

OPERATING AGREEMENT
OF
ACME MACHINERY, L.L.C.

This is for discussion purposes only. Before signing any legal document you should seek the advice of your own legal counsel.

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This document is six pages in length.

Chapter 1

The name of the limited liability company is ACME MACHINERY, L.L.C.

Chapter 2

The address of the initial registered office of the limited liability company is **4020 John Deere Road, Waterloo, Iowa**. The initial registered agent is **Johnny Twocylinder**.

Chapter 3

The address of the principal office of the limited liability company is **4020 John Deere Road, Waterloo, Iowa**.

Chapter 4

The limited liability company's existence shall commence after the acceptance of these Articles of Organization by the Secretary of State of Iowa for filing in accordance with the Iowa Limited Liability Act and shall continue perpetually, unless sooner dissolved pursuant to the terms of its operating agreement, or as otherwise provided for by law.

Chapter 5

The purpose of the Company shall be to engage in any legal and lawful business and to engage in all other such activities as necessary, customary, or authorized to conduct.

Chapter 6

The Management of the Company shall be vested in **Managers** elected by the Members. No Member shall be an agent of the Company unless expressly authorized in the Operating Agreement. No Member's or any other person's act shall bind the Company except as expressly authorized by the Operating Agreement of the Company

Chapter 7

The founding Members of the organization are:

Johnny Twocylinder
4020 John Deere Road,
Waterloo, Iowa

Red McCormick
222 Harvest Road
Waterloo, IA

Silver King
55 Speedway
Waterloo, Iowa

Chapter 8

The Managers of the company shall be elected at the first annual meeting to be held on October 1st, 2007 or as such date as agreed to by the Members upon organization of the Company. In the organizational phase the three Members listed below shall serve as Managers.

Johnny Twocylinder
4020 John Deere Road,
Waterloo, Iowa

Red McCormick
222 Harvest Road
Waterloo, IA

Silver King
55 Speedway
Waterloo, Iowa

A Manager of the company SHALL NOT BE PERSONALLY LIABLE to the Company or its members for monetary damages for a breach of fiduciary duty as a Manager, except that this Article does not eliminate the liability of a Manager to the extent the Manager is found liable for any of the following: (1) breach of the Manager's duty of loyalty, (2) an act or omission not in good faith or an act or omission that involves intentional misconduct or a knowing violation of the law on the part of the Manager, or (3) a transaction from which the Manager derives an improper personal benefit or a wrongful distribution in violation of the Iowa Code. In addition, a Manager shall not be liable to the fullest extent allowed by any provision of the statutes of Iowa currently allowed or hereafter enacted that further limits or eliminates the liability of a Manager. Any repeal or modification of this Article by the Members of the Company shall be prospective only, and shall not adversely affect any limitation on the person liability, or any other right or protection, of a Member of the Company with respect to any state of facts existing at or prior to the time of such repeal or modification.

Chapter 9

The Managers will oversee the operation of the company and hire the officers. The offices will include: President, Vice-President, Secretary and Treasurer. The Managers will set the compensation for all officers. Officers are not required to be Members.

Upon startup of the company the following will serve:

President – Johnny Twocylinder
Vice-President – Red McCormick
Treasurer – Silver King
Secretary – Fast Freddie

Chapter 10

The official bank for checking, savings or any other financial matters will be **Rock Solid State Bank**, Waterloo, Iowa. The account may have any officer or multiple officers listed on the account or accounts. The treasurer is the only officer authorized to write checks for the company. Expenditures of over \$100 require approval from the Managers.

Chapter 11

The initial price of a Unit of Membership is \$100. The secretary will maintain a listing of all Membership Units, the date of purchase, the cost of the Units, and any transfers. No certificates of ownership will be issued. There are no restrictions on who can purchase Units or the number of Units that can be issued other than restrictions under Iowa law. The Company has no obligation to repurchase any Units or maintain any market for the Units. The Company will initially offer three hundred Units; one hundred to each of the three listed Members.

Chapter 12

Regular items of business that are voted upon by the Managers will require a simple majority for passage.

Chapter 13

Any modification of the Articles of Organization or amendments to the Operating Agreement will require a two-thirds majority vote of the Members; and must not conflict with Iowa law. If a section is found to conflict with Iowa law only that section is void. The rest of the document is still binding on the members, Managers, Officers and Heirs.

Chapter 14

The Company will be taxed as a partnership with all earnings, losses, depreciation and other tax attributes passing through to its Members. The company shall not be required to disburse all earnings as earnings may be retained for future operating needs. The Company will operate on a calendar "fiscal year."

Chapter 15

The Company may be dissolved by passage of a resolution by two-thirds of the Members.

The following members hereby agree to the above stated Operating Agreement.

Johnny Twocylinder

Dated

Red McCormick

Dated

Silver King

Dated