

OPERATING AGREEMENT  
OF  
[name of your group here]  
A MEMBER-MANAGED LIMITED LIABILITY COMPANY

OPERATING AGREEMENT made as of this \_\_\_ day of \_\_\_\_\_2014, by and among the parties identified on Schedule A attached hereto (hereinafter individually referred to as a "Member" and collectively with any additional parties admitted as the "Members").

WITNESSETH:

WHEREAS, the initial Members formed \_\_\_\_\_ LLC, a member-managed limited liability company (the "Company") by filing a certificate of organization with the Office of the Iowa Secretary of State on \_\_\_\_\_, 2013, pursuant to the provisions of the State of Iowa Revised Limited Liability Company Act (the "Act"); and

WHEREAS, the Members of the Company desire to set forth in writing their understandings and agreements as to the operation of the Company;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Members agree as follows:

ARTICLE 1

Formation, Name, Purpose, Location, Registered Office

1.1 Formation. The Company was formed on \_\_\_\_\_, 2013.

1.2 Name. The name of the Company is \_\_\_\_\_ LLC.

1.3 Purpose. The Company is organized for all lawful purposes. The principal purpose of the Company is to invest the assets of the Company in local sustainable food enterprises for the education and benefit of its Members including all activities reasonably related or incidental thereto. Under no circumstances will the Company make investments, loans or make use of its assets for the benefit of an individual or individuals, other than in connection with an individual's bona fide sustainable food enterprise or business.

1.4 Place of Business. The initial principal office of the Company shall be -----.

1.5 Registered Office and Registered Agent. The address of the Company's initial registered office shall be ----- . The name of the Company's initial registered agent shall be ----- . The registered office and registered agent may be changed from time to time as the Members deem advisable by filing notice of such changes with the Secretary of State in accordance with the Act. It will not be necessary to amend this provision if such a change is made.

1.6 Nonliability of Members. No Member shall be personally liable for the expenses, debts, obligations or liabilities of the LLC, or for claims against it.

1.7 Representations and Warranties. Each Member represents and warrants to the Company and each other Member and agrees that: (a) he or she has the authority and power to execute this Operating Agreement and to perform its obligations hereunder; (b) that the Member is acquiring his or her interest in the Company for the Member's own account as an investment and without an intent to distribute the interest; and (c) the interests have not been registered under the Securities Act of 1933 or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such requirements.

## ARTICLE 2 Terms; Dissolution

2.1 Term. The term of the Company shall continue until the Company is dissolved in accordance with either the provisions of this Operating Agreement or the Act.

2.2 Dissolution. The Company shall be dissolved upon the occurrence of any of the following events:

- (a) The written agreement of at least two thirds of all the Members;
- (b) The sale or other disposition of all or substantially all of the assets of the Company or the permanent cessation of the Company's business operations.

Upon the occurrence of any dissolution hereunder, the affairs of the Company shall be wound up in accordance with Article 9 and, immediately thereafter, the Company shall terminate.

## ARTICLE 3 Capital

3.1 Member's Capital Contributions. Each Member will pay \$\_\_\_\_\_ to fund its initial capital account with an initial commitment of five (5) years. Each Member may make additional capital contributions of at least \$1,000.00 in increments of \$1,000.00 at any time. However, no Member's capital account shall exceed 25% of the capital accounts of all Members, unless from time to time approved by a majority vote of all Members. Each Member's Capital Contribution will be set forth in Schedule A. Members who wish to dissociate early will be penalized twenty percent (20%) for each year they dissociate prior to the expiration of their five-year commitment.

3.2 Membership Interests. The Members shall have the membership interests in the Company specified on Schedule A ("Membership Interests"). Schedule A shall be amended from time to time to reflect the dissociation or admission of Members and/or any changes in the

Membership Interest held by a Member arising from the transfer of Membership Interests to or by such Member.

3.3 Capital Accounts. A capital account shall be maintained for each Member, in accordance with tax accounting principles, which shall reflect his or her initial capital contribution as set forth in Schedule A, and shall be adjusted and maintained as follows:

(a) As of the end of each fiscal year of the Company, each Member's opening capital account for such year shall be increased by an amount equal to: (i) the cash and the agreed fair market value of property (net of any liabilities assumed by the Company or to which such property is subject) contributed to the capital of the Company by such Member for such year; and (ii) such Member's allocable share of Company taxable income for such year, including income and gain exempt from tax; and

(b) As of the end of each fiscal year of the Company, each Member's opening capital account for such year shall be decreased by an amount equal to: (i) the aggregate amount of cash distributions and the agreed fair market value of any property (net of any liabilities assumed by such Member or to which such property is subject) distributed to such Member during each year, (ii) his or her share of expenditures of the Company not deductible and not properly chargeable as capital expenditures; and (iii) his or her share of Company losses for such year.

Provided, however, that if it is necessary to determine the capital account of any Member during the fiscal year, the capital account of the Member shall be determined after giving effect to all allocations of taxable income, gain, and loss attributable to transactions effected prior to the time such determination is made and all distributions of cash theretofore made for such year.

3.4 Change in Tax Law. Notwithstanding anything to the contrary herein, it is the intention of the Company that it be classified as a partnership for federal and, if applicable, state income tax purposes and that it conform to the requirements of the Internal Revenue Code with respect to the validity of the allocation of items, income, gain, loss, and tax credits. In the event of a change in the Internal Revenue Code or Treasury Regulations, the Members hereby agree to consult with tax counsel and advisers to determine whether an amendment to this Operating Agreement is required and, if it is, to adopt such amendment. The parties do not intend that the Company be classified or treated as a partnership for any other reason.

3.5 Interest on Capital; Loans by or to Members. No interest or other compensation shall be allowed to any Member with respect to his or her capital account, except his or her share of the profits, losses and distributions of the Company as hereinafter provided.

3.6 Withdrawal of Capital. Except as may be specifically provided in this Operating Agreement, no Member shall have the right to withdraw from the Company all or any part of his or her capital contribution nor shall he or she have any right to demand and receive property or cash of the Company in return of his or her capital contribution.

3.7 Liability of Members for Repayment of Capital. No Member shall have any personal liability for the repayment of any capital contribution of any other Member.

3.8 Priority and Return of Capital. No Member shall have priority over any other Member either as to the return of capital contributions or as to net profits or losses of the Company; provided that this Section shall not apply to approved loans (as distinguished from capital contributions) which a Member has made to the Company.

#### ARTICLE 4 Profits, Losses and Cash Distributions

4.1 Company Profits, Losses and Cash Distributions. All profits, losses and distributions of cash or other property from the Company to the Members shall be allocated or distributed in accordance with each Member's Membership Interest set forth on Schedule A, provided that upon the dissolution of the Company all distributions of cash shall be made in accordance with Article 9.

4.2 Priority & Timing. No Member shall have priority over any other Member with regard to allocations of profit or losses or distributions from the Company. All distributions of Company funds to the Members shall be made at such times as the Members may determine.

4.3 Tax Allocations. Tax allocations shall be made in compliance with applicable provisions of the Internal Revenue Code of 1986, as amended, including Code Sections 704(c) and 754, based upon the economic substance of each transaction.

#### ARTICLE 5 Meetings of Members

5.1 Meetings. Meetings of the Members for any purpose may be called by any Member or Members holding at least ten percent (10%) of the Membership Interests.

5.2 Place of Meetings. The Members may designate any place, either within or outside the State of Iowa, as the place of meeting for any meeting of the Members including meetings by telephone or video conference call in which each participating Member may be heard by all other participating Members. If no designation is made, the place of meeting shall be the principal executive office of the Company.

5.3 Notice of Meetings. Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than three (3) nor more than sixty (60) days before the meeting, either personally, by email, or by mail, by or at the direction of the person calling the meeting, to each Member entitled to vote at such meeting.

5.4 Meeting of all Members. If all of the Members owning Membership Interests shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting lawful action may be taken.

5.5 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, or in order to make a determination of Members for any other purpose, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

5.6 Quorum. A majority of all of the Members represented in person or by proxy shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of the Members so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Members whose absence would cause less than a quorum.

5.7 Manner of Acting. If a quorum is present, the affirmative vote of a majority of the Members represented in person or by proxy shall be the act of the Members, unless the vote of a greater or lesser proportion or number is otherwise required by the Act, by the Certificate of Organization, or by this Operating Agreement. Each Member shall have one (1) vote, regardless of the Membership Interest owned or the size of the Member's capital account. Unless otherwise expressly provided herein or required under the applicable law, only Members owning Membership Interests may vote or consent upon any such matter and their vote or consent, as the case may be, shall be counted in the determination of whether the requisite matter was approved by the Members.

All decisions relating to 1) the making of loans, 2) the renewal or modification of loan terms relating to existing loans and 3) the payment of any distributions to Members shall be decided by the affirmative vote of a majority of all Members and not by a majority of Members represented by a quorum.

5.8 Proxies. At all meetings of Members a Member owning a Membership Interest may vote in person or by proxy executed in writing by the Member or by a duly authorized attorney-in-fact, however no more than one proxy may be accepted or voted by any Member. Such proxy shall be filed with the Company before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

5.9 Action by Members without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more

written consents describing the action taken, signed by each Member entitled to vote and delivered to the Company for inclusion in the minutes or filing with the Company records. Action taken under this Section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

5.10 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

## ARTICLE 6 Management and Administrative Policies

6.1 Authority; Reliance by Third Parties; Management Committee. Officers. The Members shall have the authority to manage the business of the Company. Such authority shall include, without limitation, the authority to purchase, sell, mortgage, lease, and otherwise dispose of property, both real and personal, to hire employees, to contract with third parties for services and to borrow money and otherwise pledge the credit of the Company. The signature of any one Member alone shall be sufficient to bind the Company provided the Member so acting is acting with the consent of a majority of Members, and every document thus executed by a Member shall be conclusive evidence in favor of every person relying in good faith thereon or claiming thereunder that at the time of the delivery thereof: (i) this Company was in existence; (ii) this Operating Agreement had not been amended in any manner so as to restrict such authority; and (iii) the execution and delivery of such documents were duly authorized under this Article; unless, however, the acting Member has no authority to act for the Company in a particular matter and the person with whom that Member is dealing has knowledge of the fact that the Member has no such authority. If a Member binds the Company, but did not have the authority to so act under this Operating Agreement (including by failing to obtain necessary consents from other Members), in addition to any other remedy at law or in equity that may be available against such Member, the Member shall be liable for all damages caused by his or her breach of this Operating Agreement.

Each Member is required to actively participate in the Company, which participation may consist of attending meetings, soliciting new members, identifying food and farm enterprises in need of funds, vetting applications, assisting with the management of the fund, discussing and voting on lending proposals, and, from time to time, serving as an officer of the Company.

The Members may appoint a managing Member or a management committee consisting of two or more Members or their representatives to which the Members may delegate such rights, duties and responsibilities as they shall determine from time to time except that decisions regarding the making, modification or renewal of loans may not be delegated by any Member to another Member. Such delegation shall not relieve the Members of their responsibility for managing the business of the Company or affect their ability to bind the Company in dealings with third parties.

The officers of the Company shall consist of a President, Vice President, Secretary and Treasurer. These offices shall be filled annually by volunteers who are Members. Should more than one Member choose to volunteer for a post, a secret ballot shall be taken at an annual meeting, and the post shall be filled by the Member who receives the majority vote. New officers shall assume the duties of their respective offices at the next periodic meeting. Officers may succeed themselves in the same office.

Notwithstanding the foregoing in this section 6.1, no Member shall:

- (a) Have the right or authority to bind or obligate the Company to any extent whatsoever with regard to any matter outside the scope of the Company's purpose;
- (b) Use the Company name, credit or property for other than Company purposes; or
- (c) Do any act detrimental to the interests of the Company or which would make it impossible to carry on the purpose of the Company.

6.2 Fiduciary Duty; Devotion of Time; Compensation; Conflict of Interest Policy. Each Member shall exercise his or her powers and discharge his or her duties in good faith with a view to the interests of the Company and its Members with that degree of diligence, care and skill that ordinarily prudent persons would exercise under similar circumstances in like positions. Each Member shall devote so much of his or her time to the business of the Company as the requirements of such business may dictate from time to time. No Member shall be compensated for his services to the Company, except as is expressly provided in this Operating Agreement, but each Member shall be entitled to charge the Company, or to be reimbursed by the Company, for all reasonable out of pocket expenses actually incurred by him or her and paid to third parties in connection with the Company business.

6.3 No Conflicts of Interest. Members will avoid situations that present an actual or potential conflict between their interest and the interest of the Company.

A conflict of interest arises where a Member or a member of his or her immediate family, has a legal or beneficial interest, whether direct or indirect, as a member, owner, director, officer, volunteer or paid professional, lessor, broker or investor in an enterprise or has a special, personal, business or family relationship with an enterprise:

- (a) from which the Company purchases or leases services, equipment, supplies or real estate (or an interest therein);
- (b) which renders investment, managerial, consulting or other services to the Company;
- (c) which has a pecuniary or business relationship with the Company; or
- (d) which receives loans from the Company.

For example, the Company shall not make loans to, or borrow from, any Member. No Member can vote on whether to make a particular loan if that Member has a financial interest in the proposed borrower.

Members are expected to make prompt disclosure to the other Members of any fact or circumstance that may create, or have the appearance of creating, a conflict of interest. Notwithstanding the foregoing, it is not considered a conflict of interest for a member to invest individually in a business that previously applied to the Company for a loan but whose application to the Company was denied.

#### 6.4 Exculpation and Indemnification.

(a) Exculpation. The doing of any act or the failure to do any act by a Member, the effect of which may cause or result in loss or damage to the Company or its property, shall not subject such Member to any personal liability to the Company, or to the other Members, unless the Member's acts or omissions constituted bad faith, gross negligence, willful misconduct, or fraud, or violated Section 6.2.

(b) Indemnification. The Company shall indemnify the Members and make advances for expenses to the maximum extent permitted under the Act. The Company shall indemnify its employees and other agents to the fullest extent permitted by law, provided that such indemnification in any given situation is first approved by the Members. The right to indemnification under this Section shall be fully vested with respect to any matter occurring while this Section was in effect. No amendment of this Section shall have any retroactive effect except as to enhance such right for the benefit of the indemnitee. Any indemnity under this Section 6.4(b) shall be provided out of and to the extent of Company assets only and no Member shall have any personal liability on account thereof. The Members' rights of contribution under local law shall not be abrogated by this Section.

6.5 Other Business Ventures. Each of the Members may engage independently or with others in other business ventures of every nature or description, and neither the Company nor any Member shall have any rights in or to such independent ventures or the income or profits derived therefrom.

#### 6.6 Bank Accounts; Records; Reports.

(a) All funds of the Company shall be deposited in its name in such checking account or other bank accounts as shall be designated by the Members. Withdrawals shall be on such signatures as may be determined by the Members from time to time.

(b) The Members shall keep or cause to be kept true and full books of account, in which shall be recorded the transactions of the Company, all of which shall at all times be maintained at the principal office of the Company, or at such other office as shall be designated for such purpose by the Members, and shall be open for inspection and examination of the Members or their representatives at any reasonable time.

(c) The Members shall cause to be prepared and sent to each Member each year (a) annual reports of the Company, including an annual balance sheet and profit and loss statement, within 90 days after the close of each fiscal year, (b) annual statements indicating the share of each Member of the net income, net loss, depreciation, gain, loss and other relevant items of the Company for each calendar year for federal income tax purposes; and (c) a copy of the Company's federal information tax return (Form 1065) and related Schedules K and K-1.

6.7 Fiscal Year and Tax Year. The fiscal year and tax year of the Company shall be January 1 to December 31.

6.8 Accounting Method. For tax and financial accounting purposes, the Company shall adopt the cash or accrual method of accounting as determined by the Members. All books and records of the Company shall be available for inspection by all Members.

6.9. Auditing. An auditing committee, comprised of two Members appointed by the President, shall inspect the Company's records in conjunction with the Treasurer. This audit shall be completed each year prior to the completion of the tax documents.

6.10 Operating Procedures. The Members may from time to time adopt separate procedures relating to the details of the operation of the Company.

## ARTICLE 7

### Dissociation; Liquidation of Membership Interest

7.1 Dissociation. A person shall cease to be a Member of the Company upon the occurrence of any of the relevant events and circumstances specified in Iowa Code Section 489.602 (including, without limitation, death, adjudication of incompetency, bankruptcy, insolvency, dissolution, or voluntary or involuntary dissociation from the Company of a Member) ("Dissociation"). A Member shall have the right to dissociate from the Company at any time and for any reason, but shall not be entitled to any payment for his, her or its Membership Interest except as mutually agreed by the Company, or as otherwise provided herein.

7.2 Liquidation of Dissociated Member's Membership Interest. Following the dissociation of a Member, the remaining Members (in proportion to their Membership Interests), or at their election, the Company, shall have the option, but not the obligation, to purchase and thereby liquidate the Membership Interest of such dissociated Member in accordance with this Article 7. Notice of such election shall be made by written notice delivered to the dissociated Member or the dissociated Member's personal representative within sixty (60) days of the dissociation.

7.3 Valuation of Company Interest. If the remaining Members (or the Company) elect to liquidate the Membership Interest of a dissociated Member, negotiations shall be undertaken between (a) the remaining Members (or the Company) and (b) the dissociated Member or the

personal representative of the dissociated Member to establish the value of the dissociated Member's Membership Interest. If the parties are not able to reach agreement as to the value of the dissociated Member's Membership Interest within ninety (90) days after the remaining Members give notice of their election to liquidate the Membership Interest of the dissociated Member, then the value of such Membership Interest shall be determined as hereinafter provided. The remaining Members, as a group (or the Company), and the dissociated Member or the dissociated Member's personal representative, shall forthwith each appoint an appraiser who, in turn, shall jointly appoint an arbitrator. The appraisers shall submit to the arbitrator their separate appraised values of the dissociated Member's Membership Interest based upon whatever methods of valuation each appraiser considers most appropriate to reflect the fair market value. The arbitrator, in his sole discretion, shall choose one of the appraised values, or any value in between the two appraised values, as the value of the dissociated Member's Membership Interest. Such determination shall be binding upon all parties, provided, however, that the remaining Members (or the Company) may withdraw their election to liquidate the Membership Interest of a dissociated Member at any time. The dissociated Member or the dissociated Member's Personal Representative and the remaining Members (or the Company) shall each pay the costs of the appraisers they appoint, and the costs of the arbitrator shall be paid one half (1/2) by the dissociated Member and one half (1/2) by the remaining Members (or the Company).

7.4 Payments; Hold Harmless. If the remaining Members (or the Company) elect to liquidate the Membership Interest of a dissociated Member, then within sixty (60) days after the value of the dissociated Member's Membership Interest is determined, the remaining Members (or the Company) shall pay to the dissociated Member or the dissociated Member's personal representative an amount equal to twenty percent (20%) of the value of the dissociated Member's Membership Interest and shall deliver to such dissociated Member or dissociated Member's personal representative a promissory note in an amount equal to the unpaid value of the dissociated Member's Membership Interest. Such promissory note shall provide for equal annual payments over a period of four (4) years from the date of delivery and shall bear interest at a fixed annual rate equal to the then current average interest rate of the performing loans in the Company's loan portfolio, with the right of prepayment without penalty. Additionally, the Company and the remaining Members shall indemnify and hold the dissociated Member or the dissociated Member's estate harmless from any and all liabilities of the Company incurred from and after the date of dissociation.

7.5 Non-Liquidated Membership Interest of Deceased Member. In the event neither the Company nor the surviving Members elect to liquidate the Membership Interest of a deceased Member as provided in this Article 7, then the deceased Member's Membership Interest, including both economic and voting interests, shall continue to be held by the deceased Member's personal representative or beneficiaries, as the case may be.

7.6 Termination of a Member. Any Member may be removed by agreement of a supermajority of two thirds (2/3) of all of the Members. Written notice of a meeting where removal of a Member is to be considered shall include a specific reference to this matter. The vote action shall be treated as receipt of a request for dissociation. The removal shall become effective upon payment of the value of the removed Member's capital account, which shall be in accordance with the provisions set forth in this Article 7.

## ARTICLE 8

### Restrictions on Transfer of Membership Interest; Admission of New Members

8.1 No Collateral Assignment, Pledge or Encumbrance of Interests. No Member may collaterally assign, pledge or encumber all or any part of his, her or its Membership Interest, in any manner, whether voluntarily or involuntarily, by operation of law or otherwise.

8.2 Sales and Transfers to Other Members. No Member may sell or transfer any Membership Interest to any person or entity other than another existing Member, the Company or a person approved for admission as a Member pursuant to Section 8.3 below.

8.3 Admission of New Members. New Members shall be admitted upon the affirmative vote of a majority of all of the Members, and shall receive such Membership Interest, for such capital contribution, as the Members may determine. Each new Member, whether receiving a newly created Membership Interest or a transferred Membership Interest, must agree in writing to be bound by the terms of this Operating Agreement as a condition to becoming a Member.

## ARTICLE 9

### Dissolution and Winding Up

9.1 Dissolution. Upon an event triggering dissolution, the Company shall wind up its business.

9.2 Winding Up; Liquidation and Distribution of Assets.

(a) Upon dissolution, the Members shall immediately proceed to wind up the affairs of the Company in accordance with the requirements of the Act and other applicable law. In furtherance of the winding up of the Company, the Members shall:

(i) sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members may determine to distribute any assets to themselves in kind);

(ii) discharge or make reasonable provision for all liabilities of the Company, including liabilities to Members who are also creditors, other than liabilities to Members for distributions and the return of capital, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the capital accounts of the Members, the amount of such reserves shall be deemed to be an expense of the Company).

(iii) distribute the remaining assets of the Company in the following order of priority:

(1) To each Member, with respect to the cumulative amount of all accrued but unpaid pre-dissolution distributions for which the Company is liable to the Member, the amount of such liability.

(2) To each Member, with respect to his, her or its unreturned capital contribution, an amount equal to the positive balance (if any) in his or her capital account (as determined after taking into account all capital account adjustments for the Company's taxable year during which the liquidation occurs) or, if the assets available to be distributed hereunder are insufficient to cover the aggregate of all Members' positive balances, a proportionate amount based upon the relative positive balances of the Members; and

(3) To each Member, with respect to his, her or its Membership Interest, a proportionate share of the remaining assets equal to his or her Membership Interest.

(b) The Members shall cause an accounting to be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution.

(c) If any assets of the Company are distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold to the Members in proportion to their Membership Interest as of the date of dissolution for their fair market value, and the capital accounts of the Members shall be adjusted to reflect such deemed sale.

(d) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation, if any Member has a deficit capital account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which liquidation occurs), such Member shall have no obligation to make any capital contributions, and a negative balance of such Member's capital account shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

9.3 Certificate of Termination. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated and the Members shall forthwith file with the Secretary of State a certificate of termination. Thereafter, the Members, as liquidating trustees, shall have authority to distribute any Company property discovered after termination, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

9.4 Return of Capital Contribution - Non-recourse. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of his, her or its capital contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the capital contribution of a Member, such Member shall have no recourse against any other Member.

ARTICLE 10  
Amendment

This Operating Agreement may be amended at any time by written agreement of at least two thirds (2/3) of all of the Members.

ARTICLE 11  
Miscellaneous

11.1 Notices. All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given on the date delivered in person or by email to the party to whom notice is to be given, or two (2) calendar days after being deposited in the United States mail, addressed to the party at his or her address as it appears on the books of the Company, postage prepaid, return receipt requested.

11.2 Entire Agreement. This Operating Agreement constitutes the entire agreement between the parties with respect to the Company, and there are no agreements, understandings, warranties or representations between the parties, with respect to the Company except as set forth herein.

11.3 Binding Effect. This Operating Agreement shall inure to the benefit of and bind the respective successors and assigns of the parties.

11.4 Counterparts. This Operating Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.5 Construction. As used in this agreement, the singular number shall include the plural, the plural the singular, and the use of one gender shall be deemed applicable to all genders. Captions are inserted only as a matter of convenience and in no way limit, define or extend the scope of this Operating Agreement.

11.6 Applicable Law. This Operating Agreement shall be governed in accordance with the laws of the State of Iowa.

11.7 Severability. If any provision of this Operating Agreement is determined to be invalid or unenforceable, it shall not affect the validity or enforceability of the remaining provisions hereof.

11.8 Risk of Loss. MEMBERSHIP IN \_\_\_\_\_ LLC INVOLVES A SIGNIFICANT AND SUBSTANTIAL RISK OF LOSS AND MAY NOT BE SUITABLE FOR EVERYONE. ANY INVESTMENT IN THE COMPANY SHOULD BE VIEWED AS LONG TERM AND ILLIQUID. MEMBERS SHOULD CAREFULLY CONSIDER WHETHER MEMBERSHIP IS SUITABLE FOR THEM, PERSONALLY, IN LIGHT OF THEIR AGE, INCOME, PERSONAL CIRCUMSTANCES, BUSINESS AND LENDING KNOWLEDGE AND FINANCIAL RESOURCES. MEMBERS SHOULD ONLY JOIN THE INVESTMENT CLUB WITH MONEY THEY CAN AFFORD TO LOSE. THERE IS NO GUARANTEE THAT MEMBERS WILL PROFIT FROM MEMBERSHIP IN THIS COMPANY. **IT IS POSSIBLE THAT MEMBERS WILL LOSE ALL OR SOME OF THEIR CAPITAL CONTRIBUTIONS.** PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day, month and year first above written.

WITNESS:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

IOWA POLLINATORS LLC

SCHEDULE A

Capital Contributions and Membership Interests

MEMBER [Name and Address]	INITIAL CAPITAL CONTRIBUTION	MEMBERSHIP INTEREST
	\$ _____	____%
	\$ _____	____%
	\$ _____	____%
	\$ _____	____%
	\$ _____	____%
	\$ _____	____%
	\$ _____	____%
	\$ _____	____%

Capital Contributions and Membership Interests

MEMBER [Name and Address]	INITIAL CAPITAL CONTRIBUTION	MEMBERSHIP INTEREST
	\$ _____	____ %
	\$ _____	____ %
	\$ _____	____ %
	\$ _____	____ %
	\$ _____	____ %
	\$ _____	____ %
	\$ _____	____ %
	\$ _____	____ %