

As Adopted: December 13, 2007  
Effective Date: January 1, 2008

**CLASS A UNITS TRANSFER POLICY  
SOYMOR BIODIESEL, LLC**

This Class A Units Transfer Policy has been adopted by the Board of Governors of SoyMor Biodiesel, LLC (“SoyMor Biodiesel”) to regulate the orderly transfer of the Class A Units (“Units”) of SoyMor Biodiesel.

**1. IRS Rules.** This Class A Units Transfer Policy shall be operated so as to prevent SoyMor Biodiesel from being classified as a publicly traded partnership under Section 7704 of the Internal Revenue Code of 1986 and the corresponding regulations promulgated thereunder (collectively “the Code”). Any interpretation of the provisions of this Class A Units Transfer Policy shall be conducted in accordance with this requirement.

**2. Controlling Documents.** Any transfers of a member’s Class A Units (“Units”) must comply with SoyMor Biodiesel's Operating Agreement, as amended from time to time (the “Operating Agreement”). All transfers of Units must be completed in accordance with this Class A Units Transfer Policy, as amended from time to time by SoyMor Biodiesel's Board of Governors.

**3. Permitted Transfers.** Units may only be transferred as follows:

**a. Private Transfers.** Transfers will be allowed among parties if the transfer qualifies as a “private transfer” under the Treasury Regulations set forth at 26 CFR § 1.7704-1(e) as set forth in the attached as **Exhibit A**, as it may be amended from time to time.

**b. Trading Service.** Transfers will be allowed through our third-party trading service, which is owned, operated, and maintained by Variable Investment Advisors, Inc. d/b/a AgStockTrade.com, a broker-dealer registered with the NASD and in the state of Minnesota, Iowa, South Dakota (the “Trading Service”).

The Trading Service will be accessible through and by telephone, Internet or in person and will permit buyers and sellers to buy and sell Units of SoyMor Biodiesel on a periodic basis pursuant to specific rules and procedures mutually agreed upon between SoyMor Biodiesel and the broker-dealer operating the Trading Service. The specific rules and procedures for buyers and sellers for posting or listing Units for sale or purchase, matching offers to sell and offers to buy, and the timing, payment and delivery of funds and sale documents shall be as set forth in the Trading Service Operations Manual attached as **Exhibit B** hereto, as it may be amended from time to time.

Buying and selling Units on the Trading Service will be subject to the approval of SoyMor Biodiesel's Board of Governors. The Board of Governors will endeavor to comply with the requirements set forth in 26 CFR § 1.7704-1 (g), that, among other

things, restricts the sum of the Units traded on or through the Trading Service during any calendar year to not more than 10% of SoyMor Biodiesel's total issued and outstanding Units. If the aggregate Units to be transferred on the Trading Service submitted for approval in any year would exceed this 10% limit, then the Board of Governors will only approve transfers up to the amount of such limit.

Buyers and Sellers of Units may trade on or through the Trading Service only for their own account, and brokers and dealers are not allowed to trade Units of SoyMor Biodiesel for the accounts of others.

**4. Ownership Requirements; Minimum Increments.** A person must transfer or acquire a sufficient number of Units so that upon completion of the transfer, each transferee, and the transferor, if the transferor continues to own Units, has at least 50,000 Units. In addition, members selling Units must sell Units in increments of no less than 10,000.

**5. Board Approval.** The Board of Governors will review all proposed transfers of Units submitted for approval. The Board of Governors will have the right to approve or reject any such proposed transfer at its discretion; provided, however, that the Board of Governors will not approve any proposed transfer that would result in either (i) the transfer of more than 10% of the total issued and outstanding Units during the year, or (ii) SoyMor Biodiesel being treated as a publicly traded partnership under the Code.

**6. Transfer Agent.** The Board of Governors may designate a transfer agent to keep SoyMor Biodiesel's records of Units ownership and to maintain and update other necessary membership records. All relevant information required to complete the transfer of Units on SoyMor Biodiesel's books and records must be provided to the transfer agent. The transfer agent shall be responsible for verifying that all information and authorizations necessary under the Operating Agreement to complete a sale or transfer of Units have been received, including the Board of Governor's approval, and a determination has been made that the Units are eligible for sale or transfer. If no transfer agent is designated by the Board of Governors, then SoyMor Biodiesel shall serve as its own transfer agent, and the Board of Governors shall carry out or delegate the duties of the transfer agent set forth herein.

**7. Effective Date.** All sales and transfers are effective upon the first day of the quarter following a match; provided, however, SoyMor Biodiesel's Board of Governors must first consent to the sale and 45 days must have expired from the time the offer to sell was posted to the Trading Service. If an offer to sell is posted within the last 45 days of a quarter and a match occurs prior to the end of that same quarter, the sale and transfer will not become effective until the first day of the quarter following the next quarter.

As Adopted: \_\_\_\_\_, 2007

Effective Date: \_\_\_\_\_, 2007

## EXHIBIT A

### PRIVATE TRANSFER INSTRUCTIONS SOYMOR BIODIESEL BIODIESEL, LLC

All private transfers of Class A Units of SoyMor Biodiesel, LLC (“SoyMor Biodiesel”) must be conducted in accordance with these Private Transfer Instructions, SoyMor Biodiesel's Class A Units Transfer Policy and SoyMor Biodiesel's Operating Agreement, as they may be amended from time to time, and such other policies and procedures as SoyMor Biodiesel's Board of Governors may adopt from time to time.

Parties may transfer Units amongst themselves only if the transfer qualifies as a “private transfer” under the Treasury Regulations set forth at 26 CFR § 1.7704-1(e). All other transfers must be made through the Trading Policy that will be operated by a third-party broker-dealer.

**1. Private Transfers.** “Private transfers” include but are not limited to following transfers:

- Transfers in which the basis of the unit is determined by reference to the transferor's basis, such as a gift, or is determined under Section 732 of the Internal Revenue Code;
- Transfers at death, including transfers from an estate or testamentary trust;
- Transfers between members of a family, as defined in Section 267(c)(4) of the Internal Revenue Code;
- Transfers involving distributions from retirement plans qualified under Section 401(a) of the Internal Revenue Code or an individual retirement plan; or
- “Block” transfers, which are defined as transfers by a unitholder and any related person as defined in Sections 267(b) and 707(b)(1) of the Internal Revenue Code in one or more transactions during any 30 calendar-day period, of Units which in the aggregate represent no more than 2% of the total interests in partnership capital or profits.

**2. Transfer Procedures.** All private transfers shall be completed in accordance with the following procedures:

- a. The holder of Units must complete and submit to the Board of Governors:
  - i. a completed Request To Transfer Form;
  - ii. a member administrative fee of \$100 for each transferee that is not already a member;
  - iii. an executed counterpart signature page to SoyMor Biodiesel's Operating Agreement for each transferee that is not already a member;
  - iv. copies of all relevant documents that the Board of Governors may request to determine if the transfer qualifies as a private transfer; and
  - v. if the Units have been pledged as collateral security for a loan or other obligation, the lender must confirm in writing the lender's consent to transfer the Units.
- b. The Board of Governors will determine whether the transfer qualifies as a private transfer and complies with all the other requirements of these Private Transfer Instructions, the Class A Units Transfer Policy, and Operating Agreement, and other policies and procedures of SoyMor Biodiesel, LLC.
- c. If the transfer qualifies as a private transfer, the Board of Governors will do or direct its transfer agent to complete the transfer of the Units on SoyMor Biodiesel's books and records.
- d. If the transfer does not qualify as a private transfer, or comply with the other requirements of the these Private Transfer Instructions, the Class A Units Transfer Policy, the Operating Agreement, and other policies and procedures of SoyMor Biodiesel, the Board of Governors will notify the transferor that the transfer does not qualify and return to the transferor the documents identified in subsection (a) above, but not the administrative fee.