

LINCOLNWAY ENERGY, LLC

UNIT ASSIGNMENT POLICY

Effective June 29, 2007

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 Amended and Restated Operating Agreement of the LLC. Any words or terms which are used in this Unit Assignment Policy and that are defined in the Amended and Restated 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", "Directors" and "Units".

As provided in the Amended and Restated Operating Agreement, an assignment includes any sale, transfer, assignment or other disposition of or conveyance by any Member of any Units, in whole or in part and whether voluntarily or involuntarily (including under or pursuant to any pledge or other collateral or security agreement) or by operation or any act or process of law or equity, or otherwise. An assignment includes any pledge, hypothecation or grant of a security interest, lien or other encumbrance in or against any Units.

All assignments of any Units shall require the prior approval of the Directors, and the Directors may prohibit, restrict, limit, delay or place conditions on any proposed assignment 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 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 Amended and Restated 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 assigned Units; (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/or 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 Amended and Restated 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 or the assignee in each proposed assignment to pay all fees, costs and expenses paid or incurred by the LLC in connection with the assignment, including accountants' and attorneys' 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 Amended and Restated 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 Amended and Restated Operating Agreement, and an assignee may become a Substitute Member in accordance with the terms of the Amended and Restated Operating Agreement.