

**ASTORIA COOPERATIVE
DESIGNATION RIGHTS, PREFERENCES AND PRIVILEGES OF SERIES A PREFERRED SHARES**

WHEREAS, the Articles of Incorporation of the Cooperative, as amended, does not presently provide for a class of shares known as Preferred Stock; and

WHEREAS, the Board of Directors of the Cooperative considers it in the best interests of the Cooperative and its members to establish a class of Preferred Shares; and

WHEREAS, subject to the approval of the members and the Affected Shareholders, as defined in ORS 62.560, the Board of Directors desires to determine the rights, preferences, privileges and restrictions granted to or imposed upon any unissued series of Preferred Stock, to fix the number of shares constituting any such Series and to determine the designation thereof, or any of them; and

WHEREAS, the Cooperative has not issued any shares of Preferred Stock and the Board of Directors desires, subject to the approval of the members and Affected Shareholders, to determine and fix the rights, preferences, privileges and restrictions relating to the initial series of Preferred Stock and the number of shares constituting and the designation of the series; and

WHEREAS, the Articles of Incorporation, as amended, must be amended to establish a class of Preferred Shares.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby fixes and determines the designation of, the number of shares constituting, and the rights, preferences, privileges, and restrictions of the Preferred Stock as follows:

1. Increase in Authorized Capital Stock. The capital stock will consist of 100,000 shares Common Shares without par value and 100,000 shares of Preferred Shares with par value of \$100 per share ("Par Value").
2. Designation of Series. The initial series of Preferred Stock is designated "Series A Preferred Shares."
3. Number of Shares. The number of shares constituting the Series A Preferred Shares is 100,000 shares.
4. Dividend Preference. The holders of Series A Preferred Shares will be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for such purpose, a dividend of 3% of the Par Value per annum ("Dividend"), which dividend will be cumulative. In the event that a holder of Series A Preferred Shares is the registered holder on the books of the Cooperative of one hundred (100) shares or more of Series A Preferred Shares, such holder's Series A Preferred Shares will be entitled to receive when, as and if declared by the Board of Directors out of funds legally available for such purpose, an additional premium of 1% of the Par Value ("Dividend Premium"). The amount of the Dividend and amount of the Dividend Premium payable in and for the first fiscal year in which the Dividend and the Dividend Premium are declared will be pro-rated and computed on the basis of a 365-day year, beginning on the date on which the Series A Preferred Shares were subscribed and paid for by the holder thereof and the last day of the fiscal year of the Cooperative. No cash patronage refunds or other cash distributions in a fiscal year (collectively "Distributions") will be made by the Cooperative to the patrons or to the holders of any security of the Cooperative which is junior in right to the Series A Preferred Shares, unless the Dividend and the Dividend Premium has been paid. "Distributions" as used in this Section 4 will be deemed to include any distribution made in connection with the liquidation, dissolution or winding up of the Cooperative.
5. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Cooperative, either voluntary or involuntary, the holders of Series A Preferred Shares will be entitled to receive, before any distribution of any of the assets of the Cooperative to the holders of Common Shares or any other securities junior in right to the Series Preferred Shares, an amount equal to the Par Value, plus an amount equal to any declared but unpaid Dividend and Dividend Premium on such Series A Preferred Shares. If upon the occurrence of such event, the assets and funds so distributed among the holders of the Series A Preferred Shares is insufficient to permit the payment to such holders of the full above-described preferential amounts, then the entire assets and funds of the Cooperative legally available for distribution will be distributed ratably among the holders of the Series A Preferred Shares in proportion to the amount of such shares owned by each such holder.
6. Voting Rights. Except as otherwise provided by the Oregon Cooperative Corporation Act, OR Chapter 62, the holders of the Series A Preferred Shares will not have voting rights in the Cooperative.
7. Redemption. The Cooperative, at its option, may redeem, at any time, the Series A Preferred Shares, in whole or from time to time in part, upon 30 days' written notice, for a price equal to the Par Value plus an amount per share equal to the unpaid Dividends and unpaid Dividend Premium accumulated to the date fixed for redemption ("Redemption Price"). In the event of redemption of less than all of the outstanding Series A Preferred Shares, the Cooperative will affect such redemption pro rata. Not less than 30 days' prior to the redemption date, the Cooperative will mail to each holder of Series A Preferred Shares to be redeemed addressed to such shareholders last address shown on the books of the Cooperative. Each notice will specify the date fixed for the redemption ("Redemption Date"), the redemption price and the accumulated and unpaid Dividends and, if applicable, any unpaid Dividend Premium owing to the Redemption Date. On or after the Redemption Date, the Cooperative will pay the Redemption Price to each holder of the shares called for redemption by check or electronic transfer. If, on the Redemption Date, funds necessary for the redemption are available and/or will be deposited or set aside, then such shares will no longer be deemed outstanding, the holders thereof will cease to be shareholders and all rights with respect to such shares will terminate, except for the right to receive the Redemption Price.