to time as shall be determined by the Committee. The Committee may request recommendations from the chief executive officer of the Company. The Committee shall determine whether an Option is to be an Incentive Stock Option within the meaning of Section 422A of the Code or a Nonstatutory Option. However, in no event shall any grant of an Incentive Stock Option provide for the Option to be or become exercisable in amounts in excess of \$100,000 per calendar year. Furthermore, the aggregate number of shares of Stock with respect to which Options or Stock Appreciation Rights may be granted to any one Employee throughout the duration of the Plan may not exceed 15% of the total number of shares of Stock available for issuance pursuant to subsection 4.1 of the Plan.

6.2 Option Agreement. As determined by the Committee on the date of grant, each Option shall be evidenced by a Stock Option agreement that specifies:

- (i) Grant Price;
- (ii) duration of the Option;
- (iii) number of shares of Stock to which the Option pertains;
- (iv) vesting requirements, if any;
- (v) whether the Option is an Incentive Stock Option or a Nonstatutory Option;
- (vi) amount and time of payment of Tax Offset Bonuses, if any;
- (vii) The amount of Stock Appreciation Rights, if any, and any conditions upon their exercise;
- (viii) duration of the Stock Appreciation Rights, if any;
- (ix) Options to which the Stock Appreciation Rights, if any, relate;
- (x) rights of the Optionees upon termination of employment with the Company, provided that the termination rights for Optionees receiving Incentive Stock Options shall conform with Section 422A of the Code;

(xi) the terms of the loan, if any, that will be made available in connection with the exercise of an Option; and

(xii) such other information as the Committee deems desirable.

No Option shall have an expiration date later than the first day following the tenth anniversary of the date of its grant. The Stock Option agreement may be supplemented by adding Stock Appreciation Rights with or Tax Offset Bonuses to previously granted Options as provided in Section 7.

6.3 Exercise. Options granted under the Plan shall be exercisable at such times and be subject to such restrictions and conditions as the Committee directs, which need not be the same for all Optionees.

6.4 Payment. The Grant Price upon exercise of any Option shall be payable to the Company in full either:

(i) in cash;

(ii) by tendering shares of Stock having a Fair Market Value at the time of exercise equal to the total Grant Price (in the exercise of a Nonstatutory Option, an Optionee may surrender one or more shares of Stock in the exercise of an Option with instructions to resurrender any shares acquired upon exercise in one or more successive, simultaneous exercises until Options covering the number of shares, which he specifies, have been exercised);

(iii) with the proceeds of a loan on such terms and conditions as may be authorized by the Committee (however, the rate of interest on any such loan shall not be less than the applicable federal rate under Section 1274(d) of the Code on the date an Option is exercised, compounded semiannually); or

(iv) by any combination of (i), (ii) and (iii).

7. Stock Appreciation Rights and Tax Offset Bonuses. The Committee may grant Stock Appreciation Rights and/or grant Options which pay Tax Offset Bonuses on such bases as the Committee shall determine, including but not limited to Stock Appreciation Rights which become exercisable or Tax Offset Bonuses which become payable only upon an Optionee being subject to the restrictions of Section 16 of the Securities Exchange Act of 1934 at the time of exercise. A Stock Appreciation Right or Tax Offset Bonus may be granted only with respect to an Option and may be granted concurrently with or after the grant of the Option. If Options granted on a particular date include Stock Appreciation Rights for only Optionees who are subject to the requirements of Section 16 of the Securities Exchange Act of 1934, an Optionee receiving an Option on that date and who thereafter becomes subject to those restrictions shall thereupon be deemed to have received Stock Appreciation Rights with respect to any unexercised Options granted on the particular date in the same weighted average proportion as the Stock Appreciation Rights granted on the same grant date to the Optionees who were subject to the requirements of Section 16 of the Securities Exchange Act of 1934; provided, however, if 50% or more of the Board of Directors are employees of the Company and may receive Options under this plan, then the provisions of this sentence will apply only if, in each instance, approved by the Committee. The Committee may cancel or place a limit on the term of, or the amount payable for, any Stock Appreciation Right or Tax Offset Bonus at any time and may disapprove the election by the Optionee to exercise a Stock Appreciation Right rather than the related Option. The Committee shall determine all other terms and provisions of any Stock Appreciation Right or Tax Offset Bonus. Each Stock Appreciation Right or Tax Offset Bonus granted by the Committee shall expire no later than the expiration of the Option to which it relates. In addition, any Stock Appreciation Right granted with respect to an Incentive Stock Option may be exercised only if:

(i) such Incentive Stock Option is exercisable; and

(ii) the Grant Price of the Incentive Stock Option is less than the Fair Market Value of the Stock on the Date of Exercise.

8. Written Notice, Issuance of Stock Certificates, Payment of Stock Appreciation Rights or Stockholder Privileges.

8.1 Written Notice. An Optionee electing to exercise an Option and any applicable Stock Appreciation Right shall give written notice to the Company, in the form and manner prescribed by the Committee, indicating the number of Options to be exercised. Full payment for the Options exercised shall be received by the Company prior to issuance of any stock certificates.

8.2 Issuance of Stock Certificates. As soon as reasonably practicable after the receipt of written notice and payment, the Company shall issue and deliver to the Optionee or any other person entitled to exercise an Option pursuant to this Plan a certificate or certificates for the requisite number of shares of Stock.

8.3 Payment of Stock Appreciation Rights and Tax Offset Bonuses. As soon as practicable after receipt of written notice, the Company shall pay to the Optionee, in cash, the amount payable under the Stock Appreciation Rights and the amount of any Tax Offset Bonuses.

8.4 Privileges of a Stockholder. An Optionee or any other person entitled to exercise an Option under this Plan shall not have stockholder privileges with respect to any Stock covered by the Option until the Date of Exercise.

8.5 Partial Exercise. An Option may be exercised for less than the total number of shares granted by the Option. An exercise of a portion of the shares granted under the Option shall not affect the right to exercise the Option from time to time for any unexercised shares subject to the Option.

9. Rights of Employees.

9.1 Employment. Nothing in this Plan shall interfere with or limit in any way the right of the Company to terminate any Employee's employment at any time, nor confer upon any Employee any right to continue in the employ of the Company.

9.2 Nontransferability. All Options and Stock Appreciation Rights granted under this Plan shall be nontransferable by the Optionee, other than by will or the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime only by the Optionee or the Optionee's guardian or legal representative.

10. Optionee Transfer or Leave of Absence. For Plan purposes:

(a) A transfer of an Optionee from the Company to a subsidiary or vice versa, or from one subsidiary to another; or

(b) A leave of absence duly authorized by the Company, shall not be deemed a termination of employment. However, an Optionee may not exercise an Option or any applicable Stock Appreciation Right during any leave of absence, unless authorized by the Committee.

11. Administration.

11.1 Administration. The Committee shall be responsible for the administration of the Plan. The Committee, by majority action thereof, is authorized to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan, to determine the form and content of Options to be issued (which need not be identical) under the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company and to make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan. The Committee shall determine, within the limits of the express provisions of the Plan, the Employees to whom and the time or times at which Options and Stock Appreciation Rights shall be granted, the number of shares to be subject to each Option and Stock Appreciation Right and the duration of each Option. In making such determinations, the Committee may take into account the nature of the services

rendered by such Employees or classes of Employees, their present and potential contributions to the Company's success and such other factors as the Committee, in its discretion, shall deem relevant. The determination of the Committee, its interpretation or other action made or taken pursuant to the provisions of the Plan shall be final and shall be binding and conclusive for all purposes and upon all persons.

11.2 Incentive Stock Options. Notwithstanding any contrary provision in this Plan, the Committee shall not take any action or impose any terms or conditions with respect to an Option intended by the Committee to be an Incentive Stock Option which would cause such Option to not qualify as such under the Code and applicable regulations and rulings in effect from time to time.

12. Amendment, Modification and Termination of the Plan. The Board may at any time terminate, and at any time and from time to time and in any respect, amend or modify the Plan, provided, however, that no such action of the Board, without approval of the stockholders, may:

(a) Increase the total amount of Stock which may be purchased through Options granted under the Plan, except as provided in subsection 4.3 of the Plan.

(b) Change the requirements for determining which Employees are eligible to receive Options or Stock Appreciation Rights.

(c) Change the provisions of the Plan regarding the Grant Price except as permitted by subsection 4.3.

(d) Permit any person, while a member of the Committee, to be eligible to receive or hold an Option under the Plan.

(e) Change the manner of computing the amount to be paid through a Stock Appreciation Right.

(f) Materially increase the cost of the Plan.

(g) Extend the period during which Options and Stock Appreciation Rights may be granted.

No amendment, modification or termination of the Plan shall in any manner adversely affect the rights of an Optionee under the Plan without the consent of the Optionee.

13. Acceleration of Stock Options. If, while unexercised Options remain outstanding hereunder:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to

applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale;

then from and after the date on which any such event described in paragraphs (a) through (d) above occurs (which shall constitute a "change in control" of the Company), all Options shall be exercisable in full, whether or not then exercisable under the terms of their grant.

Notwithstanding the foregoing, any event or transaction which would otherwise constitute a Change in Control of the Company (a "Transaction") shall not constitute a Change in Control of the Company if, in connection with the Transaction, a Participant participates as an equity investor in the acquiring entity or any of its affiliates (the "Acquiror"). For purposes of the preceding sentence, a Participant shall not be deemed to have participated as an equity investor in the Acquiror by virtue of (i) obtaining beneficial ownership of any equity interest in the Acquiror as a result of the grant to a Participant of an incentive compensation award under one or more incentive plans of the Acquiror (including but not limited to the conversion in connection with the Transaction of incentive compensation awards of the Company into incentive compensation awards of the Acquiror), on terms and conditions substantially equivalent to those applicable to other executives of the Company immediately prior to the Transaction, after taking into account normal differences attributable to job responsibilities, title and the like; (ii) obtaining beneficial ownership of any equity interest in the Acquiror on terms and conditions substantially equivalent to those obtained in the Transaction by all other stockholders of the Company; or (iii) having obtained an incidental equity ownership in the Acquiror prior to and not in anticipation of the Transaction.

For purposes of this section, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

For purposes of this section, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

14. Withholding Taxes. Whenever shares of Stock are issued

on the exercise of an Option under this Plan, the Company shall (a) require the recipient of the Stock to remit to the Company an amount sufficient to satisfy all withholding taxes, (b) deduct from a cash payment pursuant to any Stock Appreciation Right or Tax Offset Bonus an amount sufficient to satisfy any withholding tax requirements, or (c) withhold from, or require surrender by, the recipient, as appropriate, shares of Stock otherwise issuable or issued upon exercise of the Option the number of shares sufficient to satisfy, to the extent permitted under applicable law, federal and state withholding tax requirements resulting from the exercise, provided, however, that the Company shall not withhold or accept surrender of Stock under this paragraph unless the recipient of the Stock has made an irrevocable election to have Stock withheld or surrendered for this purpose at least six months after the date of grant of the Option and either (i) six months, or (ii) within a Window Period, prior to the date the amount of withholding tax is determined. The Committee may, at any time subsequent to an election under this paragraph, disapprove the election and require satisfaction of withholding taxes by other means permitted under the Plan. Stock withheld or surrendered under this paragraph shall be valued at its Fair Market Value on the date the amount of withholding tax is determined.

15. Shareholder Approval and Registration Statement. Initially, the Plan is approved by the Board and will be submitted to the Company's shareholders for approval at their next annual meeting following the effective date of the Plan. Options may be granted under the Plan prior to shareholder approval and prior to filing with the Securities and Exchange Commission and having an effective registration statement covering the Stock to be issued upon the exercise of Options. Any Options granted under this Plan prior to shareholder approval and having an effective registration statement shall not be exercisable until and are expressly conditional upon shareholder approval of the Plan and having an effective registration statement covering the Stock.

16. Requirements of Law.

16.1 Requirements of Law. The granting of Options and the issuance of shares of Stock upon the exercise of an Option shall be subject to all applicable laws, rules and regulations, and shares shall not be issued nor cash payments made except upon approval of proper government agencies or stock exchanges, as may be required.

16.2 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the state of Idaho.

17. Effective Date of Plan. The Plan shall become effective as of July 24, 1984, subject to ratification by shareholders.

BOISE CASCADE CORPORATION
NONSTATUTORY STOCK OPTION AGREEMENT

This Nonstatutory Stock Option (the "Option") is granted _____, 19___, by BOISE CASCADE CORPORATION (the "Company") to _____ ("Optionee") pursuant to the 1984 Key Executive Stock Option Plan (the "Plan"), a copy of which is attached as Exhibit A, subject to the following terms and conditions.

1. This Agreement is subject to all the terms and conditions of the Plan, and all capitalized terms not otherwise defined in this Agreement shall have the meaning given them in the Plan.

2. The Company hereby grants the Optionee a nonstatutory stock option to purchase up to _____ shares of Stock at a price of \$_____ per share.

3. The Option shall expire on the first of the following to occur:

(a) ten years and one day from the date of this Agreement;

(b) five years after Optionee's termination of employment as a result of Retirement, death, or total and permanent disability, provided that if at any time prior to termination of employment Optionee was an Executive Officer of the Company, Optionee has not, as of the date of the exercise of the Option, commenced Employment with any Competitor of the Company;

(c) three years following termination of Optionee's employment with the Company provided (i) the termination is the direct result of the sale or permanent closure of any facility or operating unit of the Company, and (ii) Optionee has not, as of the date of the exercise of the Option, commenced Employment with any Competitor of the Company;

(d) three months after termination of Optionee's employment with the Company for any other reason, except that the Option shall be canceled in the event of termination for disciplinary reasons.

4. "Competitor" means any business, foreign or domestic, which is engaged at any time relevant to the provisions of this Agreement, in the manufacture, sale, or distribution of products, or in the providing of services, in competition with products manufactured, sold, or distributed, or services provided, by the Company. The determination of whether a business is a Competitor shall be made by the Company's General Counsel, in his/her sole discretion.

5. "Employment with any Competitor" means providing significant services as an employee or consultant, or otherwise rendering services of a significant nature for remuneration, to a Competitor.

6. Except as provided in Section 13 of the Plan, this Option shall not be exercisable until after the first anniversary of the date of this Agreement, and thereafter it shall be exercisable in full.

7. This Option may be exercised from time to time by delivery of written notice to the Company specifying the number

of shares of Stock to be purchased. Payment of the Grant Price shall be made as provided in Section 6.4 of the Plan.

BOISE CASCADE CORPORATION

By _____
J. Michael Gwartney,
Vice President, Human

Resources
Accepted:

By _____
Optionee

TRUST AGREEMENT

By and Between

BOISE CASCADE CORPORATION
and
AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO

Dated
November 2, 1987
As Amended and Restated
As of July 26, 1996

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Attachments

Exhibit A	List of Plans Subject to the Trust
Schedule 1	Executive List
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Exhibit B	Funding Assumptions

BOISE CASCADE CORPORATION
DEFERRED COMPENSATION AND BENEFITS TRUST

TRUST AGREEMENT (the "Trust"), dated November 2, 1987, as amended and restated as of July 26, 1996, by and between BOISE CASCADE CORPORATION, a Delaware corporation (the "Company"), and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO (the "Trustee").

WHEREAS, the Company is or may become obligated under certain employee benefit plans or agreements to make payments to certain of its directors and executives (the "Executives"); and

WHEREAS, the aforesaid obligations of the Company are not funded or otherwise secured and the Company has agreed to assure that the future payment of such amounts will not be improperly withheld in the event that a "Change in Control" of the Company (as defined herein) should occur; and

WHEREAS, for purposes of assuring that payments will be made in accordance with the terms of the plans, the Company may, in its discretion, desire to deposit with the Trustee, subject only to the claims of the Company's creditors as provided herein, amounts of cash, marketable securities, and other property acceptable to the Trustee, sufficient to fund the payments as they may become due and payable; and

WHEREAS, this Trust is intended to be a grantor trust within the meaning of Section 671 of the Internal Revenue Code of 1986;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I
THE PLANS

SECTION 1.01 Plans. The Company plans and agreements (collectively referred to as the "Plans") listed on Exhibit A, which is attached hereto and incorporated herein by this reference, are subject to this Trust.

The Company may, from time to time, add other plans and agreements to this Trust pursuant to the terms herein.

Attached as Schedule 1 is a list of the names and mailing addresses of Executives currently participating in the Plans (the "Executive List"). The Company will revise the Executive List no less often than quarterly to reflect, among other things, the addition of new Plans and changes in the identity of Executives participating in the Plans.

The creation and funding of this Trust will not discharge the Company's obligations under the Plans. Distributions made from the Trust to or for Executives in respect of the Plans pursuant to Section 4.02 hereof, shall, to the extent of such distributions, satisfy the Company's obligation to pay benefits to Executives under the Plans.

Subject to the terms of each of the Plans, the Company reserves the right to amend any of the Plans at any time prior to a Change in Control of the Company, in which case the Plans, as amended, shall continue to be subject to this Trust. At any time prior to a Change in Control of the Company, the Company may cause additional plans to become Plans subject to this Trust. Any amended or additional plans shall become Plans subject to this Trust only upon receipt by the Trustee of the amended or additional plan documents. Upon and after a Change in Control of the Company, the Company may not amend any Plan, withdraw any Plan from this Trust, cause any additional plans to become Plans hereunder, or add any participants to any Plan.

ARTICLE II
TRUST AND THE TRUST CORPUS

SECTION 2.01 Delivery of Funds.

(a) (1) Concurrently with the execution of this Trust, the Company is delivering to the Trustee to be held in

trust hereunder the sum of \$1,000 in cash to be administered and disposed of by the Trustee as provided herein. (2) Within 60 days following a Potential Change in Control of the Company (as defined in Article III hereof), the Company may, in its discretion, deliver to the Trustee (in accordance with Section 6.01) such sums of cash, marketable securities, and other property acceptable to the Trustee in an amount equal to 105% of the amount necessary to provide on an actuarial basis for the payment when due of all the Company's obligations to or on behalf of Executives under the Plans (the "Funding Amount") which shall be invested by the Trustee and administered in accordance with the terms of this Trust. The Trustee shall have no duty to perform or independently evaluate the calculations and determinations of the Company made pursuant to this Section 2.01(a).

(b) In the event of a Potential Change in Control of the Company, the Company shall, no less often than every six months from the date of such Potential Change in Control unless the entire Trust Corpus shall theretofore have been released pursuant to Article IV hereof, recalculate the Funding Amount as of the end of the month immediately preceding such six-month interval date as if the Potential Change in Control had occurred at the end of such month. If the amount so calculated exceeds the then fair market value of the Trust Corpus, the Company may transfer to the Trustee an amount in cash, marketable securities, or any other property acceptable to the Trustee equal to the excess. If the Funding Amount so calculated is less than the then fair market value of the Trust Corpus, the Trustee, upon receipt of a written request from the Company and subject to Section 4.03, shall distribute to the Company the difference in cash.

(c) After a Change in Control shall have occurred and at all times prior to the release of the entire Trust Corpus pursuant to Article IV hereof, the Funding Amount shall be recalculated by Milliman & Robertson, Inc., consulting actuaries (the "Actuary"), and subject to the limitations of Section 4.02(b) hereof, the recalculation by the Actuary shall be binding on the Company, the Executives, and the Trustee. The Trustee shall have no duty to perform or independently evaluate the determination of the Actuary made pursuant to this Section 2.01(c). If Milliman & Robertson, Inc. should decline to serve as Actuary or should discontinue business with no successor, or if 65% or more in number of the Executives reflected on the then most recent Executive List should notify the Trustee in writing to select another Actuary, the Trustee shall select another firm of consulting actuaries to serve as Actuary hereunder. The Trustee and the Company shall provide the Actuary with such relevant information as may be in their possession that is necessary to make the recalculation. The first recalculation shall be made by the Actuary as soon as possible after the end of the second calendar year following the year in which the Change in Control occurred, and thereafter the Actuary shall recalculate the Funding Amount annually. Upon any recalculation by the Actuary, if the amount so calculated exceeds the then fair market value of the Trust Corpus, the Actuary shall so notify the Company and the Trustee, and the Company may forthwith transfer to the Trustee an amount in cash equal to such excess. If the then fair market value of the Trust Corpus exceeds 125% of the Funding Amount so calculated, the Trustee, upon receipt of a written request from the Company and subject to Section 4.03, shall distribute to the Company in cash an amount equal to such excess.

(d) The Funding Amount shall be determined from time to time in accordance with the terms of each of the Plans and in accordance with the assumptions set forth in Exhibit B hereto.

(e) Payment by the Company pursuant to Section 2.01(a), (b), or (c) hereof shall be accompanied by a Payment Schedule (as defined in Section 4.02(a) hereof) with respect to each Executive for whose account the payment is being made.

SECTION 2.02 Trust Corpus.

(a) As used herein, the term "Trust Corpus" shall mean the amounts delivered to the Trustee pursuant to the terms hereof, less amounts distributed or paid from the Trust pursuant to the terms hereof, plus all income earned by the Trust, in

whatever form held or invested as provided herein. Upon the transfer to the Trustee of the amounts provided in subsection 2.01(a)(2), to the extent the transferred amount consists of property other than cash, the Trustee shall hold such property in the form in which it was transferred and shall have no power or authority to liquidate, transfer, or sell the property prior to the date of a Change in Control without written instructions from the Company to do so. To the extent the transferred property consists of cash, the Trustee shall invest it in the Short-Term Portfolio as defined below. Upon the occurrence of a Change in Control, the Trustee shall, in an orderly manner, liquidate all the noncash assets of the Trust Corpus other than any split-dollar life insurance policies or corporate-owned life insurance policies and shall invest the proceeds of the liquidation in two portfolios as follows: (i) a short-term fixed income portfolio (the "Short-Term Portfolio") which, except as otherwise provided below in this Section 2.02(a), shall be invested solely in U.S. Treasury obligations having maturities of less than one year, and (ii) an immunized/dedicated fixed income portfolio ("the "Dedicated Portfolio") which shall constitute a portfolio of cash and/or U.S. Treasury obligations that will produce a cash flow sufficient to provide for the payment when due of all the Company's obligations to Executives under those Plans, the benefits under which are to be paid from the Dedicated Portfolio, as reflected on Exhibit B hereto. So long as the Dedicated Portfolio has a current and projected cash flow sufficient to pay when due all amounts to be paid from the Dedicated Portfolio, the Trustee shall hold the assets of the Dedicated Portfolio in that form. If the Trustee is advised by the Actuary that the Dedicated Portfolio is no longer sufficient for that purpose, the Trustee shall liquidate and reinvest the assets in the Trust Corpus as may be necessary to cause the Dedicated Portfolio to be sufficient for that purpose, or as nearly so as possible, all in accordance with the instructions of Loomis, Sayles and Company, Inc., or its successor (the "Advisor"), or if that Company has discontinued business with no successor, with the instructions of a recognized professional expert in the creation of immunized/dedicated fixed income portfolios to be selected by the Trustee. The Trustee shall have no responsibility to verify any advice by the Actuary or instructions from the Advisor. Any portion of the Trust Corpus not allocated to the Dedicated Portfolio shall be allocated to the Short-Term Portfolio. Prior to a Potential Change in Control of the Company, the original funding of \$1,000 shall be held uninvested by the Trustee.

(b) All expenses (including, as provided in Section 5.01 hereof, any expenses of the Trustee) charged against the Trust Corpus shall be for the account of the Company and the Company shall be obligated promptly to reimburse the Trust Corpus for any expense charged against the Trust Corpus except to the extent that the amounts have been applied to reduce amounts payable to the Company pursuant to Section 2.01(b) or (c) hereof. The Trustee shall notify the Company from time to time of the amount of the expenses, and the Company shall promptly reimburse the Trust Corpus for those amounts. Notwithstanding the foregoing, in determining the expenses charged against the Trust Corpus, no amounts that may be paid pursuant to the Payment Schedules shall be considered to be "expenses."

ARTICLE III CHANGE IN CONTROL

SECTION 3.01 Definition of Potential Change in Control. For purposes of this Trust, a "Potential Change in Control" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control of the Company; (ii) the Company or any Person publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control of the Company; (iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or (iv) the Board adopts a resolution to the effect that a Potential Change in Control of the Company has occurred.

SECTION 3.02 Definition of Change in Control. For purposes of this Trust, a "Change in Control" shall mean a Change in Control of a nature that would be required to be reported in

response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"), or any successor provisions, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(a) Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(b) The following individuals cease for any reason to constitute at least 66 2/3% of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election, or nomination for election was previously so approved (the "Continuing Directors"); or

(c) The stockholders of the Company approve a merger or consolidation of the Company with any other corporation or approve the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company, at least 66 2/3% of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its subsidiaries other than in connection with the acquisition by the Company or its subsidiaries of a business) representing 20% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities; or

(d) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 66 2/3% of the combined voting power of the voting securities of which are owned by Persons in substantially the same proportions as their ownership of the Company immediately prior to such sale.

SECTION 3.03 Notice of Change. For purposes of this Trust, a Potential Change in Control or a Change in Control of the Company shall be deemed to have occurred only upon receipt by the Trustee of written notice to that effect from the Board of Directors or the Chief Executive Officer of the Company.

SECTION 3.04 Definition of Beneficial Owner. For purposes of this Article III, "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

SECTION 3.05 Definition of Person. For purposes of this Article III, "Person" shall have the meaning given in

Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its subsidiaries, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

ARTICLE IV
RELEASE OF THE TRUST CORPUS

SECTION 4.01 Delivery to the Company. Except as provided in Section 4.03, in the event the Company delivers the Funding Amount to the Trustee upon a Potential Change in Control, the remaining Trust Corpus, less the original funding of \$1,000, shall be returned to the Company one year after delivery to the Trustee unless a Change in Control shall have occurred during the one-year period. The one-year period shall recommence in the event of and upon the date of any subsequent Potential Change in Control. If another Potential Change in Control should occur after the Funding Amount has been returned to the Company as provided in this Section 4.01, the Company may deliver a new Funding Amount to the Trustee pursuant to Section 2.01. The Company shall provide written notice to the Trustee of the occurrence of a Change in Control or Potential Change in Control or the passage of the one-year period requiring the return of trust assets to the Company pursuant to the terms of this Section 4.01.

SECTION 4.02 Deliveries to Participants. The Trustee shall hold the Trust Corpus in its possession under the provisions of this agreement until authorized to deliver the Trust Corpus or any specified portion thereof as follows:

(a) In connection with any payment of the Funding Amount, the Company shall deliver to the Trustee schedules (the "Payment Schedules") indicating the amounts payable to or on behalf of each Executive, or providing a formula or instructions for determining the amounts so payable, the person or persons to whom so payable, the form in which the amount is to be paid (as provided for or available under the Plans), and the time of commencement for payment of the amounts. The Company (or, after a Change in Control of the Company, the Actuary) shall revise the Payment Schedules from time to time to the extent required under the Plans or pursuant to this Trust Agreement. The appropriate Payment Schedule also shall be delivered by the Trustee to each Executive. Modified Payment Schedules shall be delivered by the Company or the Actuary to the Trustee and by the Trustee to the Executives at each time that additional amounts are paid by the Company to the Trustee (or refunded to the Company) under the terms hereof and upon the occurrence of any event, such as the addition of new Executives or Plans or early retirement of an Executive, requiring a modification of any Payment Schedule. The Trustee shall have no duty to perform or to evaluate independently the determination of the Company or the Actuary made pursuant to this Section 4.02(a). At any time prior to a Change in Control of the Company, the Company may add additional Plans or additional Executives under any of the Plans, in which case both the Payment Schedules and the Funding Amount shall be adjusted accordingly. Except as otherwise provided herein, the Trustee shall make payments to or for the Executives only in accordance with the Payment Schedules. Upon and after a Change in Control of the Company, the Company may not cause any additional plans to become Plans hereunder nor may any additional Executive be added under any of the Plans.

(b) After a Change in Control of the Company has occurred, an Executive who reasonably believes that the then current Funding Amount is inadequate or that the then current Payment Schedule applicable to him or her does not properly reflect the amount payable to or for the Executive or the time or form of payment from the Trust Corpus in respect of the Plans may deliver to the Trustee written notice (the "Executive's Notice") setting forth the Funding Amount and/or payment instructions for the amount the Executive believes is due under the relevant terms of the Plans. The Trustee shall deliver a copy of the Executive's Notice to the Company and the Actuary and to each other Executive within 10 business days of the delivery to the

Trustee, and the Trustee will engage one or more independent attorneys, accountants, actuaries, or other experts (the "Experts"), including, if the Trustee so determines, the Actuary and/or the Advisor, to determine the correct Funding Amount and the correct Payment Schedule. The Trustee shall have no duty to perform or independently evaluate the determination of the Experts made pursuant to this Section 4.02(b). After any determinations, appropriate adjustments to the Funding Amount and the affected Payment Schedule may be made in accordance with the determination of the Experts, and any increase in the Funding Amount may be paid by the Company, in its sole discretion, to the Trustee as provided in Section 2.01(c).

(c) The Trustee shall withhold from any payment due to an Executive hereunder the amount required by law to be so withheld under federal, state, and local wage withholding requirements or otherwise and shall pay over to the appropriate government authority the amounts so withheld.

(d) Except as otherwise provided herein, in the event of any final determination by the Internal Revenue Service or a court of competent jurisdiction, which determination is not appealable or with respect to which the time for appeal has expired, that the Executives or any particular Executive is subject to federal income taxation on amounts held in Trust hereunder prior to the distribution to the Executives or Executive of such amounts, the Trustee shall, on receipt by the Trustee of notice of the determination, pay to each Executive the portion of the Trust Corpus includable in the Executive's federal gross income.

(e) Any revisions, modifications, or additions pertaining to Payment Schedules, Plans, or the Executive List shall not be subject to this Trust until receipt by the Trustee of copies thereof.

SECTION 4.03 Deliveries to Creditors of the Company. The Trust Corpus is and shall remain at all times subject to the claims of the general creditors of the Company in the event of the Company's insolvency or bankruptcy as defined in Section 4.04. Accordingly, the Company shall not create, and except as otherwise provided by Section 5.01(f) this Trust Agreement shall not be construed to create, a security interest in the Trust Corpus in favor of the Executives or any creditor. If the Trustee receives the notice provided for in Section 4.04 hereof, or if the Trustee receives a written allegation from a person or entity claiming to be a creditor of the Company that the Company is bankrupt or insolvent, the Trustee shall discontinue payments to or on behalf of any of the Executives. The Trustee shall, as soon as practicable thereafter, determine whether the Company is bankrupt or insolvent, based upon the evidence as may be available to the Trustee which would provide a reasonable basis for making such a determination. Unless the Trustee has actual knowledge or has received the notice or written allegation referred to hereinabove, the Trustee shall have no duty to inquire or determine whether the Company is bankrupt or insolvent. If the Trustee determines that the Company is bankrupt or insolvent, the Trustee shall hold the Trust Corpus for the benefit of the Company's general creditors and deliver any remaining Trust Corpus to satisfy the claims of the creditors as a court of competent jurisdiction may direct, and the Trustee is authorized to institute or participate in appropriate legal proceedings to obtain directions or to determine if the Company is bankrupt or insolvent. The Trustee shall resume distributions of Trust Corpus to or for the Executives under the terms hereof, including any arrearages, after so notifying the Company, if it determines that the Company was not, or is no longer, bankrupt or insolvent, or pursuant to an order of a court of competent jurisdiction.

SECTION 4.04 Notification of Bankruptcy or Insolvency. The Board of Directors and Chief Executive Officer of the Company shall advise the Trustee in writing of the Company's bankruptcy or insolvency within three business days following the occurrence of an event of bankruptcy or insolvency. The Company shall be deemed to be bankrupt or insolvent upon the occurrence of either of the following:

(i) The Company is unable to pay its debts as the debts become due; or

(ii) The Company is subject to a pending proceeding as a debtor under the Bankruptcy Code.

ARTICLE V
TRUSTEE

SECTION 5.01 Trustee.

(a) The duties and responsibilities of the Trustee shall be limited to those expressly set forth in this Trust, and no implied covenants or obligations shall be read into this Trust against the Trustee. The Trustee shall be entitled to reasonable fees for the performance of its duties hereunder, as reflected on Schedule 2, attached.

(b) The Trustee shall maintain such books, records, and accounts as may be necessary for the proper administration of the Trust Corpus based upon information supplied to the Trustee by the Company or the Actuary. After the delivery to the Trustee of the amounts specified in Section 2.01(a) hereof, the Trustee shall render to the Company and to each Executive, on or prior to each April 1 until the termination of this Trust (and within a reasonable period of time after the date of termination), an accounting with respect to the Trust Corpus as of the end of the then most recent calendar year (and as of the date of termination). Unless the Company or any Executive shall have filed with the Trustee written exceptions or objections to any accounting within 180 days after receipt thereof, the Company or the Executive, as the case may be, shall be deemed to have approved the accounting, and in such case the Trustee shall be forever released and discharged with respect to all matters and things reported in the accounting as though it had been settled by a decree of a court of competent jurisdiction in an action or proceeding to which the Company and the Executive were parties.

(c) The Trustee shall not be liable for any act taken or omitted to be taken hereunder if taken or omitted to be taken by it in good faith. Subject to the express provisions of Section 4.03, the Trustee shall rely at all times on, and shall have no duty of inquiry with respect to the most current Payment Schedule, Plans, Executive List, or other notice or instruction provided to it in accordance with this Trust Agreement.

(d) The Trustee may consult with legal counsel, the Actuary, the Advisor, or other Experts to be selected by it, and the Trustee shall not be liable for any action taken or suffered by it in good faith in accordance with the advice of the Experts.

(e) The Company shall reimburse the Trustee for all reasonable expenses incurred in connection with the performance of duties hereunder, including, but not limited to, any fees or expenses incurred by the Trustee, the Actuary, the Experts, or any Executives pursuant to Sections 2.01(c), 4.02(b), 4.03, 5.01, or 5.02. The provisions of this Section 5.01(e) shall survive the termination of this Trust Agreement.

(f) The Company agrees to indemnify and hold harmless the Trustee from and against any and all damages, losses, claims, or expenses as incurred (including, without limitation, expenses of legal proceedings, including reasonable counsel fees, investigation, and fees and disbursements of the Actuary, the Advisor, the Experts, or counsel to the Trustee, and any taxes imposed on the Trust Corpus or income of the Trust) arising out of or in connection with the performance by the Trustee of its duties hereunder. Notwithstanding any other provision hereof, any amount payable under paragraph (e) of this Section 5.01 or this paragraph (f) and not previously paid by the Company shall be paid by the Company promptly upon demand therefor or, if the Trustee so chooses in its sole discretion, from the Trust Corpus. In the event that payment is made hereunder from the Trust Corpus, the Trustee shall promptly notify the Company in writing of the amount of the payment. The Company agrees that, upon receipt of notice, it will deliver to the Trustee to be held in the Trust an amount in cash equal to any payments made from the Trust Corpus pursuant to paragraph (e) of this Section 5.01 or this paragraph (f). The failure of the Company to transfer any amount shall not in any way impair the Trustee's right to indemnification, reimbursement, and payment pursuant to paragraph (e) of this Section 5.01 or this paragraph (f).

(g) The Trustee is specifically authorized to take any

action as may be necessary or appropriate, including the institution of litigation or other legal process, to enforce the Company's obligations hereunder on behalf of either itself or the Executives. Notwithstanding anything in this Trust Agreement to the contrary, the Trustee shall not be obligated to take or to continue any action hereunder that would cause an expense to it in excess of the then fair market value of the Trust Corpus.

(h) Payments to or for Executives hereunder shall be made when due in accordance with the Plans and the Payment Schedules. In the event the Trust Corpus should be insufficient to pay when due all amounts payable hereunder to or for the Executives, amounts due first in time shall be paid in full without proration until the Trust Corpus is exhausted. The Trustee shall have no duty to make payments hereunder except from the Trust Corpus.

SECTION 5.02 Successor Trustee. The Trustee may resign from its duties hereunder at any time by giving notice in writing of its resignation to the Company and each Executive specifying a date (not less than 30 days after the giving of such notice) when its resignation shall take effect. Promptly after notice, the Company, or if a Change in Control shall previously have occurred, the Company and a least 65% in number of the Executives reflected on the then most recent Executive List, shall appoint a successor trustee, and the successor trustee shall become Trustee hereunder upon the resignation date specified in the notice. If the Company is unable to designate a successor or if the Company and the Executives are unable to so agree upon a successor trustee within 30 days after notice, the successor trustee shall be selected by the vote of not less than 65% in number of the Executives. If the Executives cannot so agree on a successor trustee, the Trustee shall be entitled to petition a United States District Court or any court of competent jurisdiction in the state in which the Trustee maintains its principal place of business to relieve the Trustee of its duties hereunder. The Trustee shall continue to serve until its successor accepts the trust and receives delivery of the Trust Corpus. The Company, or if a Change in Control shall previously have occurred, the Company and at least 65% in number of the Executives reflected on the then most recent Executive List, may at any time substitute a new trustee by giving 15 days' notice thereof to the Trustee then acting. In the event of removal or resignation, the Trustee shall duly file with the Company and, on and after a Change in Control, the Executives, a written statement or statements of accounts and proceedings as provided in Section 5.01(b) hereof for the period since the last previous annual accounting of the Trust, and if written objection to such account is not filed as provided in Section 5.01(b) hereof, the Trustee shall, to the maximum extent permitted by applicable law, be forever released and discharged from all liability and accountability with respect to the propriety of its acts and transactions shown in such account. Any successor trustee shall have no liability for the acts or omissions of a predecessor trustee.

ARTICLE VI TERMINATION AND AMENDMENT

SECTION 6.01 Termination. Except as provided herein, this Trust shall be irrevocable. At any time prior to a Change in Control of the Company, this Trust may be terminated by agreement of the Company and at least 65% in number of the Executives reflected on the then most recent Executive List. Upon or after a Change in Control of the Company, this Trust shall be terminated upon the earliest to occur of the following events: (i) the written agreement to so terminate of the Company and all of the Executives reflected on the then most recent Executive List, provided, however, that no termination due to this event shall operate to accelerate payment of any amount to or for the Executives; (ii) the final payment from the Trust of the remaining balance of the Trust Corpus; or (iii) 21 years after the death of the last survivor of all of the Executives included on the original Executive List and those persons now living who have been designated as beneficiaries of the Executives in accordance with the terms of any of the Plans. Promptly upon termination of this Trust, any remaining portion of the Trust Corpus shall be paid to the Company or its successor in interest.

SECTION 6.02 Amendment.

(a) At any time prior to a Change in Control of the

Company, this Trust may be amended by the Company, provided, however, that no amendment may be made that would contravene the terms of any of the Plans or accelerate payment to or for the Executives thereunder and provided further that the Trustee must consent to any amendment that would increase its duties hereunder.

(b) Upon and after a Change in Control of the Company, the following rules will govern amendments: (i) this Trust may not be amended except by an instrument in writing signed on behalf of the Trustee and the Company, together with the written consent of at least 65% in number of the Executives reflected on the then most recent Executive List; (ii) notwithstanding the foregoing, any amendment may be made by written agreement of the Trustee and the Company without obtaining the consent of the Executives if the amendment does not adversely affect the rights of any Executive hereunder or if the amendment is necessary in order to obtain a favorable determination of the Internal Revenue Service as to the federal income tax consequences to the Executives of the creation and funding of the Trust hereunder; (iii) no amendment relating to this Trust may be made that would decrease the amounts payable hereunder to a particular Executive unless the Executive has agreed in writing to the amendment; and (iv) no amendment relating to this Trust may be made that would contravene the terms of any of the Plans as in existence prior to a Change in Control of the Company or accelerate payment to or for the Executives thereunder.

ARTICLE VII GENERAL PROVISIONS

SECTION 7.01 Further Assurances. The Company shall, at any time and from time to time, upon the reasonable request of the Trustee, execute and deliver further instruments and do further acts as may be necessary or proper to effectuate the purposes of this Trust. The Trustee shall incur no liability under this Trust Agreement for any failure to act pursuant to any notice, direction, or other communication from any person entitled to instruct the Trustee hereunder, or in the absence thereof, unless and until the Trustee shall have received instructions in form satisfactory to it.

SECTION 7.02 Certain Provisions Relating to This Trust.

(a) This Trust sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements, and understandings relating thereto. This Trust shall be binding upon and inure to the benefit of the parties and their respective successors and legal representatives.

(b) This Trust shall be governed by and construed in accordance with the laws of the state of Illinois, other than and without reference to any provisions of the laws regarding choice of laws or conflict of laws.

(c) In the event that any provision of this Trust or the application thereof to any person or circumstances shall be determined by a court of proper jurisdiction to be invalid or unenforceable to any extent, the remainder of this Trust, or the application of any provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Trust shall be valid and enforced to the fullest extent permitted by law.

(d) No Executive shall have any preferred claim on, or any beneficial ownership interest in, any assets of the Trust before the assets are paid to or for the Executive as provided in Section 4.02, and all rights created under the Trust and the Plans shall be unsecured contractual rights of the Executive against the Company. No part of, or claim against, the assets of the Trust may be assigned, anticipated, alienated, encumbered, garnished, attached, or in any other manner disposed of by any of the Executives, and no part of or claim against shall be subject to any legal process or claims of creditors of any of the Executives. Any amounts transferred to the Trust shall not in any way represent security for payment of benefits under the Plans, and benefits under the Plans are in no way governed or limited by the amounts of assets, if any, held in this Trust. The Company shall make no representation that the assets of the Trust are not subject to claims of the Company's creditors in the

event of bankruptcy or insolvency of the Company.

SECTION 7.03 Notices. Any notice, report, demand, or waiver required or permitted hereunder shall be in writing and shall be given personally or by prepaid registered or certified mail, return receipt requested, addressed as follows:

If to the Company: Boise Cascade Corporation
Attention General Counsel
1111 W. Jefferson Street
P.O. Box 50
Boise, ID 83728

If to the Trustee: American National Bank and Trust
Company of Chicago
Attention Trust Administration
Division
33 North LaSalle Street
Chicago, IL 60690

If to an Executive: The address of the Executive as listed on the then most recent Executive List.

A notice shall be deemed received upon the date of delivery if given personally or, if given by mail, upon the receipt thereof.

SECTION 7.04 Trust Beneficiaries. Each Executive is an intended beneficiary under this Trust and shall be entitled to enforce all terms and provisions hereof with the same force and effect as if he or she had been a party hereto.

IN WITNESS WHEREOF, the parties have executed this Trust as of the date first written above.

BOISE CASCADE CORPORATION

By: _____
J. Michael Gwartney
Title: Vice President, Human Resources

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By: _____
Title: _____

EXHIBIT A -- BOISE CASCADE CORPORATION PLANS AND AGREEMENTS

- (a) Executive Officer Severance Pay Policy, as amended through December 11, 1992
- (b)(1) 1980 Split-Dollar Life Insurance Plan, as amended through December 7, 1995
- (b)(2) 1995 Split-Dollar Life Insurance Plan, as amended through December 7, 1995
- (c)(1) Executive Officer Severance Agreement (form) [BCC executive officers who are employees of BCC], as amended through December 7, 1995
- (c)(2) Executive Officer Severance Agreement (form) [BCC executive officers who are employees of BCOP], as amended through December 7, 1995
- (d) 1982 Executive Officer Deferred Compensation Plan, as amended through December 7, 1995
- (e) 1986 Executive Officer Deferred Compensation Plan, as amended through December 7, 1995
- (f) 1983 Board of Directors Deferred Compensation Plan, as amended through July 26, 1996
- (g) 1987 Board of Directors Deferred Compensation Plan, as amended through July 26, 1996
- (h) 1987 Key Executive Deferred Compensation Plan, as amended through December 7, 1995
- (i) Key Executive Performance Plan for Executive Officers, as amended through December 7, 1995
- (j) Supplemental Early Retirement Plan for Executive Officers, as amended through December 7, 1995
- (k) Supplemental Pension Plan, effective January 1, 1994
- (l) 1995 Executive Officer Deferred Compensation Plan, effective January 1, 1996
- (m) 1995 Key Executive Deferred Compensation Plan, effective January 1, 1996
- (n) 1995 Board of Directors Deferred Compensation Plan, effective January 1, 1996
- (o) Key Executive Performance Plan for Key Executives/Key Managers, as amended through December 7, 1995

EXHIBIT 12

BOISE CASCADE CORPORATION AND SUBSIDIARIES
Ratio of Earnings to Fixed Charges

Nine Months	Year Ended December 31					Ended September 30	
	1991	1992	1993	1994	1995	1995	1996
	(dollar amounts expressed in thousands)						
Interest costs	\$ 201,006	\$ 191,026	\$ 172,170	\$ 169,170	\$ 154,469	\$ 119,913	\$ 111,162
Interest capitalized during the period	6,498	3,972	2,036	1,630	3,549	2,167	12,094
Interest factor related to noncapitalized leases(1)	5,019	7,150	7,485	9,161	8,600	6,433	9,598
Total fixed charges	<u>\$ 212,523</u>	<u>\$ 202,148</u>	<u>\$ 181,691</u>	<u>\$ 179,961</u>	<u>\$ 166,618</u>	<u>\$ 128,513</u>	<u>\$ 132,854</u>
Income (loss) before income taxes and minority interest	\$(128,140)	\$(252,510)	\$(125,590)	\$ (64,750)	\$ 589,410	\$ 471,490	\$ 22,240
Undistributed (earnings) losses of less than 50% owned persons, net of distributions received	(1,865)	(2,119)	(922)	(1,110)	(36,861)	(31,210)	(1,150)
Total fixed charges	212,523	202,148	181,691	179,961	166,618	128,513	132,854
Less: Interest capitalized	(6,498)	(3,972)	(2,036)	(1,630)	(3,549)	(2,167)	(12,094)
Guarantee of interest on ESOP debt	(24,283)	(23,380)	(22,208)	(20,717)	(19,339)	(14,533)	(13,442)
Total earnings (losses) before fixed charges	<u>\$ 51,737</u>	<u>\$ (79,833)</u>	<u>\$ 30,935</u>	<u>\$ 91,754</u>	<u>\$ 696,279</u>	<u>\$ 552,093</u>	<u>\$ 128,408</u>
Ratio of earnings to fixed charges(2)	-	-	-	-	4.18	4.30	.97

(1) Interest expense for operating leases with terms of one year or longer is based on an imputed interest rate for each lease.

(2) Earnings before fixed charges were inadequate to cover total fixed charges by \$160,786,000, \$281,981,000, \$150,756,000, and \$88,207,000 for the years ended December 31, 1991, 1992, 1993, and 1994.

The data schedule contains summary financial information extracted from Boise Cascade Corporation's Balance Sheet at September 30, 1996, and from its Statement of Income for the nine months ended September 30, 1996. The information presented is qualified in its entirety by reference to such financial statements.

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9-MOS		
	DEC-31-1996	
	SEP-30-1996	
		55,945
		2,233
		522,887
		5,173
		581,088
	1,352,251	
		5,581,088
	2,273,006	
	5,143,987	
944,139		
		1,945,376
0		
		556,388
		121,172
5,143,987		991,343
		3,845,480
	3,852,650	
		3,319,180
	3,738,240	
	0	
	0	
	97,720	
	22,240	
		7,720
6,910		
	0	
	0	
		0
	6,910	
	(.47)	
	(.47)	