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ARTICLES OF MERGER

OF

GENESEE UNION WAREHOUSE COMPANY

AND

STATE OF IDAHO

JOHNSON UNION WAREHOUSE COMPANY

Genesee Union Warehouse Company is an Idaho cooperative corporation organized under Idaho Code 22-26. Johnson Union Warehouse Company is a Washington cooperative corporation organized under the Revised Code of Washington, Chapter 23.86. Pursuant to the provisions of IC 22-2622A, 22-2626, 30-03-104, 30-3-99, 30-3-101 and 30-3-102, and further pursuant to the provisions of RCW 23.86.220, 23.86.360, 23B.11.070, 23B.11.010, 23B.11.030 and 23B.11.050, said cooperative corporations do hereby execute these Articles of Merger and state as follows:

1. **Plan of Merger:** The Plan of Merger is hereto attached as Exhibit A.

2. **Approval by Members:**

(a) **Johnson Union:** The Plan of Merger was duly approved by the members of Johnson Union Warehouse Company pursuant to RCW 23.86.220. The number of votes of Johnson Union entitled to vote and the number voting "For" and voting "Against" the Plan of Merger were as follows:

<u>Total Votes Entitled to Vote</u>	<u>Voted "For"</u>	<u>Voted "Against"</u>
<u>71</u>	<u>35</u>	<u>0</u>

(b) **Genesee Union:** The Plan of Merger was duly approved by the members of Genesee Union Warehouse Company pursuant to IC 30-3-104 and 30-3-101. The number of votes of Genesee Union entitled to vote and the number voting "For" and voting "Against" the Plan of Merger were as follows:

<u>Total Votes Entitled to Vote</u>	<u>Voted "For"</u>	<u>Voted "Against"</u>
<u>306</u>	<u>71</u>	<u>4</u>

Dated this 10 day of October, 2002

GENESEE UNION WAREHOUSE COMPANY

By: Alan Krich
Its: President

JOHNSON UNION WAREHOUSE
COMPANY

By: Jeff M. Anderson
Its: President

IDAHO SECRETARY OF STATE
03/27/2003 05:00
CK: 16512 CT: 168296 BH: 671131
1 @ 30.00 = 30.00 MERGER # 2
SEADOCs:136107.1

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PLAN OF MERGER

THIS PLAN OF MERGER is made and entered into by and between Genesee Union Warehouse Company (an Idaho cooperative corporation organized under Idaho Code 22-26, hereinafter sometimes referred to as "Genesee Union") and Johnson Union Warehouse Company (a Washington cooperative corporation organized under the Revised Code of Washington, Chapter 23.86, hereinafter sometimes referred to as "Johnson Union"), both cooperative corporations collectively hereinafter sometimes referred to as "Constituent Associations."

WITNESSETH:

In consideration of the mutual promises and covenants, and subject to the conditions herein set forth, the parties hereto, intending to be legally bound hereby, have mutually agreed and hereby mutually agree that the Constituent Associations shall merge together and shall continue their corporate life as one cooperative association and agree to make such merger upon the following terms and conditions:

1. Merger. Johnson Union shall be merged into Genesee Union, the name of which, upon and after the Effective Date of the merger, shall be Genesee Union Warehouse Company, hereinafter sometimes referred to as the "Surviving Association."

2. Effective Date Of Merger.

(a) If all of the following conditions are satisfied, then this Plan of Merger and the merger to be performed hereto shall be effective as of June 1, 2003 at 12:01 a.m. Pacific Daylight Time (hereinafter the "Effective Date"). If the following conditions are not satisfied, this Plan of Merger shall be without any force or effect. The conditions to be satisfied are as follows:

(i) The respective Boards of Directors of each Constituent Association shall approve this Plan of Merger and the execution hereof by the authorized officers of each such Constituent Association.

(ii) The memberships of each Constituent Association shall take such action as is required by the provisions of Idaho Code Sections 22-2622A, 22-2626 and 30-3-104, and 30-3-101 (as to Genesee Union) and the Revised Code of Washington, Sections 23.86.220, 23.86.360, 23B.11.070, 23B.11.010 and 23B.11.030 (as to Johnson Union) for the approval of this Plan of Merger and the execution and filing of all documents necessary to effectuate the same by their respective authorized officers.

(iii) Articles of Merger are filed with the Secretary of State of the State of Idaho pursuant to Idaho Code Sections 22-2626 and 30-3-102 and with the Secretary of State of the State of Washington pursuant to RCW 23.86.360 and 23B.11.050.

(iv) Any lender to a Constituent Association with a right to consent shall so consent to this Plan of Merger.

EXHIBIT A

(v) The real and/or personal property of each Constituent Association shall not have been destroyed or substantially damaged by fire or other casualty.

(vi) Genesee Union's and Johnson Union's "working capital" (as defined for generally accepted accounting principles) has not declined below \$2.4 million and \$300,000 respectively.

(b) The directors of either Constituent Association may at any time before the Effective Date upon determining that the other Constituent Association has materially violated the terms of the Plan of Merger, including, without limitation, any material breach in the representations or warranties set forth in paragraph 9 below, may declare this Plan of Merger to be null and void and of no further force or effect, without further action or approval by the members of the withdrawing corporation.

(c) If, prior to the Effective Date, any demand, other action or proceeding shall have been commenced for any relief or judgment of any nature whatsoever arising out of or related to this Plan of Merger, the directors of either Constituent Association, at their respective options, may declare this Plan of Merger to be null and void and of no further force or effect, without further action or approval by the members of the withdrawing corporation.

3. Business Pending Merger.

(a) Until the Effective Date, each Constituent Association agrees that without the consent in writing of the other Constituent Association it will not:

(i) Amend its Articles of Incorporation or Bylaws.

(ii) Merge or consolidate with any other corporation or association.

(iii) Permit any of its insurance to lapse or be terminated.

(iv) Amend or alter any existing agreements.

(v) Take any action or perform any act designed to prejudice the consummation of the merger herein contemplated.

(vi) Contract for the purchase or acquisition of property and assets other than in the ordinary and normal course of its business.

(vii) Sell, liquidate or otherwise dispose of any of its property or assets except in the ordinary and normal course of its business.

(viii) Incur any debt, obligation or liability except in the ordinary and normal course of its business.

(ix) Except as provided in paragraph 3(b), retire any debt nor revolve any equity credits except on the same basis as customarily retired or revolved by such Constituent Association.

(b) Prior to the Effective Date, Johnson Union shall redeem at the par value thereof from the holders thereof (i) its \$100 par value Preferred capital stock which totaled \$70,100 as of June 30, 2002, and (ii) its \$25 par value Common stock which totaled \$115,425 as of June 30, 2002 (less one share for each Johnson Union member who intends to be a member, or a non-voting associate member, of the Surviving Association) such amounts to be paid to the holders by the Surviving Association within ninety (90) days after the Effective Date.

4. Effect of Merger. As of the Effective Date:

(a) Johnson Union shall be merged into Genesee Union and, as such, the Constituent Associations shall become a single corporation embodied in the Surviving Association provided for herein.

(b) The separate existence of Johnson Union shall cease.

(c) The Surviving Association shall have all the rights, privileges, immunities and powers, and shall be subject to all the duties and liabilities of a corporation organized under Idaho Code 22-26.

(d) The Surviving Association shall thereupon and thereafter possess all the rights, privileges, immunities and franchises, both public and private of each of the Constituent Associations to the extent that such rights, privileges, immunities, and franchises are not inconsistent with the corporate nature of the Surviving Association; and all property, real, personal and mixed, and all debts due on whatever account, and all other choses in action, and all and every other interest of or belonging to or due to each of the Constituent Associations shall be taken and deemed to be transferred to and vested in the Surviving Association without further act or deed; and the title to any real estate, or any interest therein, vested in either Constituent Association shall not revert or be in any way impaired by reason of such merger.

(e) The Surviving Association shall thereafter be responsible and liable for all the liabilities and obligations of each of the Constituent Associations; and any claim existing or action or proceeding pending by or against either of such organizations may be prosecuted as if the merger had not taken place and the Surviving Association may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any or either Constituent Association shall be impaired by the merger.

(f) The Articles of Incorporation and Bylaws of the Surviving Association shall be as respectively set forth in Exhibits A and B hereto attached.

5. Board of Directors and Officers of the Surviving Association; Districts.

(a) The initial Board of Directors of the Surviving Association shall consist of nine (9) members, seven (7) of whom shall be from the current Board of Genesee Union and two (2) of whom shall be from the current Board of Johnson Union.

(b) The position number of each Board directorship, name (or description) of the individuals occupying each such position, a description of their applicable Board geographic district, and when their respective terms of office will expire are as follows:

<u>Position</u>	<u>Name</u>	<u>District</u>	<u>Term</u>
1	To be elected at GU 11/02 annual meeting to serve one year	Genesee	11/03
2	Matt Becker	Genesee	11/04
3.	To be elected at GU 11/02 annual meeting	Johnson	5/31/03
	Jeff Anderson		6/1/03 until 11/05
4	Alan Krick (2 nd term)	Genesee	11/05
5	Dan Nelson	Genesee	11/04
6	Tim Stout (2 nd term)	Genesee	11/05
7	Tom Kinzer (2 nd term)	Genesee	11/04
8	Ron Herman	Genesee	11/03
9	To be elected at GU 11/02 annual meeting	Johnson	5/31/03
	Mike Sodorff		6/1/03 until 11/03

(c) The remaining directors of Johnson Union and Genesee Union shall resign as of the Effective Date. Except as otherwise stated in paragraph 5(b) above, or as otherwise limited by the Bylaws of the Surviving Association, each member of the Board of Directors of the Surviving Association shall be eligible to serve two (2) consecutive three (3) year terms.

(d) The initial officers of the Surviving Association as of the Effective Date, who will serve until the first Board meeting following the Surviving Association's 2004 annual meeting of members, shall be as follows:

<u>Position</u>	<u>Name</u>
Chairman	Alan Krick
Co-Vice Chairmen	Jeff Anderson and Tim Stout
Secretary	Dan Nelson
Treasurer	William Newbry
President/CEO	William Newbry

Nominations and elections of officers shall occur at the first Board meeting following the Surviving Association's 2004 annual meeting of members. Except for the initial terms of the officers listed above (i.e., from June 1, 2003 until November, 2004), the officers of the Surviving Association shall serve one (1) year terms.

(e) For the purpose of nominating directors, the territory in which the Surviving Association has members shall be divided into the "Genesee District" and the "Johnson District" as defined in the Bylaws of the Surviving Association.

6. Conversion of Membership Stock and Memberships. The method of converting the membership stock and memberships of the Constituent Associations into memberships of the Surviving Association shall be as follows:

(a) Each member of Johnson Union on the Effective Date who intends to be either a voting member (or non-voting associate member) of the Surviving Association shall be deemed to have surrendered his one remaining share of \$25 par value voting Common stock in Johnson Union (i.e., after giving effect to the redemption by Johnson Union pursuant to Paragraph 3(b)(ii) above) and shall receive in exchange one (1) \$25.00 membership (either voting or a non-voting associate membership as the case may be) in the Surviving Association. Each such member's one remaining share of \$25 par value voting Common stock in Johnson Union shall be deemed cancelled.

(b) Each member of Johnson Union who does not intend to be either a voting member or non-voting associate member of the Surviving Association shall so notify the Surviving Association in writing, within thirty (30) days after the Effective Date. Thereupon, each such shareholder shall be deemed to have surrendered to the Surviving Association his remaining share of \$25 par value voting Common stock in Johnson Union and the total par value thereof shall be paid to such person by the Surviving Association within ninety (90) days after the Effective Date, whereupon such share shall be canceled and the membership deemed terminated. No such termination shall affect or impair any contracts or obligations then in effect between such terminating member and Johnson Union and such contracts or obligations shall remain in full force and effect in accordance with their terms.

(c) Because Genesee Union will be the Surviving Association and because its \$25 membership requirement will remain unchanged as of the Effective Date, it will not be necessary for those existing members of Genesee Union who intend to be a voting member (or non-voting associate member) of the Surviving Association to exchange the same for a new voting membership or non-voting associate membership in the Surviving Association.

7. Equity Credits.

(a) The below described equity credits shall remain in full force and effect between the Surviving Association and the holders thereof:

Constituent Association	Description of Equity Credits	Dollar Amount	As of Fiscal Year Ending
Genesee Union	Patrons' Allocated Margins	\$2,058,775	5/31/02
Johnson Union	Patrons' Allocated Equity	\$1,037,523	6/30/02

The indicated dollar amounts are as of May 31, 2002 (for Genesee Union) and as of June 30, 2002 (for Johnson Union) and are shown here only for the purpose of identifying each class of "equity credits" as reflected on Exhibits C and D. The actual balances of these various classes of equity credits as of the Effective Date shall be the applicable dollar amounts.

The Surviving Association shall fully and faithfully pay and perform all of the Constituent Associations' obligations and exert all of their rights under the above-described equity credits.

(b) Genesee Union's unallocated margins (which totaled \$172,799 as of May 31, 2002) shall remain unallocated margins of the Surviving Association.

(c) Johnson Union's unallocated margins (which totaled \$168,549 as of June 30, 2002) shall also remain unallocated margins of the Surviving Association.

(d) The retained earnings of Genesee Union (which totaled \$2,005,864 as of May 31, 2002) shall remain retained earnings of the Surviving Association.

(e) The retained earnings of Johnson Union (which totaled \$105,931 as of June 30, 2002) shall remain retained earnings of the Surviving Association.

(f) All net margins of each Constituent Association accrued as of the close of business on the Effective Date, with respect to its then current year shall be allocated and distributed by the Surviving Association within eight and one-half (8 ½) months thereafter, to such Constituent Association's patrons in accordance with the terms of the respective Constituent Association's Articles of Incorporation and Bylaws in the form of equity credits in terms identical to each such Constituent Association's standard equity credits heretofore issued all as the former members of the Board of Directors of each such Constituent Association shall determine.

(g) Any net operating loss of each Constituent Association accrued as of the close of business on the Effective Date, with respect to its then current year shall be allocated by the Surviving Association within eight and one-half (8 ½) months thereafter, to such Constituent Association's patrons in accordance with the terms of the respective Constituent Association's Articles of Incorporation and Bylaws (or, if they be silent as to how such allocation shall be made, then as the Surviving Association's Board of Directors shall determine.)

8. Retirement of Equity Credits.

(a) The Surviving Association will retire the equity credits of each Constituent Association designated in subparagraphs 7(a) and 7(f) above (and as offset by any net operating losses pursuant to paragraph 7(g) above) in the chronological order in which each such Constituent Association and the Surviving Association issued the same as recorded on the books of each Constituent Association and the Surviving Association. All monies which the Surviving Association's Board of Directors determines to use for such retirement purposes after the Effective Date will be applied for retirement of such equity credits of each Constituent Association in the proportion of 80% to such equity credits of Genesee Union and 20% to such equity credits of Johnson Union.

(b) The Surviving Association's Board of Directors may deviate from the plan of retirement and/or the methods of retirement herein mentioned to such extent as in said Board's judgment is necessary or proper to carry out any retirement to avoid inequities or to round out retirements to even annual series, or even fractions of annual series, or to otherwise effectuate an orderly and equitable retirement program.

(c) The Surviving Association's Board of Directors may determine from time to time whether the equity credits issued by the Surviving Association subsequent to the Effective Date will continue to be redeemed in relationship to year of origin (revolving fund plan) or, in the alternative, in relation to a share of the total capital needs of the Surviving Association determined as equitable for each member or patron (base capital plan), or other plan of redemption, as determined by such Board of Directors.

9. Representations and Warranties. Each Constituent Association represents and warrants, one to the other, as follows:

(a) Their respective assets and liabilities are completely and correctly identified and set forth in their respective financial statements attached hereto as Exhibit C (as to Genesee Union and Exhibit D (as to Johnson Union) subject only to adjustments thereto caused by operations in the normal course of business prior to the Effective Date.

(b) Neither party is aware of any pending or threatened litigation or claims against it or any encumbrances or defects in title to their respective assets except as set forth in Exhibit E (as to Genesee Union) and Exhibit F (as to Johnson Union).

(c) Neither party is aware of the presence of toxic or hazardous wastes, materials or substances on property for which either of the Constituent Associations would be obligated by law, regulation or order to remediate or to contribute thereto.

(d) In the event of a breach or failure of any representation or warranty of a Constituent Association hereunder or in the event of any claim or demand against the Surviving Association arising out of or related to the performance by a Constituent Association of its duties or obligations hereunder, the Surviving Association shall have the right to recover its loss therefrom by offset against the equity credits of such Constituent Association designated in paragraph 8(a) above.

10. Entire Agreement. This Plan of Merger constitutes the entire agreement between the parties. There are no oral or other agreements except as herein expressed. This agreement shall not be amended or modified without the prior written agreement of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Plan of Merger on the 29th day of OCTOBER, 2002.

JOHNSON UNION WAREHOUSE
COMPANY

By Jeff M. Anderson
Its President

By Line Way
Its Secretary

GENESEE UNION WAREHOUSE CO.

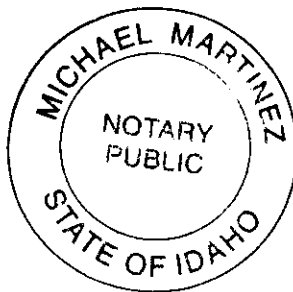
By Alan Krieb
Its President

By Dan A. Nelson
Its Secretary

STATE OF IDAHO)
) ss.
COUNTY OF LATAH)

I certify that I know or have satisfactory evidence that ALAN KRICK and DAN A. NELSON are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they are the President and Secretary, respectively, of GENESEE UNION WAREHOUSE CO., and were authorized to execute the instrument, and acknowledged it to be the free and voluntary act of said entity for the uses and purposes mentioned in the instrument.

Dated: OCTOBER 29, 2002.

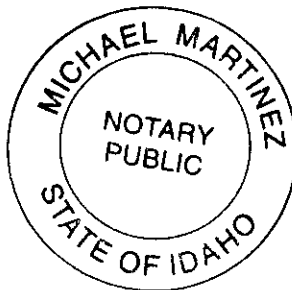


Michael Martinez
Notary Public for Idaho
MICHAEL MARTINEZ
(Printed or Stamped Name of Notary)
Residing at GENESEE
My appointment expires: 7/05/03

STATE OF ~~WASHINGTON~~ IDAHO)
) ss.
COUNTY OF LATAH)

I certify that I know or have satisfactory evidence that JEFF M. ANDERSON and LINC WAY are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they are the President and Secretary, respectively, of JOHNSON UNION WAREHOUSE COMPANY, and were authorized to execute the instrument, and acknowledged it to be the free and voluntary act of said entity for the uses and purposes mentioned in the instrument.

Dated: OCTOBER 29, 2002.



Michael Martinez
Notary Public for ~~Washington~~ IDAHO
MICHAEL MARTINEZ
(Printed or Stamped Name of Notary)
Residing at GENESEE, IDAHO
My appointment expires: 7/05/02