

## LINCOLNWAY ENERGY, LLC

### UNIT ASSIGNMENT POLICY (As amended on November 10, 2010)

The Directors of Lincolnway Energy, LLC (the "LLC") have adopted the following as the Unit Assignment Policy of the LLC as contemplated by and for purposes of the Second Amended and Restated Operating Agreement of the LLC (as amended or restated from time to time, the "Operating Agreement"). Any words or terms which are used in this Unit Assignment Policy and that are defined in the Operating Agreement of the LLC shall have those same meanings as used in and for purposes of this Unit Assignment Policy, including, for example, the words "Assignment", "Assigned", "Assign", "assignee", "assignor", "Code", "Directors" and "Units".

As provided in the Operating Agreement, an Assignment includes any sale, gift, bequest, assignment or other conveyance, transfer or disposition whatsoever of a Unit, or any right or interest in, under or arising from a Unit (including any right to receive any Distribution arising from any Unit), whether voluntarily or involuntarily, or by operation or any act or process of law or equity, or otherwise, and including the granting of a pledge, security interest or other lien or encumbrance in, on or against a Unit or the entering of a charging order under Section 489.503 of the Iowa Act and any action to enforce or realize upon, or the exercise of any rights or remedies whatsoever under or pursuant to, any such pledge, security interest, lien, encumbrance or charging order (including any sale of the Unit or taking possession of, or any other interest in, the Unit). Without limiting the generality of the foregoing, and in further confirmation thereof, any purported transfer of a transferable interest (as that term is defined in the Iowa Act) is an Assignment of the entire underlying Unit or Units.

All Assignments of any Units must be made in accordance with the Operating Agreement, and also only with the prior written approval of the Directors. The Directors may prohibit, restrict, limit, delay or place conditions on any proposed Assignment of any Units for any reasonable purpose, as determined by the Directors. A reasonable purpose shall in all events include, without limitation, prohibiting, restricting, limiting, delaying or placing conditions on any Assignment of any Units which, alone or together with any previous Assignments or other Assignments that are known or intended or that may reasonably be anticipated, would or might reasonably be determined to:

- (a) violate or cause the LLC to violate or to otherwise be in noncompliance with any applicable law, rule, regulation or order, including any foreign, federal, state or local securities law, rule, regulation or order;
- (b) cause the LLC to be taxed as a corporation for tax purposes, including by reason of Section 7704 of the Code;
- (c) result in the termination of the LLC or the LLC's tax year for tax purposes, including under Section 708 of the Code, or cause the application to the LLC of Sections 168(g)(1)(B) or 168(h) of the Code or similar or analogous rules;
- (d) violate any term or condition of the Operating Agreement, including Section 5.7;

(e) violate or cause the LLC to violate or to otherwise be in noncompliance with any law, rule, regulation or order applicable to the LLC's selection or use of its then current Fiscal Year, including under Section 444 of the Code;

(f) require the LLC to become licensed, registered or regulated as an investment company, a broker-dealer or any other form of regulated entity under any applicable foreign, federal, state or local law, rule, regulation or order; or

(g) create or result in any fractional Units.

The assignor and assignee in each proposed Assignment shall provide the LLC with a Unit Assignment Application in a form provided by the LLC, and with all such other documents, instruments and information as are deemed to be necessary or appropriate from time to time by the Directors, including (i) the assignee's taxpayer identification number; (ii) the information necessary to determine the assignee's initial tax basis in the Units which were Assigned to the assignee; (iii) all information necessary or appropriate for the LLC to be able to file all required tax returns and other legally required information statements or returns; (iv) evidence that the assignee is properly authorized to acquire the Units and to become a Member and that the assignor is authorized to Assign the Units to the assignee; and (v) a copy of the agreement between the assignee and the assignor. The agreement between the assignor and the assignee must acknowledge the requirements of the Operating Agreement and this Unit Assignment Policy.

The LLC reserves the right to require the assignor and/or the assignee in each proposed Assignment to provide the LLC with an opinion of counsel for the LLC or for the assignor and/or the assignee, in form and content acceptable to the LLC, to the effect that the proposed Assignment shall not have or cause any of the results or effects described in subparagraphs (a) through (g) above in this Unit Assignment Policy.

The LLC also reserves the right to require the assignor and/or the assignee in each proposed Assignment to pay directly or to reimburse the LLC for all fees, costs and expenses paid or incurred by the LLC in connection with the Assignment, including legal and accounting fees.

An Assignment of a Unit may be made pursuant to and upon the terms and conditions of any unit matching service as may be made available from time to time by the LLC on the website of the LLC in accordance with Section 1.7704-1(g) of the Treasury Regulations.

An Assignment of a Unit may be made to the LLC in accordance with Section 9.6 of the Operating Agreement.

The Directors are not required to act upon any proposed Assignment of any Unit until the next regularly scheduled meeting of the Directors which follows the date on which the LLC receives a completed and executed Unit Assignment Application from the assignor and the assignee in form and content acceptable to the Directors.

An Assignment of a Unit which is approved by the Directors shall be effective for all purposes (including for purposes of allocations and Distributions) as of the date determined by the Directors, but such date must be within 32 days of the date of the approval of the Assignment by the Directors.

The effect of an Assignment which is approved by the Directors shall be governed by the Operating Agreement, and an assignee must become a Substitute Member in accordance with the terms of the Operating Agreement.