

# State of Idaho



## CERTIFICATE OF MERGER OR CONSOLIDATION

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho hereby certify that duplicate originals of Articles of Merger of CHANDLER CORPORATION

into CANFOR CORPORATION (U.S.),

duly signed and verified pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue, of the authority vested in me by law, I issue this certificate of Merger, and attach hereto a duplicate original of the Articles of Merger.

Dated March 23, 19 84.



*Pete T. Cenarrusa*  
SECRETARY OF STATE

\_\_\_\_\_  
Corporation Clerk

ARTICLES OF MERGER

Merging

CHANDLER CORPORATION

Into

CANFOR CORPORATION [U.S.]

Pursuant to Section 23A.20.050 of the Washington  
Business Corporation Act and Section 30-1-75 of  
the Idaho Business Corporation Act

CANFOR CORPORATION [U.S.], a Washington corporation  
("Canfor"), does hereby certify that:

FIRST: Canfor and Chandler Corporation, an Idaho corporation  
("Chandler"), have entered into a Plan and Agreement of Merger, dated  
February 8, 1984 (the "Plan of Merger"), which provides for the merger (the  
"Merger") of Chandler with and into Canfor, which will be the Surviving  
corporation. The Plan of Merger, which is attached hereto as Annex I and is  
hereby incorporated herein by reference, sets forth, among other things, the  
terms and conditions of the Merger and the manner and basis of converting  
the shares of Chandler's Common Stock into cash.

SECOND: Chandler has one class of stock, consisting of Common  
Stock, par value \$1.00 per share. Canfor owns 139,988 shares of the 140,134  
issued and outstanding shares of Chandler's Common Stock.

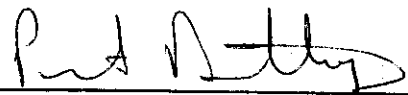
THIRD: A copy of the Plan of Merger was mailed to each  
Chandler shareholder on February 9, 1984.

FOURTH: In accordance with Idaho Code §30-1-77(b), Canfor  
Corporation [U.S.] ( ) agrees that it may be served with process in the State

of Idaho in any proceeding for the enforcement of any obligation of Chandler Corporation and in any proceeding for the enforcement of the right of a dissenting shareholder of Chandler Corporation against Canfor Corporation [U.S.] as the Surviving Corporation; (2) irrevocably appoints the Secretary of State of the State of Idaho as its agent to accept service of process in any such proceeding; and (3) agrees that it will promptly pay to the dissenting shareholders of Chandler Corporation the amount, if any, to which they shall be entitled under provisions of the Idaho Business Corporation Act with respect to the rights of dissenting shareholders.

IN WITNESS WHEREOF, Canfor has caused these Articles of Merger to be executed by its duly authorized officers.

CANFOR CORPORATION [U.S.]

By   
President

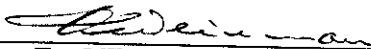
By   
Assistant Secretary

PROVINCE OF                    )  
                                  : ss.  
BRITISH COLUMBIA            )

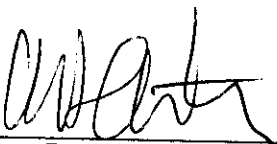
R. F. WEINMAN, being first duly sworn upon oath deposes and says:

That I am the Assistant Secretary of CANFOR CORPORATION, [U.S.], a Washington corporation;

That I have read the foregoing Articles of Merger, know the contents thereof, and acknowledge that the statements therein contained are true.

  
R. F. WEINMAN  
Assistant Secretary

SUBSCRIBED AND SWORN to before me this 8th day of February, 1984.

  
Notary Public for Province  
of British Columbia

PLAN AND AGREEMENT OF MERGER

Dated February 8, 1984

This PLAN AND AGREEMENT OF MERGER, dated February 8, 1984, between CANFOR CORPORATION [U.S.] ("Canfor" or the "Surviving Corporation"), a Washington corporation, and CHANDLER CORPORATION ("Chandler"), an Idaho corporation,

W I T N E S S E T H :

WHEREAS, Canfor presently owns 139,988 shares (or over ninety-nine percent (99%)) of the 140,134 shares of Chandler's \$1.00 par value Common Stock; and

WHEREAS, by merger of the two corporations, total administrative costs can be reduced by combining the operations of Canfor and Chandler; and

WHEREAS, in the opinion of the managements of Canfor and Chandler, the present fair value of Chandler's Common Stock is less than \$10.00 per share; and

WHEREAS, the Boards of Directors of the parties hereto deem it advisable for the general welfare and advantage of the parties hereto and their respective shareholders that Chandler merge with and into Canfor upon the terms and conditions set forth herein in accordance with the laws of the States of Washington and Idaho and that each of the outstanding shares of Common Stock of Chandler (excluding any such shares held by Canfor) be converted upon such merger (the "Merger") into \$12 cash;

NOW THEREFORE, in consideration of the premises and mutual agreements, provisions and covenants herein contained, and in order to set forth the terms and conditions of the Merger and the mode of carrying the same into effect, the parties hereto hereby agree as follows:

ARTICLE I

MERGER

1.1 THE MERGER. At the Effective Date of the Merger (as hereinafter defined) Chandler shall be merged with and into Canfor on the terms and conditions hereinafter set forth as permitted by and in accordance with the Washington Business Corporation Act and the Idaho Business Corporation Act. Thereupon the separate existence of Chandler shall cease; and Canfor, as the Surviving Corporation, shall continue to exist under and be governed by the Washington Business Corporation Act. Canfor's Articles of Incorporation and its By-Laws as in effect immediately prior to the Effective

Date of the Merger shall remain unchanged until amended in accordance with the provisions thereof and applicable law.

1.2 FILING ARTICLES OF MERGER. As soon as practicable following fulfillment of the condition specified in Article V, Canfor will cause Articles of Merger to be executed, acknowledged and filed with the Secretaries of State of the States of Washington and Idaho as provided in Section 23A.20.050 of the Washington Business Corporation Act and Section 30-1-75 of the Idaho Business Corporation Act.

1.3 EFFECTIVE DATE OF THE MERGER. The Merger shall become effective at the close of business on March 30, 1984, which is herein sometimes referred to as the "Effective Date of the Merger".

## ARTICLE II

### DIRECTORS AND OFFICERS

2.1 As soon as practicable after the Effective Date of the Merger, the Surviving Corporation shall hold a special meeting of shareholders to elect the Board of Directors; and, immediately thereafter, the Board shall hold a special meeting to appoint officers.

## ARTICLE III

### CONVERSION OF SHARES

3.1 CONVERSION. Upon the Effective Date of the Merger the issued and outstanding shares of Chandler's \$1.00 par value Common Stock shall, without any further action on the part of Canfor, Chandler or the respective holders of such shares, be converted into the right to receive cash or be cancelled as follows:

(a) Each issued and outstanding share of Common Stock of Chandler, except for shares held by Canfor, shall be converted into the right to receive \$12 per share for each full and/or fractional share surrendered to Canfor as set forth in Article 3.2 herein. Upon such surrender and payment, such shares shall be cancelled.

(b) Each issued and outstanding share of the Common Stock of Chandler held by Canfor on the Effective Date of the Merger shall be cancelled.

(c) The provisions of Section 3.1(a) shall not apply to any shares of Chandler Common Stock which shall constitute "dissenters shares" within the meaning of Section 30-1-81 of the Idaho Business Corporation Act (herein called "Dissenters Shares"), it being intended that any holder of such shares shall have in consideration for the cancellation of Dissenters Shares held by him only the rights given to

him under Section 30-1-81 of the Idaho Business Corporation Act, including the right to be paid the fair market value of such shares, in the manner and subject to the procedures and conditions therein provided unless and until such holder shall have failed to perfect, or shall have effectively withdrawn or lost, his right to appraisal of and payment for his shares of Chandler Common Stock under such section, at which time such shares of Chandler Common Stock shall be converted into the right to receive \$12 per share in accordance with Section 3.1(a). Each holder of Dissenters Shares who becomes entitled, pursuant to the provisions of the Idaho Business Corporation Act, to payment of the value of his shares of Chandler Common Stock shall receive payment therefor from the Surviving Corporation (but only after the value thereof shall have been agreed upon or finally determined pursuant to such provisions).

3.2 SURRENDER OF SHARES. As soon as practicable after the Effective Date of the Merger, each holder of an outstanding certificate or certificates which, immediately prior to the Effective Date of the Merger, represented shares of Common Stock of Chandler, upon surrender to Canfor of such certificate or certificates, shall be entitled to receive \$12 per share for each full and/or fractional share of Chandler Common Stock represented by the certificate or certificates so surrendered. Unless and until such outstanding certificate or certificates shall be so surrendered, no holder thereof shall be entitled to receive any payment for any full or fractional share interest represented by such certificate or certificates; but upon the later of such surrender of such outstanding certificate or certificates or the Effective Date of the Merger, Canfor shall promptly pay to the record holder of such certificate or certificates \$12 per share for each full and/or fractional share represented by the certificate or certificates surrendered. Promptly after the execution of this Plan and Agreement of Merger, Canfor shall send all record holders of shares of Chandler Common Stock a letter of transmittal for use in surrendering their certificates for cash.

#### ARTICLE IV

##### CERTAIN EFFECTS OF MERGER

4.1 EFFECTS OF MERGER. Upon and after the Effective Date of the Merger and pursuant to the Washington and Idaho Business Corporation Acts, the Surviving Corporation shall possess all the rights, privileges, immunities and franchises, and all property, debts and other choses in action, and all and every other interest of or belonging to or due to Chandler shall be taken and deemed to be transferred to and vested in the Surviving Corporation which shall be responsible and liable for all the liabilities and obligations of Chandler, all with the effect and to the extent provided in the Washington and Idaho Business Corporation Acts.

4.2 FURTHER ASSURANCES. If at any time after the Effective Date of the Merger, the Surviving Corporation shall consider or be advised that any further deeds, assignments or assurances in law or any other things are necessary, desirable or proper to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation the title of any property or rights of

Chandler acquired or to be acquired by reason of, or as a result of the Merger, the Surviving Corporation and its proper officers and directors shall and will execute and deliver all such property, deeds, assignments and assurances in law and do all things necessary, desirable or proper to vest, perfect or confirm title to such property or rights in the Surviving Corporation and otherwise to carry out the purposes of this Agreement; and the proper officers and directors of Chandler and the proper officers and directors of the Surviving Corporation are fully authorized in the name of Chandler or otherwise to take any and all such action.

4.3 CHANGE OF NAME. As soon as practicable after the Effective Date of the Merger, the name of the Surviving Corporation shall be changed to Chandler Corporation; and the Surviving Corporation and its proper officers and directors shall and will execute and deliver all documents and do all things necessary, desirable or proper to effectuate such name change in the states of Washington and Idaho and any other jurisdiction in which, prior to the Effective Date of the Merger, Canfor or Chandler transacted business; and the proper officers and directors of Chandler and the Surviving Corporation are fully authorized in the name of Chandler or otherwise to take any and all such action.

## ARTICLE V

### CONDITION PRECEDENT TO THE MERGER

5.1 CONDITION. In accordance with Section 23A.20.050 of the Washington Business Corporation Act and Section 30-1-75 of the Idaho Business Corporation Act, the Articles of Merger shall not be delivered to the Secretaries of State of the States of Washington and Idaho until expiration of the thirty (30) day period following mailing of this Plan and Agreement of Merger to the shareholders of Chandler.

## ARTICLE VI

### MISCELLANEOUS

6.1 SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns; provided, however, that this Agreement may not be assigned by either party without the consent of the other party.

6.2 AMENDMENT. This Agreement may be amended with the approval of the Board of Directors of each party at any time prior to the Effective Date of the Merger with respect to any of the terms contained herein.

6.3 COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall become effective when one or more counterparts has been signed by Chandler and delivered to Canfor and one or more counterparts has been signed by Canfor and delivered to Chandler.



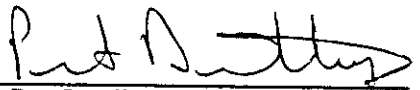
6.4 AGREEMENT TO TAKE NECESSARY AND DESIRABLE ACTIONS. Chandler and Canfor each agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

6.5 GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of Washington.

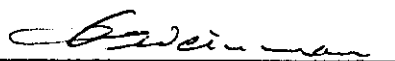
6.6 CAPTIONS. The captions are inserted herein for convenience only and shall not be given any legal effect or affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF this Agreement has been signed by the duly authorized officers of each of the parties on the day and year first above written.

CANFOR CORPORATION [U.S.]

By   
P. J. G. Bentley, President  
and Executive Officer


ATTEST:

  
R. F. Weinman,  
Assistant Secretary

CHANDLER CORPORATION

By   
Fred N. Pinnell, President

ATTEST:

  
T. A. Elliott, Vice-President,  
Administration, Controller and  
Secretary