Private Placement Memorandum

PRECIOUS METALS OPPORTUNITY FUND LLC

A Colorado Limited Liability Company

OFFER OF

CLASS B MEMBERSHIP INTERESTS

MINIMUM INVESTMENT OF $100,000

JUNE 2008

THE CLASS B MEMBERSHIP INTERESTS (*"INTERESTS"*) ARE SECURITIES THAT HAVE NOT BEEN REGISTERED OR QUALIFIED FOR SALE UNDER THE SECURITIES ACT OF 1933 (*"SECURITIES ACT"*) OR ANY STATE'S SECURITIES LAW. THEY ARE OFFERED PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION OR THE PREEMPTION OF THEIR REGULATION BY FEDERAL LAW. THIS MEMORANDUM (*"MEMORANDUM"*) HAS NOT BEEN FILED WITH OR REVIEWED BY THE SECURITIES AND EXCHANGE COMMISSION (*"SEC"*). NEITHER THE SEC NOR ANY STATE SECURITIES ADMINISTRATOR HAS PASSED UPON OR ENDORSED THE MERITS OF AN INVESTMENT IN THE INTERESTS OF PRECIOUS METALS OPPORTUNITY FUND LLC (*"COMPANY"*) OR THE ACCURACY OR THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE INTERESTS IN ANY STATE OR JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL OR PROHIBITED.

AN INVESTMENT IN THE INTERESTS INVOLVES A SIGNIFICANT RISK OF LOSS. ***See*** **CERTAIN RISK FACTORS**.

Memorandum No.: _____

Recipient's Name: _____

This Memorandum is confidential. It is being given to the recipient solely for the purpose of his, her or its evaluation of an investment in the Interests described herein. It may not be reproduced or distributed to anyone else (other than the identified recipient's professional advisor). By accepting delivery of this Memorandum, the recipient agrees to return it, all copies and all related documents to the Manager if the recipient does not subscribe for Interests.

GOLDEN RETURNS MANAGEMENT LLC
Manager
7564 S Elkhorn Mtn
Littleton, Colorado 80127

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ATTENTION

THE CLASS B MEMBERSHIP INTERESTS ("*INTERESTS*") IN **PRECIOUS METALS OPPORTUNITY FUND LLC** ("*COMPANY*") OFFERED THROUGH THIS MEMORANDUM ("*MEMORANDUM*") HAVE NOT BEEN REGISTERED OR QUALIFIED FOR SALE UNDER THE SECURITIES ACT OF 1933 ("*SECURITIES ACT*") OR ANY STATE'S SECURITIES LAW. THEY ARE OFFERED PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION OR PREEMPTION OF THEIR REGULATION BY FEDERAL LAW.

THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE SECURITIES AND EXCHANGE COMMISSION ("*SEC*"). NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AUTHORITY HAS PASSED UPON OR ENDORSED THE MERITS OF A PURCHASE OF THE INTERESTS OR THE ACCURACY OR ADEQUACY OF THE INFORMATION IN THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE INTERESTS IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL OR PROHIBITED.

THE INTERESTS MAY BE TRANSFERRED ONLY WITH THE CONSENT OF THE MANAGER, AND ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE LAWS. FURTHER, WITHDRAWALS OF INVESTMENTS IN THE COMPANY ARE SUBJECT TO RESTRICTIONS. AS A RESULT, AN INVESTOR MUST BE IN A POSITION TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE INTERESTS AND THE COMPANY FOR A SIGNIFICANT PERIOD OF TIME.

LEGAL, FINANCIAL AND TAX ADVICE ARE NOT PROVIDED IN THIS MEMORANDUM. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR'S OWN LEGAL, FINANCIAL OR TAX ADVISOR CONCERNING AN INVESTMENT IN THE INTERESTS AND THE COMPANY.

THE INFORMATION IN THIS MEMORANDUM IS GIVEN AS OF THE DATE ON THE COVER PAGE, UNLESS ANOTHER DATE IS SPECIFIED IN WRITING. PROSPECTIVE INVESTORS MAY NOT INFER FROM EITHER THE SUBSEQUENT DELIVERY OF THIS MEMORANDUM OR ANY SALE OF INTERESTS THAT THERE HAS NOT BEEN A CHANGE IN THE FACTS DESCRIBED SINCE THE DATE ON THE COVER OF THE MEMORANDUM.

THE MANAGER WILL PROVIDE THE RECIPIENT AND THE RECIPIENT'S AUTHORIZED REPRESENTATIVES THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE MANAGER CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING ("*OFFERING*"). THE RECIPIENT MAY ALSO OBTAIN FROM THE MANAGER ANY ADDITIONAL INFORMATION CONCERNING THIS OFFERING TO THE EXTENT THE MANAGER POSSESSES SUCH ADDITIONAL INFORMATION OR CAN OBTAIN IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

NO PERSON HAS BEEN AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM.

AN INVESTMENT IN THESE INTERESTS INVOLVES A SIGNIFICANT DEGREE OF RISK AND THE POTENTIAL RISK OF LOSS OF THE ENTIRE INVESTMENT. ***See*** **CERTAIN RISK FACTORS**.

CONDITIONS TO RECEIVING THIS MEMORANDUM

By accepting delivery of this Memorandum, each recipient understands and agrees that the recipient will comply with the following:

- the recipient will not make any photocopies of this Memorandum or any related documents;

- the recipient will not distribute this Memorandum or disclose any of its contents to any persons other than to those persons, if any, that the recipient retains to advise the recipient with respect to legal, financial and tax issues, the contents of this Memorandum and the Offering itself. It is agreed that this Memorandum contains confidential and proprietary information;

- the recipient, at the recipient's discretion, may review this Memorandum with the recipient's legal, financial and tax advisors. Neither the Manager nor the Company intends to furnish legal, financial or advice in this Memorandum;

- the Company may reject any offer to purchase Interests, in whole or in part, for any reason;

- if the recipient does not purchase Interests or if the Offering is terminated, on request of the Manager, the recipient will return this Memorandum and all attached documents to the address set forth below.

Notwithstanding the foregoing or any other express or implied agreement or understanding to the contrary, the recipient and his employees, representatives and other agents are authorized by the Company and each person acting on its behalf to disclose the tax aspects and structure (insofar as the structure may be relevant to the tax aspects) of this Offering to any and all persons, without limitation of any kind. The recipient may disclose all materials of any kind (including opinions or other tax analyses) to the extent (but only to the extent) that they relate to the tax aspects and structure (insofar as the structure may be relevant to the tax aspects) of this Offering. This authorization is not intended to permit disclosure of any other information including (without limitation): (i) any portion of any materials to the extent not related to the tax aspects or the structure of the Offering; (ii) the identities of participants or potential participants in the Offering; (iii) the existence or status of any negotiations; (iv) any financial information relating to the Company; or (v) any other term or detail not related to the tax aspects or the structure of the Offering.

This Memorandum has been prepared for use by a limited group of accredited or sophisticated investors to consider the purchase of Interests. The Company reserves the right to modify or terminate the Offering at any time. The Manager should be the sole point of contact for the solicitation process and will assist prospective investors in their review of the Company. All inquiries should be directed to:

GOLDEN RETURNS MANAGEMENT LLC
Manager
7564 S Elkhorn Mtn
Littleton, Colorado 80127

IMPORTANT NOTICE ABOUT INFORMATION IN THIS MEMORANDUM

The Company will provide to each prospective purchaser prior to that person's purchase of any Interest the opportunity to ask questions of, and receive answers and pertinent documentation from, the Company concerning the Company, the terms and conditions of the Offering and any other relevant matters, including additional information to verify the accuracy of the information set forth herein. By purchasing an Interest, the investor will be deemed to have represented and warranted that he has been provided this opportunity and has received the information requested.

This Memorandum contains summaries of certain documents believed to be accurate, but reference is made hereby to the actual documents for complete information concerning the right and obligations of the parties thereto. Prospective investors should review the material contained in this Memorandum and the information contained in any such supplements.

This Memorandum has been prepared by the Company solely for use in connection with the offer and sale of the Interests as described herein. It constitutes an offer only to the prospective purchaser to whom delivered by the Company and not to the public generally. No person has authorized the use of or assumed any liability for this Memorandum in connection with any offer or sale of the Interests other than the offer and sale by the Company to purchasers of the Interests.

FORWARD LOOKING STATEMENTS

Before purchasing any of the Interests described in this Memorandum, the prospective investor should read the section entitled "Risk Factors" in this Memorandum carefully. The prospective investor should be prepared to accept any and all risks associated with purchasing the Interests, including a complete loss of his investment.

Information contained in this Memorandum contains "forward-looking statements" within the meaning of Securities Act Section 27A and Section 21E of the Securities Exchange Act of 1934, as amended (*"Exchange Act"*). Forward-looking statements reflect the Company's current expectations or forecasts of future events. Forward-looking statements can be identified by words such as "believes," "expects," "may," "should" or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. The matters identified in the section entitled **CERTAIN RISK FACTORS** cautionary statements identifying important factors with respect to forward-looking statements, including certain risks and uncertainties. Other factors could also cause actual results to vary materially from the future results covered in the forward-looking statements contained herein.

Any projections, estimates or other forecasts contained in this Memorandum are forward-looking statements that have been prepared by the Company and are based on assumptions that the Company believes are reasonable. Projections necessarily are speculative in nature, and it can be expected that some or all of the assumptions underlying the projections

will not materialize or will vary significantly from actual results. Accordingly, the projections are only estimates. Actual results may vary from the projections, and the variations may be material. Forward-looking statements relate only to events as of the date on which the statements are made. The Company has no obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if underlying assumptions do not come to fruition.

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EXHIBITS

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SUMMARY OF THE OFFERING

The following is only a summary of the information contained in this Memorandum. It is qualified in its entirety by the remainder of this Memorandum, including the **Operating Agreement of Precious Metals Opportunity Fund LLC** (*"Agreement"*) and the other exhibits to this Memorandum. Prospective investors should consult their own advisors as to the consequences of an investment in the Interests offered by the Company.

Company, Manager and Advisor ***See* MANAGEMENT**	**Precious Metals Opportunity Fund LLC** (*"Company"*) is a Colorado limited liability company formed in February 2008. The Manager is **Golden Returns Management LLC** (*"Manager"*), a Colorado limited liability company formed in February 2008. The Company's Fiscal Year (*"Fiscal Year"*) will run from January 1st through December 31st of each calendar year. The **Manager** has two principals: Dean R. DiPaola and David I. Kranzler. Together, these men bring significant skills and broad, hands-on experience in finance, commodities trading, and strategic investing in precious metals and mining company securities to the Company. The Manager has entered into an investment advisory agreement (*"IA Agreement"*) with **Golden Returns Advisors LLC** (*"Advisor"*), an investment adviser licensed as such with the Colorado Securities Commissioner, to serve as the investment adviser to the Company regarding the management of its investments in both precious metals mining company securities and physical precious metals. The sole member of both the Manager and the Advisor is **Golden Returns Capital LLC**, a Colorado limited liability company formed in February 2008. Golden Returns Capital LLC is owned and managed by Dean R. DiPaola and David I. Kranzler.
Investment Objectives ***See* INVESTMENT OBJECTIVES**	The Company is a leveraged investment fund through which the Manager and the Advisor seek to achieve appreciation measured on a "real" rate-of-return basis, *i.e.*, a positive total rate-of-return well in excess of adjustments for depreciation of the U.S. Dollar and real inflation, and wealth preservation. The Company will accomplish these objectives by implementing a balanced, two-pronged program: (i) holding and managing a leveraged portfolio of physical gold, silver and other precious metals (acquired through leverage); and (ii) managing a portfolio of select precious metals mining company stocks.

The Offering *See* **ELIGIBILITY AND SUBSCRIPTIONS**	In this Offering, the Company is offering its Class B Membership Interests (*"Class B Interests"*). Generally, the Class B Interests will be sold exclusively to "accredited investors," as that term is defined in Rule 501 of Regulation D promulgated under Securities Act Section 4(2). The minimum Initial Capital Contribution (*"Initial Capital Contribution"*) is **$100,000.** No minimum has been set for additional investments (*"Additional Capital Contributions"*). The Manager is not empowered to require any Additional Capital Contributions by Members. In the discretion of the Manager, securities or precious metals may be accepted in lieu of some or all of a Member's Capital Contribution. Each Capital Contribution must be committed to the Company for a minimum of one year (*"Lock-up"*). In its discretion, the Manager may waive or reduce investor qualification requirements in particular cases. The Manager may admit as Members a limited number of "sophisticated" investors with whom or which it has close relationships. The Manager may also change these requirements as to new investors in the future. The Manager has made and will maintain a Capital Contribution of $25,000 to the Company in connection with receiving its Class A Membership Interest (*"Class A Interest"*). As a result of its Capital Contribution, and should any principal of the Manager make a Capital Contribution, such person shall share *pro rata* in Company expenses, Net Profits (*"Net Profits"*) and Net Losses (*"Net Losses"*), but not the Advisory Fee (*"Advisory Fee"*), Profit Allocation (*"Profit Allocation"*) or any Administrative Fee (*"Administrative Fee"*). The Company will commence operations upon the Capital Contribution of the Manager. The Offering will continue in the discretion of the Manager thereafter. No limit is imposed on the amount the Manager may raise or on the number of Class B Members that may subscribe. Capital Contributions by new or existing Members will be available to the Company immediately upon acceptance of a subscription or Capital Contribution. The Offering will be made by the Manager and its principals without compensation for selling Interests. No other person is authorized to offer or sell the Interests involved in this Offering.
Valuation *See* **VALUATION**	The net value of the holdings of the Company (*"Total Members' Equity"*) will be calculated (*"Marked to Market"*) as of the end of each business day.

Advisory Fee, Profit Allocation and Expenses *See* **MANAGEMENT CAPITAL CONTRIBUTION, PROFIT ALLOCATION, ADVISORY FEE, ADMINISTRATIVE FEE, AND ORGANIZATIONAL AND OPERATING EXPENSES**	***Advisory Fee.*** The Advisor will be paid an annual Advisory Fee of 2% of Total Members' Equity charged against each Class B Member's Capital Account quarterly in arrears. ***Profit Allocation.*** The Manager is allocated an annual Profit Allocation, calculated and paid quarterly, equal to **20%** of Quarterly Appreciation (*"Quarterly Appreciation"*), *i.e.,* the amount, if any, by which a Member's Book Capital Account increases in value over the immediately preceding Quarter (*"Quarter"*) after adjustment for the Advisory Fee but before the Profit Allocation. The Manager will also be allocated a Profit Allocation upon any Withdrawal (*"Withdrawal"*) paid at any time other than as of June 30th or December 31st of any given year. ***Administrative Fee.*** As of the date of this Offering, the Manager will bear the costs of administering the books and records of the Company and interaction with Members itself. Therefore, at present, the Company will not charge the capital accounts of its Class B Members any Administrative Fee to cover such costs. However, in the event that at some time in the future, the time required to perform such duties is beyond the capacity of the Manager to handle on its own, the Manager is empowered, in its discretion, to retain the services of an administrator. In such event, the Company reserves the right to impose an Administrative Fee of no more than 0.5% *per annum* on the capital accounts of its Class B Members *pro rata*. ***Organizational Expenses.*** The Manager will pay the initial expenses of organizing the Company. These costs, set at $25,000, *will not be* reimbursed by the Company or its Class B Members, but will represent the Manager's Initial Capital Contribution to the Company. ***Operating Expenses.*** Other various fees and expenses incurred by the Company in the normal course of its operations *("Operating Expenses")*, including transactional costs and trading commissions, bullion storage costs, insurance, bank fees and interest, legal and accounting fees and the like will be paid by the Company and passed through to the capital accounts of Class B Members *pro rata.* ***No Securities Sales Commissions.*** No person will be paid or receive any form of commission or other transactional compensation for offering or selling the Interests in this Offering.
Allocations	There can be no guarantee that the Company's operations will

and Distributions ***See* "SUMMARY OF THE AGREEMENT—Allocations and Distributions"**	generate Net Profits. No Allocation (*"Allocation"*) or Distribution (*"Distribution"*) has been made to date. ***Allocations.*** All Net Profits and Net Losses (*"Net Losses"*) are allocated to the Capital Accounts of Members *pro rata* as of the last day of each Quarter. ***Distribution and Retention of Net Profits.*** The Manager may, but is not required to, make Distributions of Net Profits to Members. In the discretion of the Manager, Distributions may be paid in the form of cash or bullion. Net Profits not distributed to Members will be retained in the Book Capital Accounts of Members and reinvested.
Illiquidity, Withdrawal and Transfers ***See* ELIGIBILITY; SUBSCRIPTIONS and SUMMARY OF OPERATING AGREEMENT—Withdrawals and Limitations on Transferability; and CERTAIN RISK FACTORS**	***Illiquidity of Interests.*** There is no market for the Interests and the Manager does not anticipate that any market for them will develop. ***Withdrawal. After*** the first anniversary of a Class B Member's Capital Contribution, on proper notice to the Manager, the Member may request a Partial or Complete Withdrawal, payable as of the last day of the second and fourth Quarters (respectively, *"First Half-Year"* and *"Second Half-Year"*) of any given Fiscal Year. A request for Withdrawal must be in writing and received by the Manager no later than close of business on the first business day of May of any Fiscal Year for payment as of the end of the First Half-Year, or no later than close of business on first business day of November for payment as of the end of the Second Half-Year. Generally, when a Withdrawal request is honored, payment on an April request is made by July 15th and payment on a December request is made by January 15th. The value of the Member's Capital Account shall be determined as of the close of the business day on which notice of a request for Withdrawal is received by the Manager. A Partial Withdrawal (*"Partial Withdrawal"*) may not reduce a Member's Capital Account balance below $100,000. Total Withdrawals by all Class B Members in any Half-Year may not reduce Total Members' Equity by more than 20%. A request for Withdrawal of 90% or more of the amount in the Member's Capital Account will be treated as a request for Complete Withdrawal (*"Complete Withdrawal"*). In such case, the Company may retain 10% of the balance of such Withdrawal in reserve against any annual Expenses, with any net balance paid not more than 30 days after completion of the financial statements for the Fiscal Year in

	which the Complete Withdrawal is effective. In certain circumstances, the Manager has the discretion to suspend Withdrawals and limit the amount that may be withdrawn at any given time. Any transaction costs incurred in connection with paying a Withdrawal will be charged to the withdrawing Member. ***Transfers.*** Transfers (*"Transfers"*) of Interests must be authorized by the Manager. Any such Transfer must be made in accordance with the provisions of the Agreement governing such transaction, and with applicable securities laws.
Conflicts of Interests and Other Activities ***See* POTENTIAL CONFLICTS OF INTEREST**	The Manager, its principals and their affiliates may own and operate their own precious metals and securities, and manage other pooled investment vehicles with substantially similar characteristics and investment objectives to those of the Company. They may purchase and manage the same types of precious metals and securities as those owned by the Company. They may do so at the same time or at different times and different prices, depending on investment objectives, available cash and other factors particular to them. The Manager, its principals, any affiliate of the Manager or its principals do not have any obligation to present any particular opportunity to the Company.
Term ***See* SUMMARY OF THE AGREEMENT**	The Company will terminate operations no later than February 20, 2058, or upon the earlier happening of certain events specified in the Agreement.
Reports ***See* SUMMARY OF THE AGREEMENT**	Each year, each Member will receive an annual audited financial statement prepared by an independent certified public accountant, quarterly summaries of the Company's performance and a copy of the Schedule K-1 to the Company's tax return.
Definitions	Generally, italized terms used in this Memorandum are defined in Agreement Article XIII *Definitions*.

DIRECTORY

Manager	Golden Returns Management LLC 7564 S Elkhorn Mtn Littleton, Colorado 80127 Attention: Dean R. DiPaola Telephone: (303) 289-4653 Email: Dean@goldenreturnscapital.com
Primary Securities Broker	Charles Schwab 518 17th Street, Suite 100 Denver, Colorado 80202
Primary Futures Commission Merchant	R.J. O'Brien 222 South Riverside Plaza, Suite 900 Chicago, Illinois 60606
Bullion Depository	International Depository Services of Delaware 406 W. Basin Rd New Castle, Delaware 19720
Administrator	Perennial Fund Services, LLC 870 Hampshire Rd Suite R Westlake Village, California 91361
Counsel to the Manager	Rothgerber Johnson & Lyons LLP 1200 Seventeenth Street, Suite 3000 Denver, Colorado 80202
Bank	Great Western Bank 215 Union Blvd #150 Lakewood, Colorado 80228

GLOSSARY OF TERMS

1934 Act means the Securities Exchange Act of 1934, as amended.

Additional Capital Contribution means a Capital Contribution made after an Initial Capital Contribution.

Advisor means Golden Returns Advisors LLC, a Colorado limited liability company, an investment adviser licensed as such with the Colorado Securities Commissioner. The Advisor is owned by Golden Returns Capital LLC, a Colorado limited liability company. The Advisor is an affiliate of the Manager.

Advisory Fee means the annual fee of 2.0% paid by the Company to the Advisor, charged quarterly in arrears and passed on to each Class B Member's Capital Account as of the end of each Quarter.

Affiliates means the principals, agents, servants, employees, subsidiaries and other persons who own or control, or who are owned or controlled by the Manager and its members.

Agreement means the Operating Agreement of Precious Metals Opportunity Fund LLC.

Allocation means generally a crediting to or debiting of a Capital Account, although the amount may not have been distributed or charged.

Bullion Depository means International Depository Services of Delaware, a Delaware limited liability company.

Capital Account means the account established for each Member as provided in **Agreement Article 4**, including such calculations as may from time to time be made to such account in accordance with **Agreement Article 4**. In some contexts, the term may be used in the singular to refer to the aggregate of all Member Capital Accounts.

Capital Contribution means any contribution of capital made by a Member.

Class A Interests means those Company membership interests issued to Golden Returns Management LLC, as Manager of the Company.

Class B Member's Adjusted Capital Account means the Capital Account of each Class B Member minus that Member's allocable share of any expenses, fees or allocations.

Code means the Internal Revenue Code of 1986, as amended.

Company means Precious Metals Opportunity Fund LLC, a Colorado limited liability company.

Complete Withdrawal means the Withdrawal of 90% or more of the Capital Account of a Class B Member, subject to the terms of the Agreement.

Distribution means the payment of Net Profits out of a Class B Member's Capital Account to the Member.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Exchange Act means the Securities Exchange Act of 1934, as amended.

First Half-Year means the period of January 1st through June 30th of each Fiscal and calendar Year.

Fiscal Year means the Company's Fiscal Year, January 1st through December 31st of each calendar year.

Golden Returns Capital LLC means the Colorado limited liability company that is the sole member and manager of the Manager and the Advisor. Golden Returns Capital LLC is owned and managed by its members, Dean R. DiPaola and David I. Kranzler.

Gross Profit means the total of all revenue of the Company in a Fiscal Year less the total of all Expenses paid in that Fiscal Year.

Initial Capital Contribution means the first Capital Contribution made by a Class B Member to the Company.

Initial Offering Period means the period of time up to the time escrow is closed or the Manager terminates the Offering for failure to reach the minimum investment level of $5,000,000.

Interest means a Class A, Class B Membership Interest or such other Classes of Interests that may be created in the future.

IRS means the Internal Revenue Service.

Manager means Golden Returns Management LLC, a Colorado limited liability company. The Manager is owned by Golden Returns Capital LLC, a Colorado limited liability company. The Manager is an affiliate of the Advisor.

Mandatory Withdrawal means a Withdrawal imposed on a Member with or without that Member's consent under the circumstances set forth in **Agreement Section 6.4**.

Members means Class A and Class B Members and Members owning any other Class of Interest that may be created in the future.

Memorandum means this Private Placement Memorandum for the Precious Metals Opportunity Fund LLC.

Net Losses means that negative number produced when the total of all income of the Company in a Quarter is less than the total of all Expenses and Allocations charged to the Company and its Members in that Quarter.

Net Profit means the total of all income of the Company in a Quarter after deduction of all Expenses and Allocations charged to the Company in that Quarter.

Offered Interest means that portion of a Member's Interest that the Member desires to sell or otherwise transfer.

Operational Expenses means *all* expenses paid by or on behalf of the Company by the Company including, but not limited to, ongoing legal, audit and accounting fees, fees and costs related to purchases and sales of precious metals and investments, taxes, insurance and bank fees and interest. Direct or reimbursed Expenses borne by the Company will then be passed through to Class B Members.

Partial Withdrawal means the Withdrawal of less than 90% of the Capital Account of a Class B Member.

Percentage Interest, generally, for each Member, means the proportion, expressed as a percentage, that the amount of such Member's Capital Account bears at any given time to the total of all Members' Capital Accounts as of that time.

Pro rata means in accordance with the Percentage Interest of a Member.

Profit Allocation means an annual allocation that may be paid quarterly to the Class A Member of 20% of Quarterly Appreciation.

Quarterly Appreciation means the increase or decrease in the Book Capital Account of a Class B Member from one Quarter-end to the next succeeding Quarter-end.

Regulations means the Treasury Regulations promulgated by the IRS under the Code.

SEC means the Securities and Exchange Commission.

Second Half-Year means the period of July 1st through December 31st of each Fiscal Year.

Securities Act means the Securities Act of 1933, as amended.

Selling Member means a Class B Member wishing to transfer some or all of the Member's Interest.

Substitute Member means a Member accepted by the Manager as a result of a Transfer.

TMP means the Tax Matters Partner.

Total Members' Equity means the amount by which the value of all precious metals, mining company securities and all other property exceeds expenses and liabilities as allocated on any given business day.

Withdrawal means the removal of funds from the Capital Account of a Member.

INVESTMENT OBJECTIVES

Several key economic and political variables have been driving, and will continue to drive, the value of gold versus global currencies, and especially versus the U.S. Dollar. Since its peak in July 2001, the U.S. Dollar Index[1] has declined 39%, from 125.29 to 76.50 as of January 18, 2008. During that same time period, the price of gold has increased 328% and silver has increased 749%.[2] One prominent retirement fund manager recently put it this way:

> *Gold is the most under-owned major asset class; it is almost completely absent from the vast majority of major funds in the world that exceed $100 million in value, of which there are hundreds if not thousands. Today, these funds can invest in gold with the click of a mouse and a great many of them are beginning to do so. The global asset market is worth around $140 trillion. If one percent of that moved into the miniscule $5 trillion gold market—less than 5% of which actually trades each year—gold's value would skyrocket. Lacking a P/E or some other conventional investment metric with which to measure its value, I think gold will rise as high as the market will allow it, and I think we will have a speculative craze, just as we had with the Nasdaq. I think $10,000 an ounce is possible. But who can say what the limit is for an asset that has no P/E? Obviously, there will be a time to sell, but I think that is years in the future.*[3]

For the reasons that follow, the Manager and Advisor expect the decline of the dollar to continue, quite possibly at an increasing rate, and that the rate of appreciation in gold and silver (and other commodities) will accelerate:

- The "balance sheet" of the United States is deteriorating at an alarming rate. Over the course of the last several years, the United States has sustained massive budget, trade and current account deficits. In every other instance in history, when a country has experienced this degree of budget, trade and current account deficits, it has led to the financial collapse of the country and its currency.

- U.S. financial deficits have been financed with an increasing amount of Treasury debt. Currently, the U.S. Government debt outstanding exceeds *$9.3 trillion*.[4] As of September 30, 2007, foreigners owned 52% of the total U.S. Treasury debt held by the public."[5] As per the General Accounting Office, total current and future Government obligations exceed *$53 trillion*[6] and are growing at an accelerating

[1] www.futures.tradingcharts.com/hist_US.html

[2] www.kitco.com/gold.londonfix.html

[3] Shayne McGuire, Director of Global Research, Texas Teachers Retirement System, February 26, 2008; www.dollarcollapse.com/iNP/view.asp?ID=64)

[4] www.brillig.com/debt_clock/

[5] www.fms.treas.gov/bulletin/index.html; "Ownership of Federal Securities"

[6] David Walker, former Comptroller General, citing the 2007 Financial Report of the United States in a speech to the National Press Club, December 12, 2007, http://gao.gov/cghome/d08371cg.pdf

rate.

- The dramatic increase in the use of financial derivatives in recent years has created an unquantifiable element of risk in our financial system. Warren Buffet refers to derivatives as "weapons of mass financial destruction." The country's economy is only starting to see the catastrophic effects of derivatives with the rapid deterioration of the financial health of the banking system.

- As the economy continues to head into recession, the Government and the Federal Reserve will try to stimulate economic growth by lowering short-term interest rates, increasing spending and printing more money. This will accelerate the depreciation of the U.S. dollar in world markets.

- The demand for physical gold is greater than its supply. In 2007, the annual demand for gold is currently 3,547 tons,[7] and growing; the annual mining supply is roughly 1500 tons[8] and declining; the balance is made up through U.S. and European Central Bank sales, and their available stock of gold is rapidly declining. The price of gold will have to rise dramatically in order to balance out global supply and demand.

- Given that Central Banks are selling gold bullion, the relative price of gold is substantially lower than its historical average in relation to several different measures, *e.g.*, gold to oil, gold to the Dow-Jones Industrial Average®, and the inflation-adjusted price of gold versus its 1981 high.

The Advisor believes that, ultimately, all of these factors will drive a strong upward movement in the price of gold to restore the "natural" price ratios of gold to other commodities and financial indices.

The primary strategy will be to put together a portfolio designed to maximize long-term capital appreciation. Stock selection will be based on research driven by analysis of fundamentals.

Bullion. It is the Manager's intention that, at any given time, approximately 50% of the Company's assets will be held in the form of physical precious metals in various forms of gold and silver bullion. The Manager may also acquire other precious metals like platinum and palladium periodically as part of its strategic investment plan. The Manager will utilize dynamic and proprietary strategies to hedge and enhance the overall rate of return on the physical bullion portion of the Company's assets during periods of normal market corrections. Some of these strategies may include, but are not limited to, buying and selling options and

[7] www.gold.org/value/stats/statistics/gold_demand/index.html
[8] *Id.*

futures contracts against the long bullion position, and implementing hedge strategies using various precious metal-equivalent ETFs that trade on the NYSE. The Manager's goal in doing so is protection of the Company's assets against inflation and against what the Manager believes to be the inevitable and ongoing decline in the value of the U.S. Dollar. All Company bullion will be deposited and stored at International Depository Services of Delaware in New Castle, Delaware. International Depository Services sends the Company a monthly report of its inventory and a report on any purchase or sale activity.

In acquiring and managing the Company's precious metals holdings, the Manager and Advisor will utilize a leverage ratio capped at 4:1 to capitalize on normal market fluctuations, thereby enhancing the overall rate of return on the bullion portfolio. This ratio will be dynamically managed to conform to the ongoing outlook of the Manager and Advisor for the relative price performance gold and silver. In addition to the primary goal of appreciation, this leverage component will provide relatively low-risk capital appreciation by capitalizing on the Manager's and Advisor's view that gold and silver are significantly undervalued relative to *all* global currencies. It is axiomatic that leveraging increases both the opportunity for gain and the risk of loss in any field of investment. The Manager will apply its considerable skills and experience in metals investing to offset the risks posed by leveraging, using its hedging techniques, *e.g.*, like shorting gold ETFs and futures, and its trading techniques, *e.g.*, selling covered calls against the bullion position, to create returns over and above those obtainable by holding the physical metal alone.

The Advisor and Manager have identified several potential attractive bullion dealers, and will select from among this group the dealers with which the Company will do business based on several variables, including the cost of funds, safekeeping, delivery and shipping fees and the relative ease of liquidity if and when the decision is made to sell the bullion. The Manager and Advisor will also establish the relationships necessary to transact business and acquire physical gold and silver bullion directly through the electronic trading operations on the COMEX Division of the New York Mercantile Exchange and on the Chicago Board of Trade. The Company has entered into a depository account agreement with the Custodian to store in the Custodian's secure facility certain of the Company's assets including precious metals in various forms of gold and silver bullion. The Custodian has established a custody account in the Company's name for the purpose of accepting, holding as custodian, reporting on, transferring and delivering the Company's assets.

Securities. The securities segment of the Company's assets will be invested in a portfolio of resource mining companies that the Advisor has determined to be valued by the market at a substantial discount to their intrinsic value and where business fundamentals are expected to improve. In this context, the Advisor will invest in a concentrated number of high quality, large cap mining companies and some rigorously selected small-cap venture stocks the Advisor believes have extraordinary risk/return characteristics.

Securities selections will be based on proprietary research-driven criteria the Advisor's principals use to evaluate the companies. This methodology emphasizes quality companies with attractive mining reserves and sound operations. Among other things, the Advisor considers the ability of a company to mine, or, in a cost-effective way, to find and establish new reserves, and to increase production relative to its competitors. The Advisor will focus on:

- large capitalization mining companies with substantial proved mineral reserves that the Advisor believes to be undervalued by the market; and

- small capitalization "junior" mining stocks that the Advisor believes has a superior team of geologists and mining rights in areas that are already being successfully mined by established mining companies.

The Advisor will also apply some proprietary trading applications designed to enhance the potential total rate-of-return of the portfolio without increasing the risk profile of the Company's overall objectives.

Overall, the Company must be viewed as a long-term, core strategy within an investor's overall investment portfolio. While the foregoing describes the manner in which the Manager intends to manage the Company's investments generally, only those limitations set forth expressly in the Agreement are imposed on the types of investments in which the Company may invest or the amount of leverage it may employ. The Manager may pursue such strategies and employ such techniques as it considers appropriate and in the Company's best interests in light of its view of conditions and trends in markets at the time. There can be no assurance that the Company's objectives will be satisfied or that Members will not lose money. ***See*** **CERTAIN RISK FACTORS.**

THE MANAGER AND THE ADVISOR

The Manager of the Company is **Golden Returns Management LLC**, a Colorado limited liability company. The Advisor to the Company is **Golden Returns Advisors LLC**, also a Colorado limited liability company. The Manager and the Advisor are owned by Golden Returns Capital LLC, a Colorado limited liability company.

The principals of Golden Returns Capital LLC are:

Managing Member

Mr. DiPaola graduated in 1992 from Fort Lewis College with a Bachelor of Arts in Marketing and Finance, with a minor in Economics. Dean began work at WedgCor Steel Buildings Systems, receiving a promotion every year for five years, working his way up to Director of Marketing. In 1997, he continued to expand his expertise in business marketing, management, and training, which lead to the formation of the independent business consulting firm TopSpin, LLC. While operating TopSpin, LLC, in 2003, Dean started a mortgage brokerage firm CD Lending, LLC. In 2006, Dean realized that the banks were in trouble & approached his father, Don DiPaola, to discuss means of diversification. Don DiPaola & Dave Kranzler, 54+ years of combined experience in the securities industry, had been concentrating their own accounts in the precious metals & mining stocks sector since the year 2001. Due to their success, Don & Dave were in discussions to launch an investment fund to help others take advantage of this opportunity. Dean's timing could not have been better which lead to the formation of Golden Returns and Precious Metals Opportunity Fund.

David I. Kranzler

Managing Member

Mr. Kranzler has more than 22 years of experience in the investment industry. After graduating from Oberlin College with a B.A. in English and Economics in 1985, David spent time in the fixed income securities division of Goldman, Sachs and as an associate at a New York City-based leveraged investment firm. Upon earning his MBA at the University of Chicago in 1991, David spent nine years as an institutional "junk bond" trader at Bankers Trust. David was part of a team that built Bankers Trust into a top-three trading and underwriting junk bond desk prior to the acquisition of the firm by Deutsche Bank. While at Bankers Trust, he was responsible for managing and trading up to $200 million in risk-based, proprietary capital. For the last seven years, David has devoted all of his professional time trading and managing his own capital. During this time, he has successfully focused on researching, analyzing, trading and investing in mining stocks, gold and silver futures, and on the strategic accumulation of gold and silver bullion for his own account.

The Manager will devote such time and effort as is necessary, in its judgment, to achieve the purposes and objectives of the Company. The Manager, its members, affiliates and employees may conduct other business, including any business within the securities industry, regardless of whether or if such business is in competition with the Company. ***See*** **POTENTIAL CONFLICTS OF INTEREST.**

MANAGER'S CAPITAL CONTRIBUTION, MANAGER'S PROFIT ALLOCATION, ADMINISTRATIVE FEE, ADVISORY FEE AND ORGANIZATIONAL AND OPERATING EXPENSES

CAPITAL CONTRIBUTION

The Manager has made an Initial Capital Contribution to the Company of $25,000, and under the terms of the Agreement, is required to maintain at least that much in its Capital Account during the term of the Company. The principals of the Manager may, but are not required to, make Capital Contributions to the Company. To the extent any principal of the Manager contributes capital to the Company, such contributing person(s) will share in Operational Expenses *pro rata* to the amount in the Capital Account of such contributing person(s). With regard to the Capital Contribution of the Manager and any Capital Contribution by a principal of the Manager, they are not allocated any portion of the expense of the Advisory Fees or any Profit Allocation.

PROFIT ALLOCATION

The Manager is allotted a Profit Allocation equal to 20% of the amount, if any, by which a Member's Book Capital Account increased in value after adjustment for the Advisory Fee but before the Profit Allocation, over the value of such Member's Book Capital Account as of the end of the immediately preceding Quarter ("*Quarterly Appreciation*"). Only the capital accounts of those Members meeting the qualifications of "qualified clients" as defined in Rule 205-3(d)(1) promulgated under Section 205 of the Investment Advisers Act of 1940, as amended (*"Advisers Act"*), are assessed a *pro rata* share of this allocation.

The Manager may, but is not required to, modify the Profit Allocation or expense reimbursement with respect to any Member who is: (i) a limited partnership, individual or other entity having other business arrangements with the Manager or Advisor, in order to compensate for fees or services or other consideration received by the Manager or Advisor through other means; and (ii) an individual or entity that, in the opinion of the Manager, makes an exceptionally large Capital Contribution to the Company that improves the Company's cash or assets position and thereby results in benefits to the Company. Such modification may be effectuated by a rebate to such Member, an adjustment to such Member's Capital Account, or any other method reasonably determined by the Manager; provided, however, that such modification shall not affect the rights or obligations of any Members other than the Manager and the Members as to whom the modification is effective.

If a Member experiences Net Losses following a Profit Allocation, the Manager will retain all Profits previously allocated, but no further Profit Allocation will be charged to the Member until additional positive Quarterly Appreciation is achieved. The Manager will maintain a Loss Carryforward Account for each Member in which any Quarterly losses off the prior Quarter-end high, the so-called *"high water mark,"* is aggregated and applied to current

Quarterly Appreciation to determine if a Profit Allocation is due to the Manager, and if so, the amount of such Profit Allocation. By way of example (and, for ease of explanation, without considering any other adjustments):

- a Member begins Quarter #1 with a Book Capital Account balance of $1 million. At Quarter's-end, there has been Quarterly Appreciation of 20%, *i.e.*, the Member's share is $200,000. The Profit Allocation is 20% or $40,000. As a result, the Member's Capital Account balance at the beginning of Quarter #2 is $1,160,000 and the "high water mark" for the account is $1,160,000.
- At the end of Quarter #2, there have been losses, the Member's share is $160,000 so the Member's Account balance is back to $1 million. There is no Quarterly Appreciation, so no Profit Allocation, and the Member now has a Loss Carryforward Account balance of $160,000.
- At the end of Quarter #3, earnings have rebounded so that the Member's share of Quarterly Appreciation is $200,000, and the Member's new Account balance is $1,200,000. After deducting the Loss Carry forward Account balance of $160,000, that leaves a balance of $40,000 of net Quarterly Appreciation, of which the Manager receives 20%, *i.e.*, $8,000, as its Profit Allocation. The new "high water mark," the basis for calculating Quarterly Appreciation thereafter, is $1,192,000. In the future, no Profit Allocation will be paid on any Quarterly Appreciation unless and until any and all future Quarterly Carry forward Account balances that reduce the Member's Account balance below $1,192,000 are made up.

Quarterly Appreciation means the increase, if any, in the value of a Member's Book Capital Account over the value as of the end of the immediately preceding Quarter, adjusted for Additional Capital Contributions, Advisory Fees, Expenses, Distributions and Withdrawals. For purposes of calculating Quarterly Appreciation, extraordinary expenses and taxes are be excluded. Once a Profit Allocation is assessed, it is not refundable even if the Member incurs losses thereafter.

Profit Allocations are computed and allocated as of the end of each Quarter. Members withdrawing all or a portion of their Interest as of any date other than the end of a Quarter will be charged a Profit Allocation, if earned, on the amount of the Withdrawal. Profit Allocations will be charged even though a Profit Allocation was not allocated to the Manager at the end of the Quarter due to losses incurred subsequent to the Withdrawal. ***See*** **POTENTIAL CONFLICTS OF INTEREST**.

ADVISORY FEE

Pursuant to the terms of an investment advisory agreement between the Company and the Advisor, the Company pays the Advisor an annual Advisory Fee of 2.0%, paid quarterly in arrears. This cost of this fee is passed through to the Book Capital Account of each Class B Member's *pro rata*.

ORGANIZATIONAL EXPENSES

The Manager bore the expenses of organizing the Company. The Company will *not* reimburse the Manager for those Organizational Expenses. These expenses, set at $25,000, represent the Manager's Initial Capital Contribution to the Company of $25,000.

No person will be paid or receive any form of commission or other transactional compensation for offering or selling the Interests in this Offering. No person other than the Manager and its principals has been authorized to offer or sell these Interests.

OPERATING EXPENSES

The Company will be obligated to pay other Operating Expenses on an ongoing basis, including periodic legal, accounting, auditing, filing, administrative and other regular operating expenses and extraordinary expenses, if any. The Manager will provide the Company with office space, if necessary, and certain support services at no cost to the Company. The Company, however, will be obligated to pay its other direct and indirect operating and trading-related expenses, including the Custodian's fees which are governed by the depository account agreement between the Company and the Custodian and, in the Manager's opinion, contain commercially reasonable terms. ***See*** **SUMMARY OF THE OPERATING AGREEMENT** and **POTENTIAL CONFLICTS OF INTEREST.**

CERTAIN RISK FACTORS

In this section of the Memorandum, the Company describes some of the principal risks that should be considered before subscribing for an Interest.

INVESTING IN THE COMPANY IS SPECULATIVE AND INVOLVES SUBSTANTIAL RISKS. YOU SHOULD NOT INVEST UNLESS YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT.

GENERAL

The transactions in which the Company generally will engage involve significant risks. Growing competition may limit the Company's ability to take advantage of opportunities in rapidly changing markets. No assurance can be given that investors will realize a profit on their

investment. Moreover, each Member may lose some or all of its investment. Given the nature of the Company's activities, the results of the Company's operations may fluctuate from month to month and Quarter to Quarter. Accordingly, investors should understand that the results of a particular time period will not necessarily be indicative of results in future periods.

It is provided in the Agreement that a Member shall not be liable to the Company or to any other Members for any act or failure to act taken or omitted by it in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company if such act or failure to act did not constitute gross negligence, willful misconduct or a breach of fiduciary obligations.

NO OPERATING HISTORY

The Company, the Manager and the Advisor were formed in February 2008 and none of them has an operating history.

SUBSTANTIAL CHARGES

The Company is obligated to pay Advisory Fees to the Advisor and possibly, allocate Profit Allocations to the Manager. In addition, the Company will incur and will be required to pay all its other fees and expenses, which may be significant. ***See*** **FEES AND EXPENSES**.

RELIANCE ON THE ADVISOR

The Advisor will have exclusive responsibility for managing the Company's activities. Investors must rely on the judgment of the Advisor in exercising this responsibility. The Advisor and its principals are not required to devote substantially all their business time to the Company's business. ***See*** **POTENTIAL CONFLICTS OF INTEREST**.

CONFLICTS OF INTEREST

Actual and potential conflicts of interest exist in the operation of the Company's business. ***See*** **POTENTIAL CONFLICTS OF INTEREST.**

MARKETS ARE VOLATILE AND DIFFICULT TO PREDICT

Purchasing and holding bullion and trading in mining stocks are speculative activities. Prices may be highly volatile. Market prices are difficult to predict and are influenced by many factors, including:

- changes in interest rates;
- governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies;
- weather and climate conditions;

- changing supply and demand relationships;
- national and international political and economic events; and
- the changing philosophies and emotions of market participants.

In addition, governments intervene in particular markets from time to time, both directly and by regulation, often with the intent to influence prices. The effects of governmental intervention may be particularly significant in the financial instrument and currency markets, and may cause such markets to move rapidly.

TRADING IS HIGHLY LEVERAGED

The manner is which the Company will purchase bullion permits a high degree of leverage. A relatively small movement in the price of bullion may result in immediate and substantial loss or gain to a person holding a position in such metal. Leverage increases the profits generated from an upward movement in price as well as the losses generated from a downward movement in price.

MARKETS MAY BE ILLIQUID

There is generally a market for the purchase and sale of bullion, although the price may fluctuate. The same may not always be said for the securities in which the Company will invest. At times, it may not be possible for the Advisor to obtain execution of a buy or sell order at the desired price or to liquidate particular mining company stocks.

CHANGES IN STRATEGY

The Advisor has the power to expand, revise or alter its trading strategies without prior approval by, or notice to, the Company. Any such change could result in exposure of the Company's assets to additional risks that may be substantial.

DECISIONS BASED ON TRENDS AND TECHNICAL ANALYSIS

The trading decisions of the Advisor will be based in part on proprietary research-driven criteria the Advisor's principals use to evaluate the mining company securities. This methodology emphasizes quality companies with attractive mining reserves and sound operations. Among other things, the Advisor considers the ability of a company to mine, or, in a cost-effective way, to find and establish new reserves, and to increase production relative to its competitors. The Company may incur substantial losses if the Advisor's analysis of these factors does not lead to profitable investment decisions.

USE OF DISCRETION

The Advisor will use its discretion in managing the Company's assets. No assurance can be given that such use of discretion will enable the Company to avoid losses, and in fact, such

use of discretion may cause the Company to forego profits that it may have otherwise earned had such discretion not been used.

AT TIMES, THE COMPANY'S PORTFOLIO MAY BE CONCENTRATED IN A SMALL NUMBER OF INSTRUMENTS OR MARKETS

At times, the Company may hold the securities of only a few mining companies. If the Company's level of diversification is low, the portion of the Company's assets held in cash and cash equivalents may be higher than if the Company were more fully invested or diversified.

SUBSTANTIAL ADDITIONS

The Company may encounter periods during which it may incur certain risks relating to the initial investment of substantial amounts of newly contributed assets. The Advisor may employ different procedures for moving to a fully committed portfolio. These procedures will be based in part on market judgment. No assurance can be given that these procedures will be successful.

MARKETS OR POSITIONS MAY BE CORRELATED

Different positions held by the Advisor may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. The Advisor cannot always predict correlation. Correlation may expose the Company both to significant risk of loss and significant potential for profit.

TURNOVER IN THE COMPANY'S PORTFOLIO MAY BE HIGH

The Advisor will make certain trading decisions on the basis of short-term market considerations. The portfolio turnover rate may be substantial at times, either due to such decisions or to market conditions and result in the Company incurring substantial brokerage commissions and other transaction fees.

INCREASES IN ASSETS UNDER THE ADVISOR'S MANAGEMENT MAY HAVE AN ADVERSE EFFECT ON ITS TRADING

The Advisor has not agreed to limit the amount of assets managed by it. By accepting additional equity, it may exceed its capacity, *i.e.,* the maximum amount at which it can effectively trade and manage risk. For example, the Advisor might encounter difficulty in establishing or liquidating larger positions in certain contracts at desired prices.

CERTAIN REGULATORY PROTECTIONS ARE NOT APPLICABLE

The Company is not registered as an investment company under the Investment Company Act of 1940, as amended (*"IC Act"*). Members will not be afforded the protective measures provided to investors in registered investment companies by the IC Act and related

SEC regulations promulgated thereunder. For example, registered investment companies are required to have a majority of disinterested directors, and the relationship between the investment company and its investment adviser is highly regulated.

INVOLUNTARY LIQUIDATION OF MEMBER'S INTERESTS

A Member's Interest could be liquidated by the Company through Mandatory Withdrawal for the reasons specified in the Agreement in the sole discretion of the Manager.

SUBSTANTIAL REDEMPTIONS MAY ADVERSELY AFFECT THE VALUE OF INTERESTS

If substantial Withdrawals occur within a limited period of time, the Advisor may need to liquidate positions rapidly, at unfavorable prices, in order to raise the cash needed to fund them. The rapid liquidation of positions may adversely affect both the values of the Interests being redeemed and the values of the remaining outstanding Interests.

In addition, even if Withdrawals are spread out over time, any substantial reduction in the Company's assets may increase the concentration of the Company's portfolio and make it more difficult for the Company to generate profits or recover losses.

MEMBERS WILL NOT PARTICIPATE IN MANAGEMENT

Purchasers of the Interests will become Class B Members in the Company and, as such, will not be entitled to participate in the management of the Company.

LITIGATION COULD RESULT IN SUBSTANTIAL ADDITIONAL EXPENSES

The Company could be named as a defendant in a lawsuit or regulatory action arising out of the activities of the Manager. If this happens, the Company will bear the costs of defending such suit or action and will be at further risk if its defense is unsuccessful.

THE COMPANY HAS AGREED TO INDEMNIFY CERTAIN PARTIES

Under certain circumstances, the Company may be obligated to indemnify parties with whom and which it does business for example:

- the Manager;
- the Advisor; and
- their respective officers, directors, partners, shareholders, managers, members, employees and affiliates.

RESERVES FOR CONTINGENT LIABILITIES MAY BE ESTABLISHED UPON WITHDRAWAL

The Company may find it necessary upon Withdrawal by a Member to set up a reserve for undetermined or contingent liabilities and withhold a certain portion of the Member's Withdrawal amount. This could occur, for example, in the event some of the Company's positions were illiquid, if there are any assets that cannot be properly valued on the date of Withdrawal, or if there is any pending transaction or claim by or against the Company involving or that may affect the Book Capital Account of a Withdrawing Member or the obligations of a Member that cannot, in the sole judgment and discretion of the Manager, be then ascertained.

INSTITUTIONAL RISKS

Institutions will have custody of the assets of the Company. These firms may encounter financial difficulties that impair the operating capabilities or the capital position of the Company.

MEMBERS MAY INCUR TAX LIABILITIES BY OWNING INTERESTS EVEN DURING YEARS IN WHICH THEY DO NOT RECEIVE ANY CASH OR PROPERTY FROM THE COMPANY

Each year, a Member's allocable share of each item of the Company's income, gains, losses, deductions and credits will be subject to Federal income taxation, whether or not the Member receives Distributions of cash from the Company. Since profits generally will be reinvested by the Company rather than distributed to the Members, a Member may be required to pay the income tax liability attributable to your allocable share (so-called "Phantom Profits") of Company income from other sources.

EXEMPT ORGANIZATIONS AND "UNRELATED BUSINESS TAXABLE INCOME"

While the Manager believes the Company's investment strategies generally are appropriate for exempt organizations (***See*** **TAX CONSIDERATIONS—Exempt Organizations**) for which an investment in the Company would otherwise be suitable, each type of exempt organization may be subject to different laws, rules and regulations, and prospective Members must consult their own advisors as to the advisability and tax consequences of an investment in the Company. In particular, exempt organizations should consider the applicability to them of the provisions relating to "unrelated business taxable income."

LAWS AND REGULATIONS AFFECTING MEMBERS OR THE COMPANY MAY CHANGE

Legislative, administrative or judicial changes may occur that alter, either prospectively or retroactively, the risk factors or tax considerations described in this Memorandum. Regulations imposed on the financial markets in the future could significantly restrict or

otherwise affect the Company's ability to access financial markets, or impair the liquidity of the Company's positions.

THE FOREGOING DISCUSSION OF RISK FACTORS IS NOT A COMPLETE EXPLANATION OF ALL RISKS ASSOCIATED WITH AN INVESTMENT IN THE COMPANY. BEFORE MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD READ THIS ENTIRE MEMORANDUM.

POTENTIAL CONFLICTS OF INTEREST

In the conduct of the Company's business, conflicts may arise between the interests of the Company, the Manager, the Advisor, their affiliates and principals, and those of Members. The Manager intends to act in good faith and with utmost integrity in handling the business of its beneficiary, the Company. Even so, prospective investors should be aware of the potential for such conflicts of interest.

BUSINESS WITH AFFILIATED PERSONS

Other Business of Manager and Principals. The Manager, the Advisor, their affiliates and their principals will devote as much of their time and resources to the activities of the Company as they deem necessary and appropriate. As provided under **AGREEMENT Sections 8.5 and 8.6**, the Manager, the Advisor and their principals and affiliates are permitted to enter into other relationships or engage in other business activities, even though those activities may be in competition with the Company and/or may involve substantial amounts of their time and resources.

Doing Business with Affiliated Persons. The Agreement does not contain any prohibition on the Manager or Advisor from contracting with any person affiliated with either of them or any Member with regard to Company business provided that services provided by, and the amount paid to, such affiliated persons are of a quality and proportion reasonably commensurate with market services and prices in the judgment of the Manager.

INVESTMENT AND TRANSACTION OPPORTUNITIES EXECUTION

At times, the Manager and Advisor may cause the Company and others to effect transactions that differ in substance, timing and amount due to, among other things, differences in investment objectives or other factors affecting the appropriateness or suitability of particular investment activities for the Company or others or to limitations on the availability of particular opportunities. Neither the Manager, the Advisor nor any of their affiliates, members or employees has any obligation to provide the Company or any other account with any particular opportunity or to refrain from taking advantage of an opportunity that could be beneficial to the Company.

VALUATION OF ASSETS

Generally, it is the intention of the Manager to value Company holdings on a daily basis.

EXCULPATION AND INDEMNIFICATION

In the Agreement, it is provided that neither the Manager nor any of its employees, agents or affiliates is liable to the Company or to any Member for any act or omission based upon errors of judgment or other fault in connection with the business or affairs of the Company as long as that act or omission did not constitute gross negligence, fraud or willful misconduct. These provisions alter their fiduciary duties such that no action they take or omit to take, including actions involving conflicts of interest, as described in this Memorandum and otherwise, breaches any duty to the Company or the Members it does not constitute gross negligence, fraud or willful misconduct. In addition, in the Agreement, it is provided that the Manager, their principals, employees, agents and affiliates have broad indemnification rights for any act or omission that does not constitute gross negligence, fraud or willful misconduct.

NO SEPARATE REPRESENTATION

The Manager and the Advisor are represented by Rothgerber Johnson & Lyons LLP in connection with the continuing Offering of the Interests of the Company, and other matters. The Company is not separately represented by counsel.

ELIGIBILITY; SUBSCRIPTIONS

Subscriptions for Interests are accepted at the discretion of the Manager.

The minimum investment in the Interests of the Company is **$100,000**. There is no minimum additional investment. The Manager may waive or reduce this requirement in particular cases and may change them as to new investors in the future.

ELIGIBLE INVESTORS

Generally, investors must be "accredited investors" as that term is defined in Rule 501 of Regulation D under Section 4(2) of the Securities Act or "sophisticated investors" as that term is defined in Rule 506 of Regulation D. The Manager may apply additional standards for admission to the Company. In addition, prospective Members must make certain representations in a Subscription Agreement, relating to securities law compliance among other things. The Manager may permit a limited number of "sophisticated investors" who are not "accredited investors" to subscribe.

Generally, investors who are natural persons will further be required to "qualified clients," as that term is defined in Advisers Act Rule 205-3(d)(1). Investors who or that do not

have a net worth of at least $1.5 million will not be assessed the Profit Allocation, if any, paid to the Manager.

In order to avoid registration as an investment company under IC Act, the Company intends to rely on the exemption contained in IC Act Section 3(c)(1), under which issuers whose securities are not publicly offered and are beneficially owned by not more than 100 persons are exempted from registration. Therefore, the Manager intends to restrict the beneficial ownership of Interests to not more than 100 persons and may reject subscriptions from certain subscribers, limit the amount of Capital Contributions that it will accept from a Member, force Withdrawal, in whole or in part, of the Interest of a Member, or force Withdrawal of a Member, in order to avoid jeopardizing the exemption of the Company from registration under the IC Act.

APPROPRIATENESS OF INVESTMENT

A prospective investor's status as an "accredited investor" or a "sophisticated investor" does not mean necessarily that Interests are an appropriate investment for that person. Prospective investors should evaluate carefully whether an investment in the Company is appropriate for their particular circumstances and investment needs. In doing so, they should consult with such legal, regulatory tax, financial and investment advisors as they consider appropriate, and should avail themselves of the opportunity to ask questions of the Manager. Each investor must have read and understood the terms of the Offering documents and the Offering before offering to subscribe.

Each prospective investor must, either alone or with the assistance of a "purchaser representative," have sufficient knowledge and experience in financial and business matters generally and in securities investments in particular to allow the investor to evaluate the merits and risks of investing in the Company. In addition, each prospective Member should have sufficient funds, above and beyond those intended for investment in the Company, to meet personal needs and contingencies. In other words, the potential investor should not have need for the funds invested in the Company.

Prospective Members should expect that they will not have access to the funds invested in the Company for extended periods of time and should be capable of absorbing a loss or reduction in the value of their investments. ***See*** **CERTAIN RISK FACTORS.** Prospective Members who are subject to income tax should be aware that, if the Company's investment activities are successful, an investment in the Company is likely to create taxable income or gains, but the Company does not intend to make Distributions of cash with which Members may pay the resulting tax liabilities.

METHOD OF SUBSCRIPTION

To subscribe to purchase an Interest, a prospective Member must complete, date and sign the Subscription Agreement a copy of which is attached as **Exhibit B** to this Memorandum, deliver a signed Subscription Agreement to the Manager and make payment in accordance with the Subscription Instructions. The Manager reserves the right to accept or reject any

subscription in whole or in part in its sole discretion for any reason whatsoever and to withdraw this Offering at any time.

INCOME TAX CONSIDERATIONS

In the following discussion, the Company summarizes certain of the aspects of the federal income taxation of the Company and Members that a potential investor should consider. The discussion is based on the Code, Treasury regulations under the Code (*"Regulations"*) and court decisions and published rulings of the Internal Revenue Service (*"IRS"*), all as in effect on the date of this Memorandum. It does not take into account the possible effect of future legislation, regulatory or administrative changes or court decisions. The Company has not and will not seek any rulings from the IRS as to any particular tax consequences. If any particular matter were contested, a court might reach a conclusion contrary to those expressed below. Future legislation, administrative action or court decisions may change this discussion significantly, and any such changes or decisions may have a retroactive effect as to the transactions contemplated herein. The Manager has no continuing obligation to advise Members of any changes in the law that may affect the Company or the Members or that may otherwise cause any part of the following summary to be inaccurate, unless requested to do so.

In providing this summary and the Memorandum in general, the Company does not purport to address all aspects of income taxation that may be relevant to a prospective investor; nor are they intended to be applicable to all Members, some of which may be subject to special rules. Moreover, in this Memorandum, the Company does not address any aspect of state or local tax law. Each prospective investor is encouraged to consult with the investor's tax advisor with respect to the ramifications of an investment in the Company under particular state or local tax law.

GIVEN THAT: (i) THE INCOME TAX LAWS APPLICABLE TO LIMITED LIABILITY COMPANIES AND SECURITIES TRANSACTIONS ARE EXTREMELY COMPLEX; AND (ii) THE COMPANY DOES NOT REPRESENT THAT THE SUMMARY OF TAX CONSEQUENCES CONTAINED HEREIN IS EXHAUSTIVE OR COMPLETE, PERSONS CONSIDERING AN INVESTMENT IN THE COMPANY SHOULD CONSULT THEIR OWN TAX ADVISORS TO UNDERSTAND FULLY THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF SUCH AN INVESTMENT IN LIGHT OF THEIR OWN PARTICULAR SITUATION.

CHARACTERIZATION OF THE COMPANY

Under so-called "check-the-box" regulations, a business entity formed as a Company (including limited liability companies) under state law with at least two members will be classified as a "Company" for federal income tax purposes unless it elects affirmatively to be taxed as a corporation. The Company has not made and will not make an election to be taxed as

a corporation in the future unless the Code is amended in such a way that it becomes advantageous for the Company and the Members to do so.

However, if membership interests are purchased and sold frequently, limited liability companies may be considered "publicly-traded" and if so, will be treated as corporations for federal income tax purposes. With respect to this Offering, such a characterization would substantially and adversely affect Members' after-tax income. Certain regulations provide "safe harbors" in which limited liability companies should be regarded as not "publicly-traded." The Company expects to satisfy at least one of the safe harbors at all times. Under the Agreement, the Manager may suspend Members' Withdrawal privileges if the Manager determines such Withdrawals could cause the Company to be considered "publicly traded."

In the remainder of this discussion, the Company assumes it will be treated as a Company, and not taxable as a corporation, for all federal, state and local tax purposes.

TAXATION OF U.S. MEMBERS

General. The Company itself will not be subject to federal income tax. Instead, each Member will be required to report on its own income tax return the Member's share of the Company's net long-term capital gain or loss, net short-term capital gain or loss, net ordinary income or deduction and various other categories of income, gain, loss, deduction and credit (collectively, "tax items"). A Member's share of any tax item will be governed by the Agreement unless: (i) the Agreement is silent as to the Member's share of that item; or (ii) the allocation provided in the Agreement is not considered to have "substantial economic effect" for tax purposes or otherwise is not in accordance with the Member's interests in the Company (as described below). The Company has adopted December 31st as its taxable year-end and the Company will file an annual Company information return reporting the results of operations.

Company Allocations. The Company marks its holdings to market daily. Under the Regulations, the allocation of tax items attributable to its holdings must take into account the difference between the adjusted tax basis of the asset giving rise to the item and its book (*i.e.*, fair market) value. In the Agreement, it is provided, in effect, that, with certain exceptions, the Company will use an allocation method that complies with Regulations under Code Section 704(c) to allocate gains and losses relating to its holdings and will allocate all other tax items in accordance with Member Percentages. To the extent the Company deviates from the "safe harbor" methods as to certain items, it is possible that the IRS could consider the allocation inappropriate and require a different allocation of those tax items, resulting in a Member recognizing a greater or smaller amount of income, gain, loss or deduction than was reported.

Distributions. A Member may be taxed on the Member's "distributive" share of the taxable income or gain on sale of bullion or securities at a profit by the Company regardless of whether the Member has received any Distribution from the Company. The Manager does not anticipate making Distributions (***See*** **SUMMARY OF THE OPERATING AGREEMENT—Allocation** sections and **Distributions**). Further, the Manager does not contemplate making any

Distribution in connection with Member tax liability. Therefore, a Member may have to provide cash in order to pay tax liabilities arising from the allocation of the Member's share of allocated but not distributed profits. Furthermore, in light of the significant restrictions on Withdrawals imposed in the Agreement, it is possible, notwithstanding the Withdrawal provisions, that the only source for payment of such tax liabilities would be from the Member's funds originating from sources other than the Company.

Liquidating Distributions. When a Member withdraws from the Company completely (or the Member's Interest is terminated because the Company is liquidated), as with non-liquidating Distributions, the Member will recognize gain only to the extent the cash distributed exceeds the adjusted basis in the Interest. ***See*** **INCOME TAX CONSIDERATIONS—TAXATION OF U.S. MEMBERS—Section 751.**

Section 754 Election. Under Code Section 754, a "company" is allowed to elect to adjust the basis of its assets upon: (i) certain distributions of money or property to a member; or (ii) a transfer of a membership interest by sale or as a result of the death of a member. The general effect of making that election when a member has received a distribution of cash is that the adjusted basis of the company's capital assets is increased by any capital gain (or decreased by any loss) recognized by the member who receives the distribution. There is no effect on the member who receives the distribution. In the case of a transfer of an interest (including by reason of the death of a member), the transferee is treated as having acquired directly a share of each of the assets held by the company at the time of the transfer, thereby providing that particular transferee with a tax basis in those members' assets that in the aggregate are equal to such transferee's tax basis in the interest. In light of the nature and extent of the Company's expected buying activities, and the likelihood that Capital Contributions and Withdrawals will occur throughout the term of the Company, it could be impracticable for the Company to comply strictly with the basis adjustment rules that would apply if the Company was to make a Code Section 754 election.

The Manager has discretion whether to make a Code Section 754 election. Once such an election has been made, it remains in effect for all subsequent taxable years unless revoked with the consent of the IRS, and each subsequent Distribution or Transfer will result in the adjustments described above. It is unlikely the Manager will agree to elect make such adjustments under Code Section 754.

If the Manager does not elect to make adjustments under Code Section 754, any benefits that might be available to a Transferee of an Interest, or to remaining Members after a substantial Withdrawal, by reason of a possible "step-up" in the basis of the Company's assets may not be available. However, in the case of Withdrawals, the remaining Members may receive a comparable benefit if the Manager chooses to allocate items of income and gain specially to the Withdrawing Member. ***See*** **INCOME TAX CONSIDERATIONS—TAXATION OF U.S. MEMBERS—Company Allocations.**

Limitations on Deductions. The ability of certain Members to deduct or otherwise utilize Company losses or deductions allocated to them may be limited in special provisions of the Code, including, but not limited to, the following:

Adjusted Basis of an Interest. A Member may not deduct losses in excess of the adjusted basis of the Member's Interest at the end of the year in which the loss is incurred. Losses in excess of a Member's adjusted basis may be carried over to succeeding taxable years when the same limitation will apply. ***See*** **INCOME TAX CONSIDERATIONS—TAXATION OF U.S. MEMBERS—Basis.**

Amounts at Risk. If a Member is an individual or a closely held "C" corporation, the amount of loss that may be deducted is limited to the amount that the Member has "at risk" in the Company. Where such a Member has financed an investment in the Company with certain types of nonrecourse borrowing, that Member's amount "at risk" could be less than the adjusted basis in the Member's Interest. In addition, in the unlikely event the Company borrowed on a nonrecourse basis, certain of those borrowings could increase a Member's basis without increasing the Member's amount at risk.

Capital Gains and Losses. Company net capital losses allocated to a Member for a taxable year are only deductible by a Member that is a corporation to the extent of the Member's capital gains in such gains and by an individual Member to the extent of that Member's capital gains in such gains plus $3,000.

Passive Losses and Income. Company income or loss may be characterized as "portfolio" income or loss and, therefore, may or may not be deemed as not arising from a "passive activity."

Disallowance of Interest Deductions. If a Member borrows money to purchase an Interest, such Member may be denied an interest deduction on such debt under the Code if it is determined that such interest relates to indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from federal income taxes.

Section 751. The tax consequences of reducing, partially or completely terminating an Interest in a Company (either through Distributions or sales to third parties) can be quite complex if the provisions of Code Section 751 apply. Given that substantially all the Company's assets are expected to be characterized as capital assets, the Manager does not believe Section 751 should apply. However, if the Company were to have "unrealized receivables" or "inventory" at the time of a Distribution, Withdrawal or Transfer of a Member's Interest, under Section 751, non-taxable Distributions might be transformed into taxable Distributions and/or capital gain converted into ordinary income.

Any Member who sells or exchanges (Transfers) an Interest at a gain will be notified by the Company if any of that gain is attributable to the Member's share of the Company's Section 751 property. The Company must notify the IRS of any sale or exchange (Transfer) of an Interest implicating Section 751. Members are urged to consult their own tax advisors regarding the potential adverse effect of Section 751 on such transactions.

Possible Future Legislation. Legislative proposals are introduced in Congress from time to time that could materially affect the taxation of the Company and its Members. If such proposals were enacted, one or more provisions of the Code could be amended in a manner that would alter the federal tax consequences referred to above. It cannot be predicted where, when or in what form any such proposal might be enacted or whether, if enacted, any such proposal would apply to obligations delivered prior to such enactment.

"Company" Taxation. The Company has been structured to qualify as a "Company," *i.e.*, a "pass-through" entity, for federal income tax purposes, and not as a "publicly traded Company" or an "association taxable as a corporation." No opinion of counsel or ruling from the IRS on this question has been or will be requested by the Manager.

A "company" is not subject as an entity to federal income tax. However, the Company will file a federal company information return reporting its operations for each calendar year, and will provide each Member with the information necessary to enable the Member to include in its federal income tax return items arising from its investment in the Company. Each Member will be required to take into account its distributive share of all items of Company income, expense, gain, loss, deduction and credit, whether or not distributed.

Allocation of Company Income, Gains and Losses. For federal income tax purposes, a Member's distributive share of Company income, gain, deduction, loss or credit generally is determined in accordance with the Agreement. However, under Code Section 704, the allocation of all such items pursuant to the Agreement must have "substantial economic effect" to be recognized for federal income tax purposes. If any allocation fails to satisfy the "substantial economic effect" requirement, the allocated items would be reallocated, for tax purposes only, among the Members based on their respective Interests in the Company, determined on the basis of all the relevant facts and circumstances. However, such a reallocation would not alter the Distribution of cash flow under the Agreement.

Deductibility of Company Expenses. The Company will seek to treat its Expenses as trade or business expenses for federal income tax purposes. The tax treatment of Expenses will be a "facts and circumstances" determination. To the extent the Company's activities qualify as trade or business activities, its Expenses may be fully deductible for federal income tax purposes. However, if the Company's activities do not qualify as trade or business activities otherwise, the IRS may characterize the Expenses as investment expenses. To the extent the characterization of these items as investment expenses were to be sustained, the deductibility by a non-corporate Member of its share of the amounts so characterized would be subject to a 2% limitation on deductibility of "miscellaneous itemized deductions," with the result that the

taxable income of a non-corporate Member derived from the Company might be increased. Certain capital expenditures will be capitalized and will reduce gains or increase losses, and will not be treated as investment expenses by the Company. Accordingly, in view of such uncertain application to the Company and its Members of the 2% floor on miscellaneous itemized deductions, prospective investors must consult with their tax advisors regarding the potential impact of the 2% rule to their particular tax situations.

Unrelated Business Taxable Income. Organizations exempt from federal income tax under Code Section 501(a), including certain plans subject to the Employee Retirement Income Security Act of 1974 (*"ERISA"*), are subject to the tax on "unrelated business taxable income" ("UBTI") imposed under Code Section 511. Primarily, UBTI arises as either: (i) income from an unrelated, regularly carried on trade or business; or (ii) as income from "debt-financed" property.

State and Local Taxation. In addition to the federal income tax considerations summarized above, prospective investors should consider potential state, local and foreign tax consequences of an investment in Interests. Generally, a Member's share of the Company's taxable income or loss will be required to be included in determining the Member's taxable income for state and local tax purposes in the jurisdiction in which the Member is a resident. State and local laws may also differ from federal income tax law with respect to the treatment of specific items of income, gain, loss and deduction. Prospective investors should consult with their own tax advisors with respect to state and local income tax consequences of investing in the Company.

Taxation of Non-U.S. Investors. In general, a non-U.S. investor should not be subject to federal income tax with respect to its distributive share of Company income, expense, gain, loss, deduction and credit. In general, a non-U.S. investor will not be subject to federal withholding taxes on any capital gains recognized from the sale, exchange or redemption of the investor's securities.

The foregoing discussion does not address any tax consequences to the Company or particular Members under applicable state, local or foreign laws. Prospective investors are urged to consult with their tax advisors with reference to their specific tax situations, including any applicable federal, state, local or foreign taxes.

ADMINISTRATIVE MATTERS

IRS Examination or Audit of Company. Each Member must either report all Company items consistently with the treatment by the Company or disclose specifically in the Member's tax return any differences between the manner in which a Company item is treated on the Member's return and on the Company's return. Such disclosure may be necessary to avoid the penalty for understatement. Since the Manager does not expect to notify Members as to the basis for items reported on the Company's return or the Schedules K-1, Members or their tax advisors may wish to ask the Manager about significant reported items if they wish to make a

systematic evaluation of their exposure to this penalty. Ultimately, if it is determined that a taxpayer has underpaid tax for any taxable year, the taxpayer must pay the amount of underpayment plus interest on the underpayment from the date the tax was due originally, and may be subject to penalties as well.

In general, the tax treatment of all Company items will be determined in a unified Company audit rather than in an audit of the individual Members. Generally, Company audits will be handled by the Manager acting as the "Tax Matters Partner" (*"TMP"*), but other Members will be entitled to participate in the audit and appellate conferences. If a deficiency is proposed by the IRS, a notice of final Company administrative adjustment will be issued. The TMP may contest that determination on behalf of the Company in the Tax Court or other court of its choice. If the TMP chooses to contest the deficiency, other Members may join the proceeding but cannot bring separate actions.

The statute of limitations applicable to Company items differs from the statute applicable to each Member's individual return. The TMP has the authority to extend the statute of limitations on behalf of the Company. Any extension will be binding on the Members.

An audit of the Company's return may result in the disallowance, reallocation or deferral of deductions claimed by the Company. The audit may also result in transactions being treated as taxable that the Company treated as nontaxable or treated as ordinary income or capital loss of items the Company reported as long-term capital gain or ordinary loss. Any such change may trigger additional tax and interest obligations. An audit by the IRS also could affect a Member's liability for state and local taxes.

If the IRS audits the Company's tax returns, an audit of the Members' own returns may result, and adjustments may be made to items reported on the Members' tax returns unrelated to the Company. The legal and accounting costs incurred in connection with any audit of the Company's tax return will be borne by the Company. The cost of any audit of a Member's tax return will be borne solely by the Member.

Penalties and Interest on Deficiencies. Under the Code, a penalty of 20% is imposed for certain underpayments of tax liability, including those caused by negligence or disregard of the rules or regulations and substantial understatements of tax liability. An understatement is "substantial" if it exceeds the greater of 10% of the tax required to be shown on the return or $5,000 ($10,000 for corporations other than S corporations and personal holding companies).

Interest on deficiencies is compounded daily from the date the tax was due until it is paid. This interest rate is equal to the federal short-term rate plus three percent and is re-determined quarterly. Interest paid on tax deficiencies is not deductible by individuals. For an underpayment by a corporation exceeding $100,000, the interest rate may be the federal short-term rate plus five percent.

SECURITIES REGULATORY MATTERS

The Company, the Manager, the Advisor and their principals are subject to various federal and state securities and other laws and regulations that may limit their activities. Failure to comply with such laws and regulations could subject them to substantial sanctions.

SECURITIES REGISTRATION AND EXEMPTION

The Offering and the Interests will not be registered with any federal or state regulatory authority. Instead, the Interests will be sold in reliance on the transactional securities registration exemption provided in Rule 506 of Regulation D, promulgated under Securities Act Section 4(2). Generally, investors must be "accredited investors" as that term is defined in Rule 501 of Regulation D or "sophisticated investors" as that term is defined in Rule 506 of Regulation D. The Manager may apply additional standards for admission to the Company. In addition, prospective Members must make certain representations, in a Subscription Agreement, relating to securities law compliance. The Manager may permit up to 35 "sophisticated investors" who are not "accredited investors" to subscribe. The Offering will continue until suspended or terminated by the Manager.

If it were determined by regulatory authorities or a court of law that the Offering did not qualify for exemption under Rule 506 or otherwise, the Offering might be deemed to have been made in violation of Securities Act Section 5 and state securities law securities registration requirements, subjecting the Company and the Manager to enforcement sanctions and liability.

THE INVESTMENT COMPANY ACT

If the Company was considered an "investment company" within the meaning of the IC Act, it would be subject to numerous requirements and restrictions relating to its structure and operation. If the Company was required to register as an investment company under the IC Act and to comply with these requirements and restrictions, it would have to make significant changes in its proposed structure and operations, which could adversely affect its business.

The Company operates in reliance on an exclusion from investment company regulation for "private investment companies." The exclusion, IC Act Section 3(c)(1), is available to issuers whose securities are owned beneficially by not more than 100 persons and have not been publicly offered. If a Member that is itself a "private investment company" owns 10% or more of the outstanding Interests, each of that Member's equity owners are considered a "beneficial owner" of the Company's securities for purposes of counting the beneficial owners. Generally, the Manager expects to limit the amount any private investment company may invest in the Company to below 10%. The Manager may also require the complete or partial withdrawal by a Member should the Member's continued investment in the Company jeopardize the Company's exemption from registration and regulation under the IC Act. Each prospective investor must

make certain representations and undertakings to assure the private investment company exclusion is and remains available to the Company.

The interpretations relating to beneficial ownership are complex and, in some cases, unclear. Under certain interpretations, it is possible that multiple investment partnerships with the same investment objectives can be "integrated" for purposes of determining whether they have more than 100 beneficial owners. If the Manager were to manage additional limited partnerships with objectives similar to the Company's, there could be no assurance the Company would be considered to have no more than 100 "beneficial owners."

Should the private investment company exclusion cease to be available to the Company, the Company and the Manager could be subject to legal action by the SEC and others, possibly resulting in financial losses to the Company and the termination of its business.

Although the Manager believes registration and regulation under the IC Act would impair the Company's ability to achieve its investment objectives, protections are provided in the IC Act that will not be available to Members of the Company. For example, a registered investment company must have a board of directors. Generally, 75% of the members of that board must, as a practical matter, be independent of its investment adviser, and the company is restricted in its relationship with and compensation to its affiliates (such as the Manager) and in its capital structure. In addition, under the IC Act, an investment company is required to state definite policies as to certain enumerated types of activities and, in some cases, the investment company is forbidden from changing those policies without shareholder approval. By contrast, under the term of the Company Agreement, as described above in "Investment Objectives and Policies," the Manager is provided with extremely broad discretion to determine *and to change* the Company's investment program without consulting with Members.

"BROKER" AND "AGENT" REGULATION—*Rule 3a4-1 and Exchange Act Section 15*.

The Interests will be offered and sold by the Manager and its principals. No commissions or other form of transactional compensation will be paid to the Manager, its principals or any other person in for offering or selling the Interests. The Manager and its principals will not use public solicitation or advertising in making the offers and sales of Interests. Under these circumstances, generally, neither the Manager nor any of its principals should be considered "brokers" as the term is defined in Exchange Act Section 3(a)(4) or as a "broker-dealer" or "agents" as those terms are used in most state securities laws.

Were the SEC or a state securities regulatory authority to take the position that, in engaging in the described conduct, the Company, the Manager or any individual principal of the Manager was acting as an unregistered "broker," such authorities could bring formal enforcement action to prohibit further unregistered conduct. They could also pursue remedies that would force the Company to offer to rescind the transactions. If such offers were accepted by Members, the Company could be forced to liquidate some or all of its holdings, which would materially and adversely affect the Manager's ability to conduct the Company's business.

SUMMARY OF THE OPERATING AGREEMENT

The rights and obligations of Members are governed by the Agreement, attached as **Exhibit A**. In the following section, certain provisions of the Agreement not described elsewhere in this Memorandum are summarized briefly. Prospective investors are urged to read the Agreement in its entirety before subscribing.

GENERAL

The Company was organized as a Colorado limited liability company. The Manager is the sole manager. In the Agreement, it is provided that the Manager has complete control of the business of the Company. It is further provided that the Members have no power to take part in the management of the Company.

Upon admission to the Company, each Member acquires a percentage interest in the Company equal to the Member's Capital Contribution as of the date of admission divided by the sum of the Capital Accounts of all Members (including such Member) as of that day. A Member's Interest shall be adjusted to take account of each Additional Capital Contribution using the same technique. Each Member's Interest should be expected to increase or decrease proportionally as Additional Capital Contributions or Withdrawals and Distributions are made.

ALLOCATION OF NET PROFIT AND NET LOSS

Under the terms of the Agreement, the Manager has sole discretion as to the distribution of profits, if any, to the Members. The Manager does not intend to make significant distributions to the Members corresponding to profits, but instead intends to re-invest substantially all of the Company's profits for the foreseeable future. The Manager will not make a Distribution if, in its opinion, the reduction in the amount of assets under management after giving effect to the Distribution would not be in the best interests of the Company or the Members. Any Distributions made by the Company to the Members shall be made in cash, bullion or securities, at the sole discretion of the General Partner, on a *pro rata* basis based upon the relative balance in each Member's Book Capital Account as of the last day of the period to which the Distribution relates. ***See*** **CERTAIN RISK FACTORS** and **POTENTIAL CONFLICTS OF INTEREST**.

Each Member of the Company and the Manager (*individually, a "Member" and collectively, the "Members"*) will have a Book Capital Account (*"Book Capital Account"*) and a Tax Capital Account (*"Tax Capital Account"*), the initial balance of each of which will be the amount contributed to the Company by such Member. Any increase or decrease in the Total Members Equity of the Company will be allocated among the Members on a monthly basis and will be added to or subtracted from the Book Capital Accounts of the Members in the ratio that each Member's Book Capital Account bears to all Members' Book Capital Accounts.

In general, for Federal income tax purposes, all items of ordinary income and deduction are allocated among the Members in proportion to their relative Book Capital Account balances

during the period when such income is earned or such expense is incurred. Capital gain, including gain attributable to Code Section 1256 contracts (*"Section 1256 contracts"*), shall generally be allocated among the Members experiencing appreciation in their Book Capital Accounts during the year in proportion to the relative appreciation experienced. Capital loss (including loss attributable to Section 1256 contracts) shall generally be allocated among the Members experiencing depreciation in their Book Capital Accounts during the year in the same manner. ***See*** **TAX CONSIDERATIONS**.

DISTRIBUTIONS

The Manager is not required to make any Distributions. No Distributions have been made to date. The Manager reserves the right to pay any Distribution in cash, bullion or securities. The proportion of cash, bullion and securities paid to Members in any Distribution will be the same for each Member.

VALUATION

The holdings of the Company will be marked-to-market as of the end of each business day, based on the closing price for each asset on the primary market on which it is traded. Valuation adopted by the Manager shall be conclusive as to each Member.

RESERVES; ADJUSTMENTS FOR CONTINGENCIES

The Manager is authorized to create Reserves from Company assets against contingent liabilities, including legal, accounting and other costs, that the Manager may identify or of which the Manager becomes aware in such amounts as the Manager, in its sole discretion, considers appropriate. Generally, amounts designated for such Reserves in any Fiscal Year will be deducted from the Capital Accounts of the Members in proportion to the amounts of their Capital Account balances as of the beginning of the Fiscal Year, and any decreases in Reserves in a Fiscal Year generally will be added to Capital Accounts of Members as of the beginning of that Fiscal Year. However, the Manager is authorized to make Special Allocations to Capital Accounts for any large Reserves, expenditures or receipts by the Company that relate to earlier periods (and were not reflected in the calculation of Net Asset Value or profits and losses at the time), and to give appropriate benefits to, and make appropriate assessments against, Members who were Members at the time of the event giving rise to the Reserve, expenditure or receipt in proportion to their Capital Accounts at the time. In some cases, allocations may be made to persons who are no longer Members. If the allocations are of Reserves or expenditures and would reduce the amount those persons received upon Withdrawal from the Company, the Manager may demand that the former Members repay the applicable amount, with interest, from the time the Manager determines the allocation is to be made. However, no former Member will be required to pay more than the amount of that Member's Capital Account balance at the end of the period to which the charge relates, and no demand may be made more than four years after the former Member withdraws from the Company. If the Company is unable to collect any of these amounts, the uncollected amount will be reallocated among the current Members who were Members at the time of the event giving rise to the charge.

TERM

The Company will terminate 50 years after the date of its formation or earlier if and when dissolved at the election of the Manager or upon the occurrence of certain events specified in the Agreement, including the Manager ceasing to be a manager (through the Manager's dissolution, withdrawal or otherwise) where no successor has been selected. Upon its dissolution, the Company will liquidate its property and distribute the net proceeds to its Members in an orderly and prudent fashion. The Manager may select a "liquidating agent" to wind up the Company's affairs if the Company is dissolved because the Manager has ceased to be a manager.

ADMISSION OF MEMBERS

The Manager may admit Members and accept Capital Contributions throughout the life of the Company. There is no upward limit on the amount of Capital Contributions the Manager may accept.

WITHDRAWALS

With the consent of the Manager (which may be withheld for any reason), after the first anniversary of a Capital Contribution, Class B Members may, upon **60** days' written notice, withdraw capital from the Company effective as of the close of the last day of the Half-Year in which the request was made. Overall, Withdrawals by Members in any given period are limited to 20% of the Total Members' Equity as of the end of that Half-Year. Partial Withdrawals may not reduce a Member's Capital Account balance below $100,000 of the amount in that Member's Capital Account immediately prior to receipt of notice of request for Withdrawal by the Manager.

If a request for Withdrawal is granted, the net Withdrawal amount will be paid within 15 days after the end of the Half-Year in which the request is made and granted. A request for Withdrawal of 90% or more of a Member's Capital Account balance will be construed as a request for Complete Withdrawal. If such a request is granted, the Manager may withhold in reserve up to 10% of the net amount to be withdrawn against any contingent assessments at the close of the Fiscal Year. The Manager will pay out the net amount not more than 30 days following completion of the financial statements for the Fiscal Year in which the Complete Withdrawal is effective, without interest for the period from the date the Withdrawal was requested to the date payment is made.

As to some or all of a Withdrawal, the Manager may establish a segregated portfolio of some of the Company's assets and liquidate them for the Withdrawing Member's account. In such a case, the Member bears the risk of a decline in the value of the assets in the segregated portfolio between the effective time of Withdrawal and segregation, and the time of payment. The transaction costs involved in funding a Withdrawal will be charged to the withdrawing Member.

The Manager may suspend the right of any Member to withdraw funds from the Company if, in the Manager's judgment, such a suspension would be in the best interests of the Company. Situations in which such a suspension might occur include: when a Withdrawal would result in a violation of securities or other laws by the Company or the Manager; when disruptions in markets make pricing and/or liquidation of some or all Company assets difficult or would result in losses to the Company if the Company attempted such liquidations; or when the Manager determines, in consultation with tax advisors, that the Withdrawal could result in the Company being treated as a "publicly traded company" and thus taxable as a corporation. The Manager will give notice to Members who make Withdrawal requests affected by any such suspension. Unless a Member rescinds such a suspended Withdrawal request, generally, the Withdrawal will become effective on the last day of the Half-Year in which the suspension is lifted, on the basis of the Member's Capital Account balance at that time.

MANDATORY WITHDRAWALS; EXPULSION OF A MEMBER

The Manager may force a Partial or Complete Withdrawal by any Member as of the end of any day by giving notice to such Member on that day. Such expulsion could occur because, among other things, the Manager, in its sole discretion, determines the expulsion is in the best interests of the Company because of the conduct of the Member. Where a Member's Interest may be considered "beneficially owned" by more than one person, the Manager may force the Withdrawal of other Members with smaller Capital Account balances rather than the "multiple-owner" Member or other Members who are situated similarly to the expelled Member but who have larger Capital Account balances. Generally, Mandatory Withdrawals will be effective as of the date the Manager notifies the Member of the Withdrawal. If a Member dies or becomes bankrupt, insolvent or incompetent, the Member may be deemed to have withdrawn effective at the end of the Quarter in which the event occurred. Members subject to Mandatory Withdrawal are subject to a prorated Advisory Fee and any Profit Allocation.

LIMITATIONS ON TRANSFER

Members may not transfer their Interests except as permitted under **Agreement Article 7**. All Transfers (*"Transfers"*) require the prior consent of the Manager, which may be withheld for any reason and/or conditioned upon opinions of counsel satisfactory to the Manager that, among other things, registration under the Securities Act and applicable state securities laws is not required. Neither the Company nor the Manager is under any obligation to, nor does the Company intend to, register the Interests for resale.

If a Member (after obtaining the appropriate consents) transfers his, her or its Interest, the Transfer will be recognized for the purpose of making Distributions (if any) and allocating Net Profit or Net Loss as of the last day of the Quarter following receipt and acceptance by the Manager of all required documentation. If the Transfer occurs at any time other than the end of a Fiscal Year, all Net Profit or Net Loss for the Fiscal Year in which the Transfer occurs generally will be *prorated* between the Transferor and the Transferee based upon the number of days in the Fiscal Year that each was a holder of the Interest. ***See*** **Agreement Section 7.7.**

VOTING RIGHTS; AMENDMENTS

Class B Members' voting rights are set forth in **Agreement Article 9** and are very limited. Other than as set forth explicitly in the Agreement, Members have no voting rights as to the Company or its management. In particular, Members have no right to remove the Manager.

Generally, material amendments must be approved by the Manager and a majority in interest of the Class B Members. However, the Manager may amend the Agreement without the consent of or notice to any of the Class B Members if the amendment does not have a material adverse effect on Class B Members.

Actions requiring consent of the Class B Members must be accomplished by written consent of the Class B Members holding the requisite Percentage Interest. Company meetings are not contemplated in the Agreement. If the Manager proposes a particular action, the Manager may request such consents, require that responses be provided within a specified period (not less than 15 days) and provide that failures to respond within the specified period will be deemed consents.

LIABILITY OF MEMBERS

It is provided in the Agreement that neither the Manager nor any Member will be liable personally for any of the debts or losses of the Company beyond the amount contributed by such Member to the Company, plus such Member's share of the undistributed profits of the Company. However, when a Member has received a Distribution from the Company or made a Withdrawal, the Member will be liable to return such amount to the Company to the extent that, immediately after giving effect to the Distribution or Withdrawal, the liabilities of the Company exceed the fair value of its assets (other than those assets subject to liabilities as to which recourse of creditors is so limited, to the extent of such liabilities).

MANAGER LIABILITY

Pursuant to the Agreement, the Company, the Manager, their non-regulated Affiliates and their principals are not liable to any Member or to the Company itself for any act or omission performed or omitted by any of them in good faith pursuant to the authority granted each of them in the Agreement. However, under securities laws, liabilities are imposed on issuers of securities, investment advisers and others under certain circumstances. Nothing in the Agreement will be deemed to represent a waiver or limitation of any right the Company or any Member may have under any of those laws. The Company has indemnified the Manager, the Advisor and their principals, members, directors, officers, agents and affiliates) for any loss, claim, damage, liability or expense ("losses") incurred by any of them on behalf of the Company or in furtherance of the Company's business unless the acts or failures to act that gave rise to those losses is found specifically and finally to have constituted gross negligence, fraud or a willful violation of the law. In addition, the Company must pay the expenses incurred by such persons in defending an administrative, civil or criminal action in advance of the final

disposition of such action, provided such persons undertake to repay such expenses if they are found specifically and finally, in a formal adjudication, not to be entitled to indemnification. *See* **Agreement Section 8.7.**

ARBITRATION

It is provided in the Agreement and Subscription Agreement that any dispute involving the Company, the Agreement or any subscription for Interests will be resolved by final and binding arbitration in the county and state in which the Manager maintains its principal office at the time of such dispute in accordance with the procedural rules of the Arbitration Association of America ("AAA") applying substantive Colorado law and any applicable substantive federal law. By signing the Agreements, each Member agrees to waive the right to seek remedies in court, including any right to a jury trial. Among other things, this means that discovery will not be permitted except as required by the AAA's Rules. No punitive damages or attorneys' will be awarded. A party's right to appeal or seek modification of any arbitration ruling or award is limited severely because any award in arbitration shall be final and binding. Judgment may be entered upon any arbitration award in any court of competent jurisdiction in the county and state in which the Manager maintains its principal office at the time the award is rendered or as otherwise provided by law.

REPORTS

Members receive an annual report within 120 days following the close of the Fiscal Year, or as soon thereafter as possible. Members will also receive quarterly updates from the Manager. For a more complete description of the books, records and reports made available or provided by the Company to the Members, ***See*** **Agreement Article 11.**

ADDITIONAL INFORMATION

The Manager is available to answer prospective investors' questions and will make available any additional information to the extent such information can be obtained without unreasonable effort or expense.

Prospective investors and/or their advisors are invited to communicate with the Manager at the office, or by telephone at the above telephone number, identified in the Directory.

EXHIBIT A

PRECIOUS METALS OPPORTUNITY FUND LLC

PRIVATE PLACEMENT MEMORANDUM

FORM OPERATING AGREEMENT

PRECIOUS METALS OPPORTUNITY FUND LLC

PRECIOUS METALS OPPORTUNITY FUND LLC

A Colorado Limited Liability Company

OPERATING AGREEMENT

The securities evidenced hereby have not been registered with the Securities and Exchange Commission (*"SEC"*) under the Securities Act of 1933, as amended ("*Securities Act*"), or registered or qualified under any state securities law. The securities may not be sold, pledged, hypothecated or otherwise transferred except pursuant to an effective registration statement under the Securities Act and qualification under applicable state securities laws, unless exemptions from such registration and qualification are available. In addition, other conditions on transfer contained in this Agreement must be satisfied.

GOLDEN RETURNS MANAGEMENT LLC
Manager

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OPERATING AGREEMENT

OF

PRECIOUS METALS OPPORTUNITY FUND LLC

This Operating Agreement (*"Agreement"*) of **Precious Metals Opportunity Fund LLC** (*"Company"*), a Colorado limited liability company, is made by and among **Golden Returns Management LLC** (*"Initial Member"*) and shall be effective as of June 23, 2008.

AGREEMENT

The Initial Member and the Members hereby enter into this Agreement to reflect and effectuate the foregoing and to cause the affairs of the Company and the relationship of the Members to the Company and to each other to be governed by the terms and provisions of this Agreement and the Colorado Limited Liability Company Act (§§7-80-101, *et seq*., C.R.S.), as it may be amended from time to time (*"LLC Act"*).

ARTICLE I

GENERAL PROVISIONS

1.1 ***Formation of the Company***. The Company was formed pursuant to the Colorado Act by the filing of Articles of Organization with the office of the Secretary of State of the State of Colorado on February 4, 2008. The Members hereby ratify such Articles filed with the office of the Secretary of State of the State of Colorado.

1.2 ***Company Name***. The name of this Company shall be **Precious Metals Opportunity Fund LLC**, and the business of the Company may be conducted under that name or such other trade name or names as may be approved for use by the Company pursuant to this Agreement.

1.3 ***Purposes.***

1.3.1 The purposes of the Company shall be to operate as a leveraged investment fund through which the Manager seeks to achieve appreciation measured on a "real" rate-of-return basis, *i.e.*, a positive total rate-of-return well in excess of adjustments for dollar depreciation and real inflation, and wealth preservation against a depreciating U.S. Dollar. The Company will accomplish these objectives by implementing both a leveraged investment in gold/silver bullion, other precious metals and acquisition and management of a portfolio of precious metals mining company stocks.

1.3.2 The Company may engage in any other lawful transaction as the Manager may determine from time to time. To that end, the Company may engage in any

activity or transaction that may be necessary, suitable or proper to accomplish or further such purposes.

1.4 ***Term.*** The Company came into existence on February 20, 2008, the date that the Certificate of Membership was filed as provided in the LLC Act, and shall terminate on February 20, 2058, unless earlier terminated as hereinafter provided or by operation of law.

1.5 ***Manager and Principal Office.*** The Manager of the Company is **GOLDEN RETURNS MANAGEMENT LLC** (*"Manager"*), a Colorado limited liability company. The principal place of business of the Company shall be located at 7564 S Elkhorn Mtn, Littleton, Colorado 80127, or at such other locations as may from time to time be determined by the Manager following prompt notification to the Members.

1.6 ***Agent.*** The Company will maintain within the State of Colorado an agent for service of process on the Company. The name of the registered agent is Philip A. Feigin, Rothgerber Johnson & Lyons LLP, 1200 17th Street, Suite 3000, Denver, Colorado 80202.

1.7 ***Offerings of Membership Interests***.

1.7.1 The Manager has the authority to cause the Company from time to time, at the expense of the Company or otherwise, to offer Membership Interests (*"Interest"*), including different Classes (*"Class"*) thereof, for sale by means of public or private offerings on a continuous basis or otherwise and, in connection therewith, to cause the Company to prepare and file such registration statements, disclosure documents, amendments and such other documents and agreements as the Manager shall deem advisable to offer and qualify such Interests for sale under the securities or other applicable laws of the United States and such states, districts, territories and possessions of the United States and such foreign countries as the Manager shall deem appropriate. The Manager, its Affiliates (*"Affiliates"*) or third parties may advance funds or incur expenses in connection with any such offering of Interests for which it, its Affiliates and such other persons shall be reimbursed by the Company, subject to any restrictions to which they may agree or that may be imposed by any applicable laws.

1.7.2 In connection with the issuance of any Class or any additional offering of any other Class, the Manager has the unilateral right and the authority, subject to **Section 9.4**, exercisable in its sole and absolute discretion upon written notice to the Members, to amend the provisions of this Agreement to the extent deemed necessary or advisable by the Manager to effect the offering and issuance of such additional Class to reflect the rights, obligations, liabilities, privileges, designations and preferences of such Class and to amend, modify, liberalize or restrict the terms and conditions upon which existing or additional Members may make Additional Capital Contributions (*"Additional Capital Contributions"*) to the Company or

may be admitted to the Company and the terms and conditions upon which existing or additional Members may redeem Interests.

ARTICLE II

CAPITAL CONTRIBUTIONS; ADMISSION OF NEW MEMBERS

2.1 ***Interests.*** Participation in the Company is represented by ownership of an Interest. The Manager's Interest is represented by a Class A Interest (*"Class A Interest"*) and, as of the date of formation, a Member's Interest is represented by a Class B Interest (*"Class B Interest"*). Interests may be issued by the Company in Classes, with each such Class bearing such rights, obligations, privileges, designations and preferences, including, without limitation, Advisory Fees (*"Advisory Fee"*), Profit Allocations (*"Profit Allocation"*), Withdrawal ("*Withdrawal"*) privileges and other differences, as the Manager shall determine in its sole and absolute discretion upon the issuance of such Class. When used herein without qualification, "Interest" includes all Classes of Interests, *pari passu*. Interests may, but need not, be evidenced by certificates.

2.2 ***Capital Contributions***. Each Member shall make an Initial Capital Contribution (*"Initial Capital Contribution"*) of **$100,000** to the capital of the Company, simultaneously with the execution of this Agreement. In consideration thereof, each Member shall be issued such Member's commensurate share of Class B Interests. Each Interest represents equivalent economic interests in the Company. All Capital Contributions (*"Capital Contributions"*) to the capital of the Company will be in the form of cash and/or cash equivalents; *provided* that the Manager may, in its sole discretion, consent to the contribution of securities. Any securities contributed will be valued, for purposes of crediting the contributing Member's Capital Account, in the Manager's discretion, but in no event higher than the value determined in accordance with **Section 3.1** as of the date contributed. The Manager may, in its sole discretion:

2.2.1 commence Company operations upon the Manager's Capital Contribution of $25,000;

2.2.2 establish as a policy of the Company that Initial and/or Additional Capital Contributions must exceed specified dollar amounts;

2.2.3 subject to **Section 9.4**, change the minimum Capital Contribution requirements from time to time;

2.2.4 subject to **Section 9.4**, otherwise modify the Company's policies regarding Capital Contributions; and

2.2.5 grant exceptions to any such policies and to the procedures and requirements for admission of Members and acceptance of Capital Contributions set forth below.

2.3 ***Additional Capital Contributions***.

2.3.1 No Member will be required to make any Capital Contribution beyond such Member's Initial Capital Contribution, but, except as otherwise provided in this Agreement, may do so voluntarily.

2.3.2 The Manager may require additional representations and warranties, together with supporting documentation, as a condition to accepting any Additional Capital Contribution, or refuse to accept all or any portion of any proposed Additional Capital Contribution. If the Manager accepts a proposed Additional Capital Contribution, the contributing Member will make available to the Company the cash or other property to be contributed prior to the first day of the subsequent Month (*"Month"*). Any such Additional Capital Contribution will be deemed for all purposes of this Agreement to have been made on such first day of the Month.

2.4 ***Admission of Members.*** Members may be admitted to the Company as of the beginning of any Month or as of any other time determined at the discretion of the Manager. Such admission will not require the consent of any existing Members. Each Member shall execute and deliver such documents as the Manager may require evidencing such Member's intent to be bound by all of the terms and conditions of this Agreement and any new Member shall execute and deliver this Agreement contemporaneously with such new Member's Capital Contribution.

2.5 ***Special Charges.*** If the Manager consents to a Member's contribution of securities to the Company, the Company may, in the Manager's discretion, assess a special charge against such Member equal to the actual costs incurred by the Company in connection with accepting such contributed securities, including the costs of liquidating such securities or otherwise adjusting the Company's portfolio to accommodate such securities. Such special charge will be assessed as of the date on which such securities are contributed.

2.6 ***No Interest.*** No Member will be entitled to interest on such Member's Capital Contribution or on such Member's Capital Account balance.

ARTICLE III

VALUE OF COMPANY ASSETS

3.1 ***Valuation of Assets.*** In determining the value of securities and other assets of the Company as of a particular date (*"Valuation Date"*), the methods set forth in this **Section 3.1** will be used.

3.1.1 Except as otherwise expressly provided in this Agreement, in determining the accounts of the Company for all purposes, the assets and liabilities of the Company shall be valued based upon the spot price for bullion and the last sales prices on the market or exchange that constitutes the principal market (or, if no sales are reported on the valuation date, the mean between the bid and asked prices) for such assets in accordance with generally accepted accounting principals, consistently applied under the accrual method of accounting, and the Company may, but shall not be required to, set up reasonable Reserves (*"Reserves"*) against doubtful accounts and contingent, undetermined and unliquidated liabilities.

3.1.2 Any other investments, assets and liabilities of the Company are assigned such fair value as the Manager may determine in its sole and absolute discretion.

3.1.3 If any of the price- or quotation-related information referred to in this **Section 3.1** is not available for a Valuation Date, the applicable information for the most recent preceding date for which such information is available will be used.

3.1.4 Any value otherwise than in U.S. Dollars is converted into U.S. Dollars using the exchange rate as published in the Wall Street Journal at the New York closing time as of that date, where available, or any other rate that the Manager in good faith deems appropriate having regard to any premium or discount that it considers may be relevant and to costs of exchange.

3.1.5 The Manager, in its sole and absolute discretion, may permit some other method of valuation to be used if it considers that such valuation reflects the fair value of any asset or liability.

3.2 ***Total Members' Equity*** (*"Total Members' Equity"*) is the total of all assets of the Company, including all cash, cash equivalents, all bullion and all securities (each valued at fair value), less the total of all liabilities of the Company. The Company will calculate Total Members' Equity as of the beginning of each Month and as of the end of each Month, (in each case, *"Determination Date"*), as follows:

3.2.1 Total Members' Equity as of the beginning of the first Month will equal 100% of all Capital Contributions made as of such Determination Date, reduced by the aggregate amount of amortized organizational expenses (*"Organizational Expenses"*) specially allocated to the Members *pro rata*;

3.2.2 **Net Income** (*"Net Income"*) in a Month will equal Total Income (*"Total Income"*) in the Month less Total Expenses (*"Total Expenses"*).

a. Realized and Unrealized Regular Gains will be computed monthly.

b. Tentative New Issue Gains (*"Tentative New Issue Gain"*) will be computed pursuant to **Section 4.4**.

c. Dividend and Interest Income and Expense will be accrued monthly.

d. the Advisory Fee will be accrued monthly.

e. the amount of any Distributions (*"Distribution"*) is a liability of the Company from the day the Distribution is declared until paid.

3.2.3 Total Members' Equity as of the end of the first Month of operations will equal the sum of:

a. Total Members' Equity as of the beginning of the Month; and

b. Net Income as of the end of the Month.

3.2.4 Total Members' Equity as of the end of any Month (other than the first Month) will equal the Total Members' Equity as of the end of the immediately preceding Month, with the following adjustments:

a. such amount will be ***reduced*** by the total amount of all Withdrawals made pursuant to **Article V** on the first day of the Month;

b. such amount will be ***increased*** by:

i. the amount of all Capital Contributions made as of the Determination Date, reduced by any amount specially allocated to the Members *pro rata*; and

ii. Net Income in the Month.

3.2.5 In determining Total Members' Equity, no value will be placed on the Company's records, files, statistical data, goodwill, name or on any similar intangible assets not normally reflected in the Company's accounting records.

3.2.6 Appropriate reasonable Reserves may be created, accrued and charged against Total Members' Equity for contingent liabilities (including contingent liabilities arising out of the Company's obligation to indemnify the Manager and the investment adviser (*"Advisor"*) to the Company and the Manager's and Advisor's employees, members, agents and Affiliates pursuant to **Section 7.17** as of the dates the Manager becomes aware of any such contingent liabilities. The Manager may increase or reduce any such Reserve from time to time.

3.2.7 For all purposes of this Agreement, amounts withheld directly from the Company on account of taxes will be treated as if such amounts had been received by the Company on the date of withholding and distributed to the Members on whose behalf such withholding is deemed made. In such event, the Manager will make such other adjustments in appropriate accounts as are consistent with this treatment.

3.2.8 The value of each security and other assets of the Company and the Total Members' Equity of the Company determined pursuant to this **Article III** will be conclusive and binding on all of the Members and all parties claiming through or under them absent bad faith or manifest error on the part of the Manager.

3.3 ***Total Members' Equity of each Class*** is the total of all assets of the Company allocable to such Class, including all cash, cash equivalents, all bullion and all securities (each valued at fair value), less the total of, Advisory Fees, Profit Allocations, Withdrawals and other obligations of the Company allocable to such Class. Except as otherwise determined by the Manager pursuant to this **Article III**, the portion of the Company's total assets and total liabilities allocable to each Class shall be determined by a fraction, the numerator of which shall be the aggregate amount of the Book Capital Account (*"Book Capital Account"*) balances of the Members holding Interests of such Class and the denominator of which shall be the aggregate amount of the Book Capital Account balances of all Members.

ARTICLE IV

ACCOUNTS AND ALLOCATIONS

4.1 ***Opening Accounts.*** The Company shall establish for each Member a Tax Capital Account (*"Tax Capital Account"*) for income tax purposes and a Book Capital Account for financial accounting purposes. The initial balance of the Tax Capital Account and the Book Capital Account for each Member shall be the Initial Capital Contribution made to the Company by such Member and shall be adjusted as provided in this **Article IV**. The following accounts will be established as to each Member (whether such Member is a Manager or a Class

B Member) on the books of the Company as of the date on which that Member makes an Initial Capital Contribution:

4.1.1 a Tax Capital Account;

4.1.2 a Book Capital Account; and

4.1.3 a Loss Carry forward Account (*"Loss Carry forward Account"*) with an initial balance of zero, to be adjusted subsequently pursuant to **Section 4.6.4**.

4.2 ***Adjustments to Book Capital Accounts***

4.2.1 Book Capital Accounts will be adjusted as of the close of business on:

a. the last business day of each Month;

b. if other than the last business day of a Month, the day on which an actual or deemed Distribution is made in cash or in kind or by Withdrawal or otherwise; and

c. if other than the last business day of a Month, the day on which any cash or other property is contributed to the Company.

4.2.2 When adjusted in the foregoing circumstances, the Book Capital Account of each Member shall be adjusted as follows:

a. the Total Members' Equity shall be determined in accordance with **Section 3.2**, without reduction for any Profit Allocation; and

b. each Member's *pro rata* share of any increase or decrease in Total Members' Equity as compared to the last determination of Total Members' Equity for purposes of this **Section 4.2** shall be determined and shall be credited or charged to the Book Capital Account of such Partner;

c. Advisory Fees shall be charged to the Book Capital Account of each Member at the end of each Month pursuant to **Section 7.9.3**; and

d. Profit Allocations, calculated after allocation of Advisory Fees, shall be allocated to the Book Capital Account of each Member at the end of each Quarter pursuant to **Section 4.6.**

4.3 ***New Issues.***

4.3.1 In its sole and absolute discretion, the Manager shall have the authority to cause the Company to participate from time to time, directly or indirectly, in securities that are part of an initial public distribution. Under Financial Industry Regulatory Authority (*"FINRA"*) Conduct Rule 2790, certain persons engaged in the securities, banking or financial services industries (and members of their family) (collectively, *"Restricted Persons"*) are restricted from participating in initial public offerings of equity securities (*"New Issues"*), subject to a *de minimus* exemption (*"de minimus Limit"*). To the extent that Members who are Restricted Persons own Interests in the Company in excess of the *de minimus* Limit, in addition to the Company's regular Capital Accounts, the Manager may establish at any brokerage firm one or more special securities trading accounts that is authorized to participate in New Issues (each, a *"New Issues Account"*). Participation in New Issues Accounts shall be limited to:

a. those Members who are not Restricted Persons; and

b. those Members who are Restricted Persons but only to the extent that such participation by Restricted Persons does not exceed the *de minimus* Limit. To the extent not prohibited in applicable FINRA rules, the Manager shall be entitled to receive its Profit Allocation with respect to any profits arising from New Issues trades.

4.3.2 In the event a New Issues Account is established, to effect a transaction in New Issues, the requisite funds will be transferred from the Company to the New Issues Account. Securities held in the New Issues Account will be held there until eventually they are sold. Upon the sale of New Issues, the proceeds in the New Issues Account will be transferred back to the Company's regular Capital Accounts. Any profits or losses resulting from securities transactions in the New Issues Account in any Month will be credited or debited to the Capital Accounts of Members participating in the New Issues Account *pro rata.* In the event the Company establishes one or more New Issues Accounts, the Manager shall be authorized to make an equitable adjustment to account for the fact that non-Restricted Members were receiving profits based in part on the capital of Restricted Members. Such adjustment may, in the sole and absolute discretion of the Manager, and to the extent not prohibited in rules of FINRA, consist of:

a. assessing an interest charge in favor of the Restricted Members to the Capital Accounts of non-Restricted Members in an amount deemed appropriate to compensate the Company for the use of capital by non-Restricted Members in connection with New Issue trades; or

b. such other adjustment as the Manager considers equitable and is not inconsistent with FINRA rules.

4.3.3 In the event FINRA adopts amendments to its New Issue rules, the Manager is authorized to amend this Agreement without the consent of the Members to conform to such amendments, including, but not limited to, providing for a greater participation by Restricted Persons in the New Issues Account to extent permitted by such new rules.

4.4 ***Tentative New Issue Gain*** for a Member in a Month will be the sum of Tentative New Issue Gains for each New Issue held by the Member during the Month. The Tentative New Issue Gain for each New Issue will be equal to the product of the Book Gain for that New Issue and the Member's Tentative Share of New Issue Gain for that New Issue.

4.4.1 The Tentative Share of New Issue Gain for each New Issue held in a New Issue Account during a Month will be:

a. for each non-Restricted Member as to such New Issue, the proportion, expressed as a percentage, that the amount of such Member's Book Capital Account balance bears as of the beginning of that Month to the total of the Capital Account balances of all non-Restricted Members as to such New Issue (after giving effect to the adjustments); and

b. for each Restricted Member as to such New Issue, zero.

4.4.2 The Book Gain for a New Issue held in a New Issue Account during any Month will be determined by subtracting:

i. the value of such New Issue as of the later of:

A. the beginning of such Month; or

B. the date such New Issue was acquired;

from

ii. the value of such New Issue as of the earliest of:

A. the end of such Month; or

B. the time such New Issue was disposed of by the Company; or,

C. the date such New Issue was otherwise transferred out of such New Issue Account.

4.4.3 If any securities comprising a New Issue are removed from a New Issue Account by sale, the value of such securities as of the time of such removal shall be equal to the proceeds of such sale, reduced by all brokerage commissions and other expense incurred in effecting such sale. For each Month, the Members' percentage shares of New Issue Gain as to each New Issue that was held in the New Issue Account during such Month, for purposes of tentative allocations to Capital Accounts, will equal their respective New Issue Percentages as to such New Issue at the beginning of such Month. For each Month, the share of New Issue Gain as to each New Issue that was held in a New Issue Account during that Month, that will be allocated to, and will be the basis for adjustments to, Interim Accounts, shall be the Interim Account New Issue Percentage as to such New Issue at the beginning of such Month.

4.5 ***Special Allocations.***

4.5.1 **Withdrawal Costs**. If securities are liquidated, distributed in kind or segregated in a separate account to effectuate any Withdrawal pursuant to **Article V** [other than a Mandatory Withdrawal (*"Mandatory Withdrawal"*)], the Company's cost of selling or transferring such securities will be specially allocated after the Effective Time (*"Effective Time"*) of such Withdrawal to the Book Capital Account of the withdrawing Member to whom such Withdrawal is charged, except to the extent the Manager determines, in its sole discretion, to waive such special allocation in whole or in part.

4.5.2 **Reserves**. The amount of any Reserve described in **Section 3.2.6**, or any increase or decrease therein, may, in the Manager's sole discretion, be specially allocated to the Book Capital Accounts of those persons who were Members at the time (as determined by the Manager in its sole discretion) of the event giving rise to the contingent liability for which the Reserve was established, in proportion to their respective Company Percentages at the beginning of the Month during which such event occurred.

4.5.3 **Other Special Costs**. Any expenditures payable by the Company, to the extent determined by the Manager to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, fewer than all of the Members, may, in the Manager's discretion, be charged only to those Members on whose behalf such payments are made or whose particular circumstances gave rise to such payments.

4.6 ***Profit Allocation.***

4.6.1 As holder of the Class A Interest, in the circumstances described herein, the Manager is allocated a Profit Allocation equal to **20%** of the amount (*"Quarterly Appreciation"*), if any, by which a qualifying Member's Book Capital Account increased in value, after adjustment for the Advisory Fee but before the Profit Allocation, over the value of such Member's Book Capital Account as of the end of the immediately preceding Quarter

(*"Quarter"*). The Manager will also be allocated a Profit Allocation upon any Withdrawal at other than a Quarter-end, as to amounts withdrawn. Only those Members meeting the qualifications of a "qualified client" as that term is defined in Rule 205-3(d)(1) promulgated under the Investment Advisers Act of 1940, as amended, are assessed a *pro rata* share of any Profit Allocation.

4.6.2 Interpretation and Amendment. The Manager may, in its discretion, without the consent of the other Members, waive or delay the effectiveness of any Profit Allocation as to any Member, in each case to the extent necessary or appropriate to conform to the Profit Allocation to any applicable requirements of federal or state law.

4.6.3 Loss Carryforward Account. This account is the record maintained for each Member in which any Quarterly losses are aggregated and applied to current Quarterly Appreciation to determine if Profit Allocation is due to the Manager, and if so, the amount of any Profit Allocation.

4.6.4 After giving effect to any balance in such Member's Loss Carryforward Account, the Profit Allocation is equal to 20% of Quarterly Appreciation.

4.6.5 Adjustment of Loss Carryforward Accounts; "High Water Mark." Adjustments applied pursuant to this **Section 4.6.5** may result in a zero Loss Carryforward Account balance, but not a negative Loss Carryforward Account balance. The purpose of the Loss Carryforward Account is to ensure that Profit Allocations are only allocated to the extent a Member's Book Capital Account balance exceeds the "high water mark" for that Member. The "high water mark" is the highest past Quarter-end Book Capital Account balance, after accounting for any Withdrawals, Distributions and Additional Capital Contributions. Loss Carryforward Accounts will be adjusted at the end of each Quarter as follows:

a. ***increased*** by any amounts specially allocated pursuant to **Section 4.5** to such Member for such Quarter; and

b. ***decreased*** by:

i. the amount of Net Income (or loss) allocated pursuant to **Sections 4.2** and **4.4** to such Member for such Quarter; and

ii. the product of:

A. the amount of any Distribution effective during the Quarter, expressed as a percentage (%) of the Book Capital Account at the beginning of the Quarter; and

B. the Loss Carryforward account balance as of the beginning of the Quarter.

4.6.6 Except as modified in this **Section 4.6**, the Profit Allocation of the Quarterly Appreciation shall be debited at the end of a Quarter from the Book Capital Account of the Member and credited to the Manager.

4.7 ***Adjustments to Tax Capital Accounts.*** The initial balance of the Tax Capital Account of each Member shall be:

4.7.1 ***increased*** by:

a. any cash and the fair value of other property contributed to the Company by such Member in addition to such Member's Initial Capital Contribution;

b. the distributive share of Company taxable income of such Member; and

c. the distributive share of Company income of such Member exempt from Federal income taxation; and

4.7.2 ***decreased*** by:

a. the amount of cash and the adjusted basis of other property distributed to such Member;

b. the distributive share of Company taxable losses of such Member (including capital losses); and

c. the distributive share of Company expenditures of such Member [including expenditures described in Section 705(a)(2)(B) of the Internal Revenue Code ("*Code*")].

4.8 ***Allocation of Tax Profit and Loss.*** Subject to **Section 4.11**, all items of income, gain, loss and deduction [including items of income or gain that are not subject to Federal income taxation and expenditures described in Code Section 705(a)(2)(B)] shall be allocated among the Members for each Fiscal Year of the Company as follows:

4.8.1 Ordinary Income and Ordinary Expense that properly relate to a Month under the Company's method of accounting shall be allocated among all Members in proportion to the balance in each Member's Book Capital Account as of the beginning of the Month in which they were earned or incurred; and

4.8.2 After all adjustments to Book Capital Accounts under **Section 4.2** have been made for the Fiscal Year of the Company and after all the allocations under **Section 4.2** for the Fiscal Year of the Company have been made, the extent to which a Member's Book Capital Account exceeds its Tax Capital Account ("Positive Disparity") or the extent to which a Member's Tax Capital Account exceeds its Book Capital Account ("Negative Disparity") shall be determined. Capital Gain and Capital Loss shall then be allocated as follows:

a. Capital Gain shall be allocated to each Member that withdrew any or all of its Interest during such Fiscal Year to the extent of the Positive Disparity of such Member in the ratio that such Positive Disparity bears to the total Positive Disparity of all Members that withdrew all of their Interests during such Fiscal Year. Capital Gain remaining after such allocation shall be allocated to all other Members to the extent of each such Member's Positive Disparity in the ratio that such Positive Disparity bears to the total remaining Positive Disparity of all such Members.

b. Capital Loss shall be allocated to each Member that withdrew any or all of its Interest during such Fiscal Year to the extent of the Negative Disparity of such Member in the ratio that such Negative Disparity bears to the total Negative Disparity of all Members that withdrew all of their Interests during such Fiscal Year. Capital Loss remaining after such allocation shall be allocated to all other Members to the extent of such Member's Negative Disparity in the ratio that such Negative Disparity bears to the total remaining Negative Disparity of all such Members.

c. If after the foregoing allocations under **Sections 4.8.2.a** and **b.**, there remains Capital Gain or Capital Loss to be allocated, all remaining Net Capital Gain or Net Capital Loss, as the case may be, shall be allocated among all Members with Interests remaining in the ratio that each such Member's Book Capital Account balance bears to the balance of the Book Capital Accounts of all such Members.

4.8.3 Notwithstanding the foregoing provisions of this **Article IV**, if any allocation would produce a deficit in the Book Capital Account or Tax Capital Account of any Member, the portion of such allocation that would create such deficit shall instead be allocated to the Book Capital Account or Tax Capital Account, as applicable, of the Manager.

4.9 ***Distributive Share for Tax Purposes*****.** Items of Company gain or loss recognized for income tax purposes and arising from securities will be allocated among the Members in accordance with the methods set forth in Section 1.704-3(e)(3) of the regulations promulgated under Code Section 704(c). All other items of income, deduction, gain, loss or credit that are recognized for income tax purposes will be allocated among the Members *pro rata* as of the beginning of the Quarter to which such items are attributable. Notwithstanding the foregoing,

after consultation with tax accountants and/or counsel, the Manager may, without the consent of any other Member:

4.9.1 alter the allocation of any item of taxable income, gain, loss, deduction or credit in any specific instance where the Manager, in its sole discretion, determines such alteration to be necessary or appropriate to produce a more equitable result, *e.g.,* specially allocating items of gain (or loss) to Members who withdraw capital during any Fiscal Year ("*Fiscal Year*") in a manner designed to ensure that each withdrawing Member is allocated gain (or loss) in an amount equal to the difference between that Member's Book Capital Account balance at the time of the Withdrawal and the tax basis for such Member's Interest at that time); or

4.9.2 adopt such other method of allocating tax items as the Manager determines is consistent with the spirit and intent of the regulations under Code Sections 704(b) and (c).

4.10 ***Special Allocations to Persons Who Are No Longer Members.*** If the application of **Section 4.4** results in any amount being allocated to a person that is no longer a Member, such person is obligated to pay such amount to the Company, upon demand by the Manager, in cash, with interest from the date on which the Manager determines that such charge is required, at a floating rate determined by the Manager equal to the "reference rate" published from time to time by Bank of America N.T. & S.A. *provided* that:

4.10.1 in no event will a former Member be obligated to make a payment exceeding the amount of such former Member's Book Capital Account balance as of the end of the Quarter during which the event giving rise to the charge occurred (as determined by the Manager in its sole discretion);

4.10.2 no such demand will be made more than four years after such person ceased to be a Member; and

4.10.3 the Manager may, by agreement with a Member, on behalf of the Company, waive the right to recover such amounts from such Member.

4.10.4 To the extent that the Company fails to collect, in full, any amount that would have been allocated pursuant to **Section 4.4.1** or **4.4.2** to a former Member, whether due to the expiration of the applicable limitation period or for any other reason whatsoever, the amount of the deficiency will be reallocated to the Book Capital Accounts of those Members that were Members as of the time the event giving rise to the charge occurred *pro rata* to their respective Company Percentages at the beginning of the Quarter during which such event occurred.

4.11. ***Special Tax Allocations ("Regulatory Allocations")***. The following Regulatory Allocations shall be made in the following order:

4.11.1. Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(f), notwithstanding any other provision of this **Section 4.11**, if there is a net decrease in Fund Minimum Gain [as defined in Treasury Regulations Sections 1.704-2(b)(2) and (d)] during any Fiscal Year, each Member shall be specially allocated items of Fund income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in the manner provided in Treasury Regulations Section 1.704-2(f). This **Section 4.11.1** is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

4.11.2. Member Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this **Section 4.11**, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt [as defined in Treasury Regulations Section 1.704-2(b)(4)] during any Fund Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Fund income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in the manner provided in Treasury Regulations Section 1.704-2(i)(4). The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and (j)(2). This **Section 4.11.2** is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

4.11.3. Qualified Income Offset. In the event any Class B Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulation Section 1.704-1(b)(2), items of Company income and gain shall be specially allocated to such Class B Member in an amount and manner sufficient to eliminate, to the extent required under the Treasury Regulations, the Adjusted Capital Account Deficit of such Class B Member as quickly as possible; provided that an allocation pursuant to this **Section 4.11.3** shall be made only if and to the extent that such Class B Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this **Article IV** have been tentatively made as if this **Section 4.11.3** were not in the Agreement. This **Section 4.11.3** is intended to comply with the qualified income offset requirement in Treasury Regulations Section 1.704-1(b)(2) and shall be interpreted consistently therewith.

4.11.4. Nonrecourse Deductions. Nonrecourse Deductions [as defined in Treasury Regulations Section 1.704-2(b)(1)] for any Fiscal Year shall be allocated to the Members in the manner described in Treasury Regulations Sections 1.752-3 and 1.704-2 for each Fiscal Year.

4.11.5. Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of losses with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(I).

4.11.6. Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Fund asset pursuant to Code Section 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m)(2) or (iii)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Class B Member in complete liquidation of its Class B Interest, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Treasury Regulations.

4.12 ***Curative Effect***. The Regulatory Allocations set forth in **Section 4.11** are intended to comply with certain requirements set forth in the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Fund income, gain, losses or deduction pursuant to this **Section 4.12**. Therefore, notwithstanding any other provision of this **Article IV** (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Fund income, gain, losses or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Member's Tax Capital Account balance is, to the extent possible, equal to the Tax Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Fund items were allocated pursuant to **Section 4.5**. In exercising its discretion under this **Section 4.12**, the Manager shall take into account future Regulatory Allocations under **Sections 4.11.1 and 4.11.2** that, although not yet made, are likely to offset other Regulatory Allocations previously made.

4.13 ***Tax Withholding*****.** To the extent the Company is required by law to withhold or to make tax payments on behalf of or with respect to any Member ("Tax Advances"), the Manager may cause the Company to withhold such amounts and make such tax payments as so required. All Tax Advances made on behalf of a Member shall, at the option of the Manager:

4.13.1 preferably, be paid promptly to the Company by the Member on whose behalf such Tax Advances were made; or

4.13.2 as a less preferable alternative, reduce any current Withdrawal being made by such Member, or, if no such Withdrawal is being made by such Member, be treated as

a Distribution to such Member as of the last day of the Quarter that includes the date the Tax Advance was remitted by the Company to the taxing authorities.

4.13.3 If the Member pays the Company as provided in **Section 4.13.1,** from the date ten days after the receipt by the Member on whose behalf the Tax Advance was made of notice of the Tax Advance, the Tax Advance will bear interest at the highest rate permitted by law until repaid.

4.13.4 Whenever the Manager acts as described in **Section 4.13.2**, for all other purposes of this Agreement, the Member on whose behalf the Tax Advance was made will be treated as having received the full amount of such Withdrawal, unreduced by the amount of such Tax Advance.

4.13.5 No Liability Regarding Tax Advances. By executing this Agreement, each Member hereby agrees to indemnify and hold harmless the Company and the Manager from and against any liability with respect to Tax Advances required on behalf of or with respect to such Member. Further, each Member hereby agrees promptly to give to the Manager or the Company any true certification or affidavit that the Manager may request in connection with this **Section 4.13**.

4.14 ***Distributions.*** The Manager may, but is not required to, make Distributions to Members at such times and in such amounts as it deems appropriate in its sole discretion. In the Manager's discretion, any Distribution may be made in U.S. Dollars, bullion or both.

ARTICLE V

WITHDRAWALS OF CAPITAL

5.1 ***Partial Withdrawal***. After the first anniversary of a Capital Contribution by a Member, that Member may make a Partial Withdrawal from such Member's Capital Account in accordance with the following procedures and limitations, unless the Manager consents (which consent may be granted or withheld in its sole and absolute discretion) to a deviation from one or more of such procedures or limitations. The Effective Date of a request for Partial Withdrawal is the date the request is received by the Manager.

5.1.1 Notice.

a. Such Member must give the Manager notice of the request for Partial Withdrawal no later than the first business day of May of a Fiscal Year for Withdrawal for payment as of June 30 of that Fiscal Year, and no later than the first business day of November of a Fiscal Year for payment as of December 31st of that Fiscal Year.

b. The Manager may, in its sole discretion, cause the Company to honor a request for Partial Withdrawal received *after* the first business day of May of a Fiscal Year for Withdrawal for payment as of June 30 of that Fiscal Year, or *after* the first business day of November of a Fiscal Year for payment as of December 31st of that Fiscal Year as if submitted in a timely manner, but the Manager will not be obligated to do so and may decline to do so in its sole discretion.

c. In considering whether to honor a request for Partial Withdrawal, the Manager shall take into account the impact such Withdrawal could have on the Company's status as other than a publicly traded Company within the meaning of Code Section 7704.

5.1.2 Limits. A Member may not make a Partial Withdrawal to the extent it would reduce such Member's Capital Account to less than $500,000 or such greater amount as the Manager may specify as applicable to Members generally.

5.1.3 Payment. Except as otherwise provided below, any Partial Withdrawal will be distributed as follows:

a. if proper notice of such Withdrawal is received by the Manager as provided in **Section 5.1.1.a.**, payment will be made no later than July 15th in the case of a May request, or January 15th in the case of a November request; and

b. if proper notice of such Withdrawal is not received by the Manager, as described in **Section 5.1.1.b.,** unless the Manager, in its sole discretion, agrees to an earlier date, payment will be made within 15 days after the end of the immediately succeeding Half-Year, as may be, after reconciliation of valuations and allocations as of the end of such Half-Year.

c. Payment for Partial Withdrawals from a Member's Capital Account will be made without any interest from the Effective Date to the date of Distribution.

d. The Manager may delay payment of a Distribution of an amount per a granted request for Withdrawal if the Manager determines in good faith that such Withdrawal would have a substantial adverse impact on the Company. In such case, the Company may defer making payment to such Member for up to 90 days following the end of the Half-Year in which payment was due, and without any interest.

5.2 ***Complete Withdrawals***.

5.2.1 After the first anniversary of the last Capital Contribution by a Member, that Member may make a Complete Withdrawal of the amount in such Member's Capital Account in accordance with the following procedures and limitations, unless the Manager

consents (which consent may be granted or withheld in its sole and absolute discretion) to a deviation from one or more of such procedures or limitations. The Effective Date of a request for Complete Withdrawal is the date the request is received by the Manager. Any Member requesting a Complete Withdrawal will not be considered a Member for any purpose after the Effective Time of such Withdrawal. A request for Partial Withdrawal that would reduce a Member's Capital Account Balance to less than $100,000 will be construed as a request for Complete Withdrawal. Further, a request for Withdrawal of 90% or more of a Member's Capital Account balance will also be construed as a request for Complete Withdrawal.

5.2.2 Notice.

a. Such Member must give the Manager notice of the request for Complete Withdrawal no later than the first business day of May of a Fiscal Year for Withdrawal for payment as of June 30 of that Fiscal Year, and no later than the first business day of November of a Fiscal Year for payment as of December 31st of that Fiscal Year.

b. The Manager may, in its sole discretion, cause the Company to honor a request for Complete Withdrawal received *after* the first business day of May of a Fiscal Year for Withdrawal for payment as of June 30 of that Fiscal Year, or *after* the first business day of November of a Fiscal Year for payment as of December 31st of that Fiscal Year as if submitted in a timely manner, but the Manager will not be obligated to do so and may decline to do so in its sole discretion.

c. In considering whether to honor a request for Complete Withdrawal, the Manager shall take into account the impact such Withdrawal could have on the Company's status as other than a publicly traded Company within the meaning of Code Section 7704.

5.2.3 Payment.

a. If proper notice of such Complete Withdrawal is received by the Manager as provided in **Sections 5.2.1 and .2**, 90% of the amount estimated by the Manager to be the amount to which the withdrawing Member is entitled will be paid to the withdrawing Member no later than July 15th in the case of a May request, or January 15th in the case of a November request.

b. If proper notice of such Withdrawal is not received by the Manager as provided in **Section 5.2.1 and .2,** unless the Manager, in its sole discretion, agrees to an earlier date, 90% of the amount estimated by the Manager to be the amount to which the withdrawing Member is entitled will be paid to the withdrawing Member will be made within 15 days after the end of the immediately succeeding Half-Year, as may be, after reconciliation of valuations and allocations as of the end of such Half-Year.

c. As to the remaining 10%, the Manager has the discretion to delay Distribution of this amount until 30 days after the completion of the Company's next calendar-year audit, without any interest.

5.3 ***Limitation on Withdrawals.*** The Manager reserves the right to limit total Withdrawals in any Half-Year to 20% of Total Members' Equity. If the total of Withdrawals requested, with proper notification time, from Members in any Half-Year exceeds 20% of Total Members' Equity, the Manager will allocate the Withdrawals on a *pro rata* basis applied to the total of requested Withdrawals, provided that each Member's Withdrawal request will be counted, for the purposes of the *pro rata* Distribution, at the lesser of 20% of their Book Capital or the actual Withdrawal amount requested. Requests for Withdrawal that are deferred due to such limitation may be revoked by the withdrawing Member, and if not revoked, will be given priority at subsequent Withdrawal Dates. In the interim, all of the remaining capital in such Member's Capital Account (including the capital subject to such deferred Withdrawal request) shall remain subject to the performance of the Company.

5.4 ***Mandatory Withdrawals.*** The Manager may, in its discretion, cause a Partial or a Complete Withdrawal from a Member's Capital Account by giving notice to the Member, if the Manager determines or has reason to believe that:

5.4.1 such Member has transferred or attempted to transfer any portion of such Member's Interest in violation of the provisions of **Article VI**, or beneficial ownership of such Member's Interest has vested in any other person by reason of such Member's bankruptcy, dissolution, incompetence or death;

5.4.2 such Member's continued ownership of the Member's Interest may cause the Company to be in violation of, or require registration of any Interest under, or subject the Company, the Manager or Advisor to additional regulation under, the securities or commodities laws of the United States or any other relevant jurisdiction or the rules of any self-regulatory organization;

5.4.3 such Member's continued ownership of the Member's Interest may be harmful or injurious to the business or reputation of the Company, the Manager or the Advisor, or may subject the Company or any Member to risk of adverse tax or other fiscal consequences (including adverse consequences under ERISA);

5.4.4 any of the representations and warranties made by such Member in connection with the acquisition of the Member's Interest were not true when made or have ceased to be true; or

5.4.5 it is otherwise in the best interests of the Company, as determined in the sole discretion of the Manager, to mandate such a Withdrawal.

5.4.6 Effective Date of Mandatory Withdrawal. The Effective Date of any Mandatory Withdrawal will be:

a. the end of the day on which the notice of such Withdrawal is given; or

b. such later time as the Manager may specify.

c. As to any Member who has died, become bankrupt, insolvent or incompetent, as of the end of the Half-Year in which such Member died, became insolvent or incompetent, or entered bankruptcy proceedings, regardless of whether the end of such period is earlier than the date on which the notice of such Withdrawal is given.

5.5 ***Limitations.***

5.5.1 The Manager may, in its discretion, suspend or restrict the right of any Member to make a Partial or Complete Withdrawal at any time when:

a. any such Withdrawal would cause a termination of the Company within the meaning of Code Section 708 (*i.e.*, sale or exchange of 50% or more of the total interest in Company capital and profits acts to terminate the Company for that tax year for tax purposes, causing the Company to incur significant accounting costs in reporting and recommencing business);

b. any securities exchange or organized interdealer market on which a significant portion of the Company's portfolio securities is regularly traded or quoted is closed (otherwise than for holidays) or trading thereon has been restricted or suspended;

c. the Manager reasonably and in good faith determines that disposal of any assets of the Company or other transactions involving the sale, transfer or delivery of funds, securities or other assets in the ordinary course of the Company's business is not reasonably practicable without being detrimental to the interests of the withdrawing or remaining Members;

d. the Manager reasonably and in good faith determines that it is not reasonably practicable to make an accurate and timely determination of the Total Members' Equity of the Company without being detrimental to the interests of the withdrawing or remaining Members;

e. the Manager determines, in consultation with its tax advisors, that the Withdrawal could result in the Company being treated as a publicly traded Company

within the meaning of Code Section 7704 (if there have been frequent purchases and sales of Interests); or

f. any event has occurred that calls for the termination of the Company.

5.5.2. The Manager will promptly notify each Member who has submitted a request for Withdrawal and to whom payment in full of the amount being withdrawn has not yet been remitted of any such suspension or restriction of Withdrawal rights pursuant to this **Section 5.5**. In such event, the Manager may allow any such Members to rescind their request for Withdrawal to the extent of any portion thereof for which Withdrawal proceeds have not yet been remitted. The Manager shall, in its discretion, complete any Withdrawals as of a date after the cause of any such suspension or restriction has ceased to exist.

5.5.3 Payment on Mandatory Withdrawal. The amount to which the withdrawing Member is entitled will be paid to the withdrawing Member as soon as practicable following notice of Withdrawal.

5.6 ***Manner of Payment***. The Company may make payments in cash, bullion and/or securities (with such mix and the selection of such securities to be determined in the sole discretion of the Manager), with all Members receiving payment in the Quarter receiving the same proportions of cash, bullion and securities. Actual costs arising out of the liquidation or transfer of bullion or securities necessary to effect any such Withdrawal will be specially allocated to the withdrawing Member in accordance with **Section 4.3**.

5.6.1 If all or any portion of any payment is made in bullion, the Manager will give instructions to transfer such bullion on or before the due date of such payment, and such bullion will be valued in accordance with **Section 3.1** as of the date on which the Manager issues such instructions.

5.6.2 If all or any portion of any payment is made in securities, the Manager will give instructions to transfer such securities to the transfer agent for such securities on or before the due date of such payment, and such securities will be valued in accordance with **Section 3.1** as of the date on which the Manager issues such instructions.

5.6.3 The Manager shall have discretion to manage the Company's assets after receipt of a Member's request for Withdrawal in a manner intended to result in cash being available for Distribution to such Member in connection with such Withdrawal, but the Manager shall not be obligated to liquidate Company assets if the Manager, in its sole discretion, determines not to do so, either because such liquidation might, in the Manager's judgment, be detrimental to the interests of the remaining Members or for other reasons. Any Profit Allocation or Advisory Fee accrued as of the Effective Date of the Withdrawal will be

adjusted so that it is based on the Net Income (if positive) realized by such Member after the sale of such assets.

ARTICLE VI

TRANSFERS OF MEMBERSHIP INTERESTS

6.1 ***Restrictions.*** Except as otherwise set forth in this Agreement, the Interest of a Member (or any portion thereof) may not be sold, assigned, exchanged, transferred or encumbered, whether voluntarily, by operation of law, at a judicial sale or otherwise, without first:

6.1.1 obtaining the consent of the Manager, which consent may be withheld in the Manager's sole and absolute discretion; and

6.1.2 complying with the provisions of **Section 6.2**.

6.2 ***Other Conditions to Transfer.*** In addition to the consent requirement set forth in **Section 6.1**, the Manager also may require a Member seeking to effect a Transfer (*"Transfer"*) to provide the following:

6.2.1 a written acknowledgement, executed by the Transferee, that such Transferee will be bound by and subject to the terms and conditions of this Agreement;

6.2.2 all other documents or instruments that the Manager may deem necessary or desirable in connection with the Transfer, including an opinion of counsel satisfactory to the Manager concerning securities, tax, and/or regulatory matters; and

6.2.3 any costs, if any, incurred by the Company in connection with effecting such Transfer, including reasonable legal fees.

6.3 ***Effect of Violation.*** Any purported Transfer in violation of this **Article VI** will be null and void and will not bind or be recognized by the Company.

6.4 ***Admission of Substitute Members.*** No Transferee (*"Transferee"*) of a Member's Interest will be admitted to the Company as a Substitute Member (*"Substitute Member"*) without the consent of the Manager. Furthermore, no Transferee will be considered admitted as a Substitute Member unless and until such assignee executes and delivers to the Manager such number of counterpart signature pages to this Agreement as the Manager may require, which the Manager also will execute.

6.5 ***Rights of Transferee.*** Unless and until a Transferee of a Member's Interest is admitted to the Company as a Substitute Member pursuant to **Section 6.4**, the rights of such

Transferee will be limited to such Transferee's share of all allocations of profit and loss (and any items thereof) and all Distributions, if any.

6.6 ***Effective Date of Transfer.*** Any Transfer of a Member's Interest made in compliance with this **Article VI** will be effective as of the close of business on the day on which all required documentation has been received and accepted by the Manager if such day is the first day of a Quarter and, if not, on the first day of the next succeeding Quarter.

6.7 ***Allocations between Transferor and Transferee.*** In the case of any Transfer, the Transferee will succeed to the Capital Account and Loss Carryforward Account of the transferring Member (*"Transferor"*). The Manager shall create an Interim Account (*"Interim Account"*) on behalf of the Transferee in which all assets and liabilities that will accrue to the Transferee when admitted as a Substitute Member will be held from date of notice until date of admission. For purposes of allocating items pursuant to **Section 4.7,** profit and loss (and any items thereof) allocable in respect of that Interest will be prorated between the Transferor and the Transferee on the basis of the number of days in the Quarter that each was the holder of that Interest without regard to the performance of the Company's assets during the Quarters before and after the effective date of the Transfer, unless the Transferor and the Transferee agree to an allocation based on the performance of the Company's assets as of the effective date of the Transfer (or any other method permissible under the Code) and agree to reimburse the Company for the cost of making and reporting any such allocation.

ARTICLE VII

MANAGER

7.1 ***Management.*** Subject to the limitations of this Agreement, the Manager shall have full, exclusive and complete control of the management, operations and policies of the Company and the Company's affairs for the purposes herein stated and shall make all decisions affecting Company affairs, including the power to enter into contracts with third parties (including the Manager's Affiliates) for investment advisory services, brokerage services, administrative services, custodial services and other services. Such services also may be performed by the Manager or its Affiliates at rates that may exceed the lowest rates that might otherwise be available to the Company. If any arrangement is made with any Affiliate of the Manager, it shall be on terms no less favorable to the Company than those that could be obtained from an independent third party performing the same services. The Manager may take such other actions as it deems in the best interests of the Company or necessary or desirable to manage or promote the business of the Company, including, but not limited to, the following:

7.1.1 to purchase, repurchase, hold, sell (including short selling), loan, possess, transfer, mortgage, borrow, pledge, re-pledge, acquire, dispose of and exercise all rights,

powers, privileges and other incidents of ownership or possession with respect to, precious metals, securities and other instruments and investments;

7.1.2 to hold the assets of the Company not so invested or uninvested;

7.1.3 to lend and borrow money and securities on a secured or unsecured basis to or from banks, broker-dealers, financial institutions or other persons provided that any money borrowed shall not exceed three times the amount of Total Members' Equity at the time of the lending or borrowing;

7.1.4 to open and trade in margin accounts with brokers-dealers or other financial institutions or persons;

7.1.5 to open, maintain and close bank accounts;

7.1.6 to sign checks;

7.1.7 to pay or authorize the payment of Distributions to the Members and of liabilities of the Company such as investment advisory fees, Profit allocations, brokerage commissions and other transaction expenses, custodial fees, legal and accounting fees, registration and other fees of governmental agencies and other fees and expenses; and

7.1.8 generally, to act for the Company in all matters incidental to the foregoing, including the preparation and filing of all Company tax returns and the making of such tax elections and determinations as appear to it appropriate.

7.2 For purposes of Code Sections 6221, *et seq*., the Manager will be the "Tax Matters Partner" and will have all the authority granted in the Code to the Tax Matters Partner, including the authority, without the Consent of any other Member, to do all of the following:

7.2.1 enter into a settlement agreement with the Internal Revenue Service that purports to bind the other Members;

7.2.2 file a petition as contemplated in Code Section 6226(a) or 6228;

7.2.3 intervene in any action as contemplated in Code Section 6226(b)(5);

7.2.4 file any request contemplated in Code Section 6227(b); or

7.2.5 enter into an agreement extending the period of limitations as contemplated in Code Section 6229(b)(1)(B);

7.3 ***Right of Others to Rely on Authority of Manager.*** The execution and delivery of any contract or instrument described in **Section 7.1**, or the taking of any action described in **Section 7.1**, by the Manager will be sufficient to bind the Company, and will not require the consent of any Member.

7.4 ***Authority to Delegate.*** The Manager may execute any power granted, or perform any duty imposed, in this Agreement either directly or through agents, including its Affiliates. The Manager may consult with counsel, accountants, appraisers, management consultants, investment bankers and other consultants reasonably selected with due care by the Manager. An opinion by any consultant on a matter that the Manager believes to be within such consultant's professional or expert competence will be full and complete protection for any action taken or omitted by the Manager in good faith based on the opinion. The Manager is not be responsible for the misconduct, negligence, acts or omissions of any consultant or of any agent or employee of the Company, the Manager, or any of the Manager's Affiliates, except that the Manager must use due care in selecting such persons.

7.5 ***Other Business.***

7.5.1 Nothing in this Agreement shall be deemed to preclude the Manager or its Affiliates from directly or indirectly purchasing, selling or holding bullion or securities, whether as principal, agent, broker-dealer, or engaging in any other bullion or securities-related activities or transactions for the account of any other person or enterprise or for their own account, regardless of whether the Company also has purchased or sold such bullion or securities or has engaged in similar transactions in bullion or securities. The Members shall not have the right by reason of their status as such to participate in any manner in any profits or income earned or derived by or accruing to the Manager or its Affiliates from any transaction effected by any such person or from the conduct of any business other than that of the Company.

7.5.2 The activities and services of the Manager under this Agreement are not exclusive, and nothing contained in this Agreement shall be deemed or construed to preclude the principals of the Manager or any of their Affiliates from engaging in any other business activities or in any way limit or circumscribe their respective abilities to engage in such other business activities, except as provided in the LLC Act. The Manager shall devote such time to the Company's business as the Manager, in its sole and absolute discretion, shall deem to be necessary to manage and supervise the Company's business and affairs in an efficient manner.

7.6 ***Allocation and Reimbursement.*** The Manager and its principals shall share in all Company income, gains, losses, deductions and credits to the extent of their Capital Contributions, if any. The Manager and its Affiliates may advance funds and incur expenses in the organization and promotion of the Company for which it or its Affiliates will be reimbursed

by the Company.

7.7 ***Capital Contribution by the Manager.***

7.7.1 The Manager may, but is not required to, make and maintain a minimum Capital Contribution in its Class A Book Capital Account to the Company.

7.7.2 The Manager, its principals, officers, directors and their affiliated persons may contribute any amount to the Company. The Manager and its principals may withdraw or receive a Distribution of any portion of their Interests, if any. The Manager shall have the right, in its sole discretion, to make a Capital Contribution in cash, securities or other property, in whole or in part, provided that the value of any such Capital Contribution made in securities or other property, in whole or in part, shall be determined in accordance with **Section 3.1**.

7.7.3 To the extent the Manager makes a Capital Contribution to the Company, the Manager is not assessed any share of any Advisory Fee, Profit Allocation or Organizational Expenses incurred in connection with the organization of the Company.

7.8 ***No Personal Liability.***

7.8.1 Return of Capital. The Manager shall not be personally liable for the return or repayment of all or any portion of the Capital Contributions or profits of any Member (or assignee), it being expressly agreed that any such return or repayment of capital or profits made pursuant to this Agreement shall be made solely from the assets of the Company (which shall not include any right of contribution from the Manager).

7.8.2 Good Faith. The Manager shall not be liable to the Company or any of its Partners for any act or failure to act taken or omitted by them in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company if such act or failure to act did not constitute negligence, misconduct or a breach of fiduciary obligations.

7.9 ***Expenses, Fees and Reimbursement.***

7.9.1 Expenses.

a. Ordinary Expenses**.** Except as otherwise expressly agreed by the Manager, the Company shall be responsible for all costs, liabilities and expenses incurred in connection with the operation and conduct of the Company's business, including, without limitation, brokerage commissions and other transaction fees, Advisory Fees, legal, accounting fees, Administrative Fees, custodial fees, expenses related to providing the Company with facilities required for the compilation of records with respect to its operations and the preparation of all reports to Members, expenses of reproducing and mailing reports to Members

and any unanticipated and extraordinary expenses (*e.g.*, defense of a lawsuit brought against the Company by a third party). Such Ordinary Expenses shall not include either the Manager's or Advisor's office rent, office supplies, secretarial services, salaries, premiums for standard employee insurance, the costs of publications or subscriptions, purchasing, leasing and service contracts of equipment and newswires, payroll taxes, data processing expenses and other expenses involving the internal administration of the Manager and the Advisor.

b. Organizational Expenses**.** The Manager will bear the Organizational Expenses, including legal, accounting, consulting, filing and registration fees, incurred in connection with organizing the Company, set at $25,000. This sum represents part of the Initial Capital Contribution by the Manager.

7.9.2 No Fee for Managing the Company. The Manager does not charge the Company a separate management fee.

7.9.3 Advisory Fee for Managing Assets of Company.

a. Pursuant to the IA Agreement between the Company and the Advisor, at the end of each Quarter, the Company pays the Advisor a quarterly Advisory Fee.

b. The Manager will calculate the portion of the Advisory Fee charged to each Member as of the end of each Quarter. The Advisory Fee charged to the Book Capital Account of each Member will equal one-quarter of 2% of the Member's Book Capital Account balance as of the end of the Quarter.

7.9.4 Profit Allocation. As holder of the Class A Interest, the Manager is allocated a Profit Allocation as described in **Section 4.6**.

7.9.5 Power to Modify. The Manager may, but is not required to, modify the Advisory Fee, Profit Allocation and expense reimbursement with respect to any Member:

a. having other business arrangements with the Advisor or Manager pursuant to which the Advisor or Manager is compensated or other consideration is received by the Advisor or Manager; and

b. making, in the opinion of the Manager, a large Capital Contribution to the Company that improves the Company's cash or assets position and thereby, results in benefits to the Company.

c. Such modification may be effectuated by a rebate to such Member, an adjustment to such Member's Capital Account, or any other method reasonably determined by the Manager; provided, however, that such modification shall not affect the rights or

obligations of any Members other than the Manager and the Members as to which the modification is effective.

7.10 ***Distributions to Members.*** The Manager shall have sole discretion in determining the amount and frequency of Distributions (other than Withdrawals by Members) that the Company shall make. All Distributions shall be made, in the discretion of the Manager *pro rata* in bullion or securities selected by the Manager or in cash, or partly in bullion or securities selected by the Manager and partly in cash. Notwithstanding this provision, it is the intention of the Company, in general, to make Distributions in cash.

7.11 ***Appointment of Advisor.*** The Manager is authorized to appoint one or more investment advisers to manage the trading and investment of Company assets.

7.12 ***Appointment of Brokers.*** The Manager and Advisor may designate from time to time one or more brokers, dealers, banks, introducing brokers or other financial institutions or persons, including affiliates of the Manager to execute transactions with or on behalf of the Company and to perform such other services for the Company as such broker and the Manager and/or Advisor may agree upon from time to time. If any such broker is an Affiliate of the Manager or the Advisor, any arrangement with such broker shall be on terms no less favorable to the Company than those that could be obtained from an independent third party broker.

7.13 ***Withdrawal.*** The Manager may not resign as Manager of the Company except upon 90 days' prior written notice to the Members.

7.14 ***Transfer and Additional Manager(s).***

7.14.1 The Manager may not transfer all or any part of its Class A Interest without the prior consent of a Majority in Interest of the Members, provided however, that there will always remain at least one Manager of the Company. Provided the Manager remains in compliance with the requirements set forth in **Section 7.7.1**, in its sole discretion, the Manager may admit one or more additional Managers as of any calendar month-end after 30 days' prior written notice to the Members.

7.14.2 After notice to the Members, the Manager, from time to time, may convert a portion of its Class A Interest herein into one or more Class B or other Member Interests, with all the rights and obligations specified in this Agreement for such Class, and may transfer that portion to one or more other persons.

7.15 ***Multiple Managers.*** After notice to the Members, if at any time the Company shall have two or more Managers, the authority to act on behalf of the Company and the Profit Allocation shall be allocated among such Managers in such manner as such Managers shall determine among themselves without requiring the consent of the Members.

7.16 ***Acknowledgment of Fiduciary Duty under ERISA as to Plan Assets.*** If, to the extent, and at such times as, any assets of the Company are deemed to be "plan assets" within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("*ERISA*") of any Member that is an employee benefit plan governed under ERISA, the Manager will be, and hereby acknowledges that it will be considered to be, a "fiduciary" within the meaning of ERISA Section 3(21) as to that Member. In such an event, or if any partner, employee, agent or Affiliate of the Manager is ever held to be a fiduciary of any Member, then, in accordance with ERISA Sections 405(b)(1), (c)(2) and (d), the fiduciary responsibilities of that person shall be limited to the person's duties in administering the business of the Company, and the person shall not be responsible for any other duties to such Member, specifically including evaluating the initial or continued appropriateness of this investment in the Company under ERISA Section 404(a)(1).

7.17 ***Indemnification of the Manager, Advisor and their Affiliates.***

7.17.1 In any threatened, pending or completed action, suit or proceeding to which the Manager or Advisor was or is a party or is threatened to be made a party by reason of the fact that it is or was the Manager or Advisor, the Company shall indemnify, defend and hold harmless the Manager, the Advisor and their "Affiliates" from and against any loss, liability, damage, cost, expense (including, without limitation, attorneys' and accountants' fees and expenses incurred in defense of any demands, claims or lawsuits), judgments and amounts paid in settlement (collectively, "Losses"), incurred by them if they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the Company and, provided that the omission, act or conduct that was the basis for such Losses was not the result of misconduct or negligence and was taken or omitted in good faith and in the reasonable belief that it was taken or omitted in, or not opposed to, the best interests of the Company. Any indemnification hereunder, unless ordered by a court, shall be made by the Company only as authorized in the specific case and only upon a determination by independent legal counsel in a written opinion that indemnification of the Manager, the Advisor or affiliates is proper under the circumstances. To the extent that the Manager, the Advisor or their affiliates have been successful on the merits or otherwise in defense of any action, claim, suit or proceeding or issue or matter presented therein, the opinion of independent legal counsel shall not be required and the Company shall indemnify them against any Losses incurred by them in connection therewith. The termination of any action, suit or proceeding by judgment, order or settlement shall not create, of itself, a presumption that the Manager, the Advisor or their Affiliates did not act in good faith and in a manner that they reasonably believed to be in or not opposed to the best interests of the Company.

7.17.2 The Company may advance funds to the Manager, the Advisor and their Affiliates for legal expenses and other costs incurred as a result of a legal action if the Manager, the Advisor or their Affiliates, as applicable, undertake to repay the advanced funds

to the Company in cases in which they would not be entitled to indemnification under this **Article VII**.

7.18 ***Indemnification by Members.*** In the event the Company, the Manager or any of their Affiliates is made a party to any claim, dispute or litigation or otherwise incurs any Losses as a result of or in connection with:

7.18.1 any Member's (or its assignee's) activities, obligations or liabilities unrelated to the Company's business, or

7.18.2 any failure or alleged failure on the part of the Company or the Manager to withhold from income allocated or deemed to be allocated to any Member or its assignees (whether or not distributed) any amounts with respect to which Federal income tax withholding was required or alleged to have been require,

then such Member (or its assignees cumulatively) shall indemnify and reimburse the Company and the Manager for all Losses incurred by the Company and the Manager in connection therewith.

ARTICLE VIII

MEMBERS

8.1 ***Rights and Obligations.*** The rights and obligations of the Members are governed by the provisions of the LP Act and by this Agreement. Except as otherwise provided herein, no Member shall be personally liable for any of the debts of the Company or any losses thereof beyond the amount of the Member's Capital Contribution and profits attributable thereto, if any, whether or not distributed, together, with interest thereon, except to the extent expressly provided in the LP Act. No Member shall take part in the management of the business of or transact any business for the Company, and no Member shall have power to sign for or to bind the Company. No Member shall:

8.1.1 be entitled to the return of the Member's Capital Contribution except:

a. to the extent, if any, that Distributions made, or deemed to be made, pursuant to this Agreement may be considered as such by law;

b. upon Dissolution of the Company; or

c. upon Withdrawal, and then only to the extent provided for in this Agreement. No Member shall have priority over any other Member either as to Distributions or Withdrawals except as set forth in **Section 5.3**;

8.12 cause the termination and dissolution of the Company, except as set forth in this Agreement; or

8.1.3 bring an action for partition against the Company.

8.2 ***Qualifications.*** The only persons that may be Members of the Company are those persons that are "accredited investors" as described in Rule 501 of Regulation D under Securities Act Section 4(2) and "qualified clients" as described in Rule 205-3(d)(1) under IA Act Section 205.

8.3 ***Admission of Additional Members.*** Subject to the rights reserved to the Manager in **Section 7.1** and compliance with applicable laws, the Manager may, at its option, admit additional Members to the Company as of the close of business on the last business day of any Month or at such other times as the Manager may determine.

8.4 ***Capital.*** Subject to the rights reserved to the Manager in **Section 7.1** and compliance with applicable laws, each Member (other than the Initial Member) shall be required to make an Initial Capital Contribution to the Company of at least $100,000. The Manager shall have the right to refuse any Initial or Additional Capital Contribution in whole or in part for any reason and may, in its sole discretion, waive the amount of such minimum Initial Capital Contribution from time to time.

8.5 ***Withdrawal of Interests.*** The Members recognize that the profitability of the Company depends upon long-term, uninterrupted investment of capital. It is agreed, therefore, that Company profits may be automatically reinvested and that Distributions of capital and gains, if any, to the Members will be on a limited basis. Nevertheless, the Members contemplate the possibility that one or more of their number may elect to realize and withdraw gain, if any, or may desire to withdraw capital, prior to the Dissolution of the Company pursuant to the **Article XI**.

ARTICLE IX

MEMBER CONSENTS, VOTING

9.1 ***Consent and Voting Rights of Members.*** The actions listed in this **Article IX** and any identified specifically elsewhere in this Agreement as requiring consent of one or more Members constitute the only matters of the Company upon which Members will have a right to consent or vote in their capacities as Members, notwithstanding any other provision of the Act. Notwithstanding anything else in this Agreement to the contrary, Members shall have no right to consent or vote on the removal of any Manager or investment adviser, whether directly, by way of amendment to this Agreement or otherwise.

9.2 ***Actions Requiring the Consent of the Manager and a Majority in Interest of the Members***. The consent of the Manager (or, if there is more than one Manager, a Majority in Interest of all Managers) and of a Majority in Interest of the Members will be required for the following actions:

9.2.1 actions related to the winding up of the Company, as described in **Section 11.5**;

9.2.2 amendments to this Agreement, but only to the extent provided in, and subject to the provisions of **Section 9.4**;

9.2.3 amendments to any provision of **Article X** specified as requiring the consent of a Majority in Interest of the Members; and

9.2.4 actions relating to a merger of the Company and any other business entity(ies) to the extent such approval is required in the LP Act and cannot be waived by agreement among the Members. To the extent any such requirement may be waived or modified by agreement among partners, the Members intend to effect such a waiver and modification and to permit such a merger upon the consent of the Manager without the consent of any other Member.

9.3 ***Continuation of Company under Certain Circumstances***. The consent of a Majority in Interest of the Members shall be required to admit a successor Manager and continue the business of the Company after any Manager ceases to be a Manager if there is no remaining or surviving Manager.

9.4 ***Amendment***.

9.4.1 Generally, this Agreement may be amended only upon the consent of the Manager and the consent of a Majority in Interest of the Members.

9.4.2 The Manager may amend this Agreement from time to time, without the consent, approval, authorization or other action of any Member, if, in the opinion of the Manager, the amendment does not have a material adverse effect on the Members; *provided, however*, that no amendment may be adopted without the unanimous consent of the Members to the extent it would:

a. change the Company to a general partnership or otherwise change the limited liability of the Manager or Members under the LCC Act;

b. terminate the Company's status as a partnership for Federal income tax purposes; or

c. change **Section 9.2** or **11.1.3**.

9.5 ***Actions by Written Consent; Consent by Silence.*** All actions, votes or consents required or permitted to be taken by the Members shall be taken by the written consent of Members holding in aggregate not less than the minimum Percentage Interests specified herein as to the particular action, vote or consent. Notwithstanding the foregoing, for purposes of obtaining any such consent as to any matter proposed by the Manager, the Manager may, in the notice seeking consent of Members, require a response within a specified period (which shall not be less than 15 days) and failure to respond within that period shall constitute a vote and consent to approve the proposed action. Except as otherwise provided expressly in the proposal for such action, any such action will be effective immediately after the required signatures have been obtained or, if applicable, the expiration of the period within which responses were required, if such requirement was imposed and there were not votes cast against such action in the amount necessary to prevent such action from becoming effective.

9.6 ***Notice of Amendments.*** The Manager shall furnish promptly to each Member a copy of any amendment to this Agreement adopted by the Manager pursuant to **Section 9.4.2** and to each Member who has granted the Manager a Power of Attorney to consent to an amendment on such Member's behalf a copy of each amendment so consented to by the Manager.

9.7 ***Record Dates.*** So the Company may determine which Members are, and in what proportion the Members are, entitled to consent, receive any Distribution or exercise any rights, the Manager may fix in advance a record date that is not more than 60 days nor fewer than ten (10) days before the date on which the first written consent is given and not more than 60 days before any other action is to be taken. If no record date is so fixed, the record date shall be the day on which the first written consent is given or the action is taken.

ARTICLE X

BOOKS AND RECORDS

10.1 ***Books and Records.*** Proper books of account shall be kept under the accrual method of accounting, and there shall be entered therein all transactions, matters and things relating to the Company's business as are required, and in accordance with generally accepted accounting principles, except as otherwise expressly provided in this Agreement. The Fiscal Year of the Company shall end on December 31st of each year unless otherwise required in Code Section 706 and the Treasury Regulations (*"Regulations"*) promulgated thereunder. Books and records of the Company are maintained at the principal office of the Company or at such other office of the Company as may be designated by the Manager, and are available for examination

by any Member or such Member's duly authorized representatives at any reasonable time. The Company will maintain the following books and records:

10.1.1 a current list of the full name and last known business or residence address of each Member, together with the Capital Contributions and Percentage Interest of each such Member;

10.1.2 a copy of the Certificate of Formation and all amendments thereto and other certificates, registrations and documents filed pursuant to **Section 1.1**, together with executed copies of any powers of attorney pursuant to which any such certificate has been executed;

10.1.3 copies of all brokerage and depository account records, statements, confirmations and similar records of account;

10.1.4 a copy of each Company's federal, state and local income tax or information return and report, if any, for the six most recent taxable years; and

10.1.5 a copy of this Agreement and all amendments hereto.

10.2 ***Inspection of Records*****.** Each Member has the right, on reasonable request and subject to such reasonable standards as the Manager may from time to time establish (including standards for determining whether the purpose for such request is reasonably related to the Member's interest as a Member), to obtain from the Manager for purposes reasonably related to the Member's interest as a Member, the information set forth above in **Section 10.1** as well as information regarding the status of the business and financial condition of the Company (generally consisting of the Company's financial statements) and such other information regarding the affairs of the Company as is just and reasonable in light of the purpose related to the Member's interest as a Manager for which such information is sought. The Manager may, however, keep confidential from any Member any information the disclosure of which the Manager in good faith believes could be harmful to the business of the Company or is otherwise not in the best interests of the Company, or that the Company is required by law or agreement with a third party to keep confidential. Despite anything to the contrary in this Agreement, Members will not be entitled to inspect or receive copies of the following:

10.2.1 internal memoranda of any Manager, whether relating to Company matters or any other matters;

10.2.2 correspondence and memoranda of advice from attorneys or accountants for the Company or the Manager; or

10.2.3 trade secrets of the Company or the Manager, investor information, financial statements of Manager or similar materials, documents, and correspondence.

10.3 ***Reports*****.**

10.3.1 The Manager will send to each Member, within 90 days after the end of each calendar year, a completed Schedule K-1 (IRS Form 1065) for the prior calendar year for the Member to complete such Member's federal and state income tax or information returns.

10.3.2 The Manager may cause an annual audited financial report to be sent to each Member not later than 120 days after the close of each calendar year, or as soon thereafter as possible. This report will contain a Statement of Financial Condition for the Fiscal Year, if information is necessary for the preparation of Federal income tax returns and such other information as the Manager shall determine.

10.3.3 The Manager will prepare and send to each Member a report as of the end of each Quarter.

10.4 ***Tax Returns and Elections*****.** The Company's Fiscal Year will be the calendar year. The Company's accountants will be instructed to prepare and file all required income tax returns for the Company. The Manager will make any tax election necessary for completion of the Company tax return. In the event of a distribution of property made in the manner provided in Code Section 734, or in the event of a transfer of any Interest permitted by this Agreement made in the manner provided in Code Section 743, the Manager, on behalf of the Company, may file an election under Code Section 754 in accordance with the procedures set forth in the applicable Regulations promulgated thereunder.

10.5 ***Company Funds and Property*****.** The funds, securities, futures instruments, bullion and other such property of the Company will be deposited in such financial institutions and depositories as the Manager determines, and withdrawals of such funds, securities, futures instruments, bullion and other such property will be made only in the regular course of Company business on such signature or signatures as the Manager determines, and subject to such procedures to which the Manager may agree on behalf of the Company with the custodian(s) of the Company's assets. No funds, securities, futures instruments, bullion or other such property of the Manager will in any way be commingled with such Company funds.

ARTICLE XI

DISSOLUTION

11.1 ***Events of Dissolution*****.** The Company will be dissolved and its affairs will be wound up upon the earlier to occur of the following times or events:

11.1.1 the expiration of the term of the Company;

11.1.2 the election of the Manager to dissolve the Company;

11.1.3 the cessation of the sole remaining Manager's status as Manager, including by:

a. the occurrence of an event of bankruptcy with respect to such Member;

b. if such Member is an individual, such individual's death or adjudicated incompetence;

c. if such Member is a corporation, limited partnership, limited liability company or other entity, the dissolution of such corporation, limited partnership, limited liability company or other entity, unless the Members appoint a successor Manager and elect to continue the Company's business as contemplated in **Section 9.3**;

d. any other event specified in applicable law as operating as an event causing the dissolution of a limited liability company notwithstanding any provision to the contrary in such limited liability company's operating agreement.

11.2 ***Winding Up.*** Upon Dissolution of the Company, the Manager will take full account of the Company's liabilities and assets and the Company's property will be liquidated as promptly as is consistent with obtaining the fair value thereof. The proceeds from the liquidation of the Company's property will be applied and distributed in the following order:

11.2.1 first, to the payment and discharge of all of the Company's debts and liabilities (other than those to the Members), including the establishment of any necessary reserves;

11.2.2 second, to the payment of any debts and liabilities to the Members; and

11.2.3 the balance, if any, to each Member having a positive balance in the Member's Capital Account (after giving effect to all Capital Contributions, Distributions and allocations for all Quarters, including the Quarter during which such Dissolution occurs) in the proportion that the positive balance in such Member's Capital Account bears to the sum of all Capital Accounts having positive balances. To the extent reasonable, each asset distributed in kind will be distributed proportionately among the Members.

11.3 ***Timing of Liquidation Distributions.*** Distributions in liquidation will be made by the end of the Fiscal Year in which the liquidation occurs or, if later, within 90 days of the liquidating event and will otherwise comply with Section 1.704-1(b) of the regulations promulgated under Code Section 704.

11.4 ***Restoration of Deficit Capital Account Balances.***

11.4.1 If upon liquidation of the Company, the Manager has a deficit balance in its Capital Account (after taking into account all Capital Account adjustments for the Company's Fiscal Year in which the liquidation occurs), the Manager will contribute in cash to the Company by the end of such Fiscal Year (or, if later, within 90 days after the date of such liquidation) an amount equal to such deficit Capital Account balance.

11.4.2 If any Member has a deficit balance in such Member's Capital Account (after taking into account all Capital Account adjustments for the Company's taxable Fiscal Year in which the liquidation occurs), such Member will have no obligation to make any contribution to the capital of the Company with respect to such deficit, and such deficit will not be considered a debt owed to the Company or to any other person for any purpose whatsoever.

11.5 ***Authority to Wind Up.*** The Manager may, from time to time, cause the Company to enter into (and modify and terminate), agreements with such person(s) as the Manager may from time to time select, authorizing such person(s) ("Liquidating Agent") to wind up the Company's affairs in the event that the Company is dissolved subsequently by reason of the Manager's cessation as a Manager as provided in **Section 11.1.3**; provided that the total compensation the Company may become obligated to pay to such Liquidating Agent(s) during such winding up period shall not exceed 0.3125% per month of the Total Members' Equity of the Company as of the close of business on the 15th day of each such Quarter. If no such agreement has been entered into, or is in effect, as of the time of any such Dissolution, then the person designated by court decree or by a Majority in Interest of the Members will wind up the affairs of the Company and will be entitled to compensation as approved by the court or by the consent of a Majority in Interest of the Members.

11.6 ***Use of Firm Name upon Dissolution.*** At no time during the operation of the Company or upon the termination and dissolution of the Company shall any value be placed upon the firm name, or the right to its use, or to the goodwill, if any, attached thereto, either between the Members or for the purpose of determining any distributive interest of any Member in accordance with this Agreement. The legal representatives of any deceased Member shall not have any right to claim such value.

ARTICLE XII

CONFIDENTIAL INFORMATION

12.1 ***Confidential Information***. The Class B Members acknowledge that the data, reports, records and financial information of the Series and the Company are the confidential information ("*Confidential Information*") of the Company. "Confidential Information" of the Company shall include, but is not limited to, all policies, procedures, contracts, records, fee

schedules, financial, statistical and other proprietary information of the Series and the Company. Class B Members agree to use all Confidential Information solely for the purposes for which the information is disclosed.

12.2 ***Exclusions.*** Confidential Information shall not include information that is in the public domain at the time of disclosure or is lawfully obtained from a third party. Notwithstanding anything to the contrary contained herein, the Manager, Class B Members, the Series and/or the Company may disclose Confidential Information:

12.2.1 pursuant to a requirement or official request of a governmental agency, a court or administrative subpoena or order, or any applicable legislative or regulatory requirement;

12.2.2 in defense of any claim or cause of action asserted against any Class B Member, the Company, a Series or their agents;

12.2.3. as required by law; or

12.2.4 as otherwise permitted under this Agreement if also permitted by law.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 ***Representations and Warranties of Members.*** By entering into this Agreement, each Member represents and warrants to the Company and each Manager that:

13.1.1 the information provided and the representations, warranties, acknowledgements and agreements made and given in the subscription documents relating to such Member's offer to purchase an Interest are true and correct and constitute a part of this Agreement as if fully set forth herein; and

13.1.2 such Member acknowledges that, because allocations pursuant to **Section 4.7** have the effect of allocating to the Members tax benefits and tax burdens, the timing of particular allocations and the character (*e.g.*, capital gain or loss versus ordinary income or loss; short term versus long term capital gain or loss) of items allocated will have a direct financial impact on such Member and such Member's after-tax economic return.

13.2 ***Representations and Warranties of Private Investment Companies.*** Each Member that is an entity that would be an "investment company" under the IC Act but for an exclusion under either IC Act Section 3(c)(1) or (7) has advised the Manager of the number of persons that constitute "beneficial owners of such Member's outstanding securities (other than

short-term paper)" within the meaning of IC Act Section 3(c)(1)(A), and will advise the Manager promptly upon any change in that number.

13.3 ***Appointment of the Manager as Attorney-in-Fact.***

13.3.1 Each Member, including each Substitute Member, by the execution of this Agreement, constitutes and appoints irrevocably the Manager its true and lawful attorney-in-fact with full power and authority in its name, place and stead to execute, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to carry out the provisions of this Agreement, including, but not limited to:

a. all certificates and other instruments, and any amendment thereof that the Manager deems appropriate in order to form, qualify or continue the Company as a limited liability company (or a partnership in which the partners will have limited liability comparable to that provided by the Act) in the jurisdiction in which the Company may conduct business or in which such formation, qualification or continuation is, in the discretion of the Manager, necessary to protect the limited liability of the Member;

b. all amendments to this Agreement adopted in accordance with the terms hereof and all instruments that the Manager deems appropriate to reflect a change or modification of the Company in accordance with the terms of this Agreement;

c. all conveyances and other instruments the Manager deems appropriate to reflect the dissolution and termination of the Company; and

d. with respect to each Member, any and all documents necessary to convey such Member's Interest in the Company to any Transferee thereof and thereby to withdraw such Member from the Company and admit any Substitute Member to the Company.

13.3.2 The appointment by all Members of the Manager as attorney-in-fact is deemed to create a power coupled with an interest, in recognition of the fact that the Members under this Agreement will be relying upon the power of the Manager to act as contemplated by this Agreement in any filing and other action by the Manager on behalf of the Company, and will survive any event of bankruptcy, death, adjudication of incompetence or dissolution of any person giving such power, and the Transfer of all or any part of the Interest of such person; provided, however, that in the event of a Transfer, the foregoing power of attorney will survive such Transfer only until such time as the Transferee will have been admitted to the Company as a Substitute Member and all required documents and instruments will have been duly executed, filed and recorded to effect such substitution.

13.4 ***Counterparts.*** This Agreement may be executed in several counterparts, and as executed will constitute one agreement, binding on all of the parties hereto.

13.5 ***Successors and Assigns.***

13.5.1 Each of the Members covenants for it, its heirs, executors, administrators, successor, assigns and legal representatives that it will, at any time on demand no later than four years after its Withdrawal from the Company, contribute to any of its former Members its proportionate share of any liability, judgment or cost of any kind (including the reasonable cost of the defense of any suit or action and any sums that may be paid in settlement thereof) that may be incurred by any former Members on account of any matters or transactions occurring during the time it was a Member. Such proportionate share of liability, judgment or cost of any kind shall be determined from this Agreement as it existed at the time such matter or transaction occurred.

13.5.2 This Agreement and all of its terms and provisions shall be binding upon and shall inure to the benefit of the Members and their respective legal representatives, heirs and successors and assigns. Any person subsequently admitted to the Company as a Manager or a Member shall be subject to all of the provisions of this Agreement as if an original signatory hereto.

13.6 ***Notices.*** All notices required or permitted under this Agreement will be given to the Member entitled thereto by personal service, facsimile, email or by regular mail to the address maintained by the Company for such person. Any notice sent by certified or registered mail to the address so maintained will be deemed received within three days after mailing.

13.7 ***Benefits.*** Except as expressly provided herein, this Agreement is entered into for the sole and exclusive benefit of the parties hereto and will not be interpreted in such a manner as to give rise to or create any rights or benefits of or for any person not a party hereto.

13.8 ***Severability.*** If any covenant, condition, term or provision of this Agreement is illegal or if the application thereof to any person is judicially determined to be invalid or unenforceable to any extent, then the remainder of this Agreement, or the application of such covenant, condition, term or provision to persons or in circumstances other than those held invalid or enforceable, will not be affected thereby, and each covenant, term, condition and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

13.9 ***Complete Agreement.*** This Agreement and the Subscription Agreements executed and delivered by Members in connection with their Initial Capital Contributions, together constitute the complete agreement among the parties concerning the subject matter hereof.

13.10 ***Governing Law*****.** This Agreement shall be governed by the laws of the State of Colorado as such laws are applied to agreements that are made in Colorado and that are to be performed in Colorado. The securities laws of any state in which a transaction in the Interests takes place and the United States shall govern as such laws are applicable to such parties and transactions.

13.11 ***Gender, Number and Headings*****.** As used in this Agreement, the masculine gender will include the feminine and neuter, and vice versa, as the context so requires; and the singular number will include the plural, and vice versa, as the context so requires. As used in this Agreement, Article and Section headings are for the convenience of reference only and will not be used to modify, interpret, limit, expand or construe the terms of this Agreement.

13.12 ***Arbitration*****.** Any controversy between or among any of the Members or between any Member and the Company involving the Company, this Agreement, or any subscription by any Member for Interests in the Company will be submitted to arbitration on the request of any party to any such controversy in the county and state in which the Manager maintains its principal office at the time the request for such arbitration is made (or, if there is more than one Manager, the county and state in which the Managers with a majority in interest of the Manager interests maintain their principal offices at such time). The arbitration will comply with and be governed by the provisions of the commercial arbitration rules of the American Arbitration Association and no party to any such controversy shall be entitled to any punitive damages. Judgment may be entered upon any award granted in any such arbitration in any court of competent jurisdiction in the county and state in which the Manager maintains its principal office at the time the award is rendered (or, if there is more than one Manager, the county and state in which the Managers with a majority in interest of the Manager interests maintain their principal offices at such time). By signing this Agreement, each Member agrees to waive his or her or its right to seek remedies in court, including any right to a jury trial; *provided*, *however*, that nothing in this paragraph will constitute a waiver of any right any party to this Agreement may have to choose a judicial forum to the extent such a waiver would violate applicable law.

13.13 ***Covenant to Sign Documents*****.** Each Member will execute, with acknowledgement or affidavit if required, all documents and writings reasonably necessary or expedient in the creation of the Company and the achievement of its purpose, including certifications in accordance with the requirements of Code Section 1446 regarding withholding taxes on foreign persons.

13.14 ***No Waiver*****.** A Member's failure to insist on the strict performance of any covenant or duty required by this Agreement, or to pursue any remedy under this Agreement, will not constitute a waiver of the breach or the remedy.

13.15 ***Group Ownership of Membership Interests.*** An Interest may be held jointly by husband and wife as community property, or by husband and wife or by unrelated persons as joint tenants or tenants in common, as shown on the signature page for this Agreement or in the Company's books and records. In any multiple ownership case, the Company and each Member will be entitled to consider any Notice, vote, check, or similar document signed by any one of the persons in the ownership group to bind all persons in the group.

ARTICLE XIV

DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

Additional Capital Contribution means any Capital Contribution other than the Initial Capital Contribution of a Member.

Advisor means Golden Returns Advisors LLC, the investment adviser to be engaged by the Manager to manage the investments and trading of the Company.

Advisory Fee means the 2% *per annum* fee paid to the Advisor quarterly in arrears by the Company and then allocated among the Members *pro rata*.

Affiliate means the following:

i. any natural person, partnership, limited liability company, corporation, association or other legal entity directly or indirectly owning, controlling, or holding with power to vote 10% or more of the outstanding voting securities of the Manager or Advisor;

ii. any partnership, limited liability company, corporation, association or other legal entity 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote by the Manager or Advisor;

iii. any natural person, partnership, limited liability company, corporation, association or other legal entity directly or indirectly controlling, controlled by or under common control with, the Manager or Advisor; or

iv. any person who is a manager, member, partner, officer or director of the Manager or Advisor.

Book Capital Account means the Initial Capital Contribution of a Member to the Company adjusted as provided in **Article IV**.

Capital Contribution means any contribution of cash or securities by a Member to the

Company.

Capital Gain or Capital Loss means the gain or loss recognized by the Company for Federal income tax purposes attributable to a capital asset, including the gain or loss attributable to a "Section 1256 contract," as defined in Code Section 1256, and any other asset the recognition of gain or loss of which, for Federal income tax purposes, is not dependent upon the sale or other disposition thereof.

Class A Interest means the Class of Interest issued by the Company to the Manager.

Class B Interest means the Class of Interest issued to Class B Members.

Code means the Internal Revenue Code of 1986, as amended

Complete Withdrawal means the Withdrawal of 90% or more of the value of a Member's Capital Account or a Withdrawal that would reduce a Member's Capital Account balance to $100,000 or less.

de minimus Limit means the number of shares of a New Issue that may be owned by a Restricted Person. A Restricted Person holding New Issue shares beyond this limit is subject to the further requirements under FINRA Rule 2790.

Distribution means the allocation of profit to the Capital Account of a Member and the payment of same to such Member.

ERISA the Employee Retirement Income Security Act of 1974, as amended.

FINRA means the Financial Industry Regulatory Authority (formerly the NASD).

Fiscal Year means the calendar year.

Manager means Golden Returns Management LLC, a Colorado limited liability company.

IA Act means the Investment Advisers Act of 1940, as amended.

IC Act means the Investment Company Act of 1940, as amended

Initial Capital Contribution means the first contribution of capital by any Member.

Interest means a membership interest in the Company acquired upon the making of a Capital Contribution by the Manager or a Member.

Interim Account means an account in which assets and liabilities are held pending Transfer of some or all of a Member's Interest to a Transferee.

Loss Carryforward Account means the record maintained for each Member in which any Quarterly losses are aggregated and applied to current Quarterly Appreciation to determine if, and if so, the amount of, a Profit Allocation.

Mandatory Withdrawal means a Withdrawal imposed on a Member by the Manager as provided in **Section 5.4.**

Month means calendar month.

Net Income means Total Income less Total Expenses for any given period.

Net Capital Gain means the excess of Capital Gain over Capital Loss.

Net Capital Loss means the excess of Capital Loss over Capital Gain.

Ordinary Expense means all items of Company loss or expense other than Capital Loss.

Ordinary Income means all items of Company income or gain other than Capital Gain.

Organizational Expenses means those expenses incurred by the Manager in establishing the Company, such as Company registration fees, and attorney and accountant fees, but excluding any costs of the actual offering or marketing of Company securities.

Profit Allocation means an allocation to the holder of the Class A Interest as described **Section 4.6.**

Quarter means any calendar quarter.

Quarterly Appreciation means the increase or decrease in Book Capital Account from the beginning of a quarter until the end of that quarter

Partial Withdrawal means any Withdrawal that is not a Complete Withdrawal.

Reserve means a portion of Company assets that may be set aside by the Manager to provide for a contingent liability.

Restricted Persons means those persons who, subject to FINRA Conduct Rule 2790, are subject to limitations with regard to participating in the purchase of "new issue" securities under the Rule.

Substitute Member means a Transferee accepted as Member by the Manager.

Tax Capital Account means the account through which a Member's tax basis is adjusted for gains, losses, Capital Contributions and Distributions.

Tentative New Issue Gain means the sum of gains for each New Issue held by the Member during the Month.

Total Expenses means all expenses of any kind for the period discussed.

Total Income means the total of all income from any source for the period discussed.

Total Members' Equity means the total of all assets of the Company, including all cash, cash equivalents and all Securities (each valued at fair value), less the total of all liabilities of the Company.

Transfer means a transaction in which a Limited Party seeks to convey some or all of the Member's Interest to a third party.

Transferee means a third party to whom or which a Member seeks to convey some or all of the Member's Interest.

Transferor means a Member seeking to convey some or all the Member's Interest to a third party.

Valuation Date means any day on which Total Members' Equity is calculated.

Withdrawal means a Member's act of removing funds from the Company under **Article V**.

IN WITNESS WHEREOF, this Agreement is executed by and has become effective: (i) as to the Manager as of the first date mentioned above; and (ii) as to the other Members, as of the date their subscriptions for Interest are accepted by the Manager, as reflected in the applicable Subscription Agreements.

BY THE MANAGER:

By: **GOLDEN RETURNS MANAGEMENT LLC**,
a Colorado limited liability company,
Manager

By: **Golden Returns Capital LLC**,
a Colorado limited liability company
Its Managing Member

BY ALL MEMBERS:

By Power of Attorney to the
Manager

By: _____
Dean R. DiPaola, Manager and Member

By: _____
David I. Kranzler, Manager and Member

PRECIOUS METALS OPPORTUNITY FUND LLC
CONFIDENTIAL INVESTOR QUESTIONNAIRE

Please complete, date and sign the Confidential Investor Questionnaire. By doing so, the Subscriber agrees to the Company's Operating Agreement (Exhibit A to the Private Placement Memorandum) and to the "Terms and Conditions of Subscription Agreement" (part of this Exhibit B).

Please keep a copy of all completed and signed documents for your records.

Please send the original of your completed, dated and signed Investor Questionnaire to:

GOLDEN RETURNS MANAGEMENT LLC
Manager
7564 S Elkhorn Mtn
Littleton, Colorado 80127

Please enclose your check for your subscription amount, payable to "Precious Metals Opportunity Fund LLC." If you prefer, you may wait until Golden Returns Management LLC (*"Manager"*) notifies you that your subscription has been accepted, then wire-transfer your subscription amount to the Company's custodial account as follows:

Beneficiary Bank:	Great Western Bank – (303) 988-2300
ABA Number**:**	091408734
Beneficiary:	Precious Metals Opportunity Fund LLC
Account:	12571560
Sender's Reference:	_____

To ensure proper processing, please call us at (303) 289-4653 to confirm your wire transfer.

If your subscription is accepted, the Manager will countersign your Investor Questionnaire to confirm your admission to the Company and will send you a copy of the fully executed signature page. Your check will not be deposited until your subscription has been accepted. It will be returned promptly if your subscription is not accepted.

CONFIDENTIALITY: Information furnished in your Investor Questionnaire will be kept strictly confidential, except that the Manager may present the information to such regulatory bodies or other parties as may be appropriate to establish the availability of exemptions from certain securities law registration requirements or the compliance of the Company and this offering with applicable securities laws.

QUESTIONS: Golden Returns Management LLC
Manager
7564 S Elkhorn Mtn
Littleton, Colorado 80127

Telephone: (303) 289-4653

PRECIOUS METALS OPPORTUNITY FUND LLC
CONFIDENTIAL INVESTOR QUESTIONNAIRE

PRECIOUS METALS OPPORTUNITY FUND LLC
SUBSCRIPTION INSTRUCTIONS

Please complete, date and sign the Confidential Investor Questionnaire. By doing so, the Subscriber agrees to the Company's Operating Agreement (Exhibit A to the Private Placement Memorandum) and to the "Terms and Conditions of Subscription Agreement" (part of this Exhibit B).

Please keep a copy of all completed and signed documents for your records.

Please send the original of your completed, dated and signed Investor Questionnaire to:

GOLDEN RETURNS MANAGEMENT LLC
Manager
7564 S Elkhorn Mtn
Littleton, Colorado 80127

Please enclose your check for your subscription amount, payable to "Precious Metals Opportunity Fund LLC." If you prefer, you may wait until Golden Returns Management LLC (*"Manager"*) notifies you that your subscription has been accepted, then wire-transfer your subscription amount to the Company's custodial account as follows:

Beneficiary Bank:	Great Western Bank – (303) 988-2300 215 Union Blvd., Ste 150 Lakewood, CO 80228
ABA Number**:**	091408734
Beneficiary:	Precious Metals Opportunity Fund LLC
Account:	12571560
Sender's Reference:	_____

To ensure proper processing, please call us at (303) 289-4653 to confirm your wire transfer.

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QUESTIONS: Golden Returns Management LLC
Manager
7564 S Elkhorn Mtn
Littleton, Colorado 80127

Telephone: (303) 289-4653

PRECIOUS METALS OPPORTUNITY FUND LLC

CONFIDENTIAL INVESTOR QUESTIONNAIRE

Please provide information as to person or entity that is subscribing for an Interest ("*Subscriber*"). If you are completing this Questionnaire on behalf of a Subscriber other than yourself, *e.g.*, you are an officer of a corporation that is subscribing, except where the instructions specifically state otherwise, *e.g.*, where you are acting as a custodian for a minor, responses should be about the Subscriber, not you. If the Interest will be held by more than one person in joint tenancy or as tenants in common (as opposed to as community property), please provide all information for each joint Subscriber, using a copy of this Questionnaire.

If you have any doubt as to the meaning or implication of any of the terminology or the significance of any of the following questions, please contact Golden Returns Management LLC, 7564 S Elkhorn Mtn, Littleton, Colorado 80127. If the answer to any question is "None" or "Not Applicable," please so state.

SUBSCRIBER INFORMATION

GENERAL INFORMATION:

Subscriber's (and Custodian's, if applicable) Full Name: _____

Subscriber's **SOCIAL SECURITY** or, if an entity, **TAXPAYER I.D. NO.**: _____
No Subscriber will be admitted without a Social Security or Taxpayer I.D. Number.

Home Address: _____
_____
_____

Home Phone: _____

Business Address: _____
_____
_____

Business Phone: _____

Business Fax: _____

E-Mail Address: _____

Marital Status (if applicable):

☐ Married ☐ Single ☐ Other

State of principal residence: _____

If Subscriber is a minor and custodian's state of residence is different from Subscriber's, list minor's state of residence: _____

SUBSCRIBER'S (OR CUSTODIAN'S) EDUCATION

College/University	Degree/Major	Year

SUBSCRIBER'S (or CUSTODIAN'S) EMPLOYMENT:

Name and address of employer _____

_____

Nature of employment _____

If self-employed, nature of business _____

TYPE OF SUBSCRIBER OR PROPOSED FORM OF OWNERSHIP. *Please check appropriate box:*

☐ *Individual.* If Subscriber will hold the Interest jointly or as a tenant-in-common with another person, identify the co-owner (_____), and whether he or she is Subscriber's spouse: ☐ Spouse ☐ Other

☐ *Entities.* If Subscriber is a corporation, trust, partnership, association or other entity, please identify which type of entity, the jurisdiction under the laws of which Subscriber is organized and existing, and the jurisdiction where Subscriber's principal place of business is located: _____

_____

DUPLICATE REPORTS. If duplicate reports should be sent to an accountant, business manager, or other Advisor, provide the following information for each person authorized to receive them:

Name: _____

Address: _____

_____

Telephone: _____ Fax: _____

E-mail: _____

SUBSCRIBER'S (or CUSTODIAN'S) INVESTMENT BACKGROUND AND OBJECTIVES

INVESTMENT EXPERIENCE

Approximate number of years Subscriber (or Custodian) has been investing: _____ years

Approximate current investment portfolio value: $_____

Please check frequency of Subscriber's (or custodian's) investments in:	Often	Occasionally	Seldom	Never
Real estate, other than principal residence (directly or through Memberships or other entities managed by others)	☐	☐	☐	☐
Tax shelter programs (real estate, leasing, oil and gas, cattle breeding)	☐	☐	☐	☐
Marketable securities (stocks, bonds, debentures, notes)	☐	☐	☐	☐
Commodity futures	☐	☐	☐	☐
Speculative or venture capital investments	☐	☐	☐	☐
Other private investment funds, including hedge funds, commodity pools and private equity funds	☐	☐	☐	☐

OTHER EXPERIENCE OF SUBSCRIBER

Other positions/background related to financial, business, accounting, economics, taxation or investment matters that demonstrate investment sophistication

_____
_____
_____
_____

INVESTMENT OBJECTIVES (SUBSCRIBER, *NOT* CUSTODIAN)

Order of **investment objectives** of Subscriber (or of minor(s), *not* custodian): Number preferences from 1 (most preferred) to 3 (least preferred). *Reminder:* this investment is most appropriate for persons seeking capital appreciation.

Capital appreciation: _____

Current income: _____

Liquidity: _____

FINANCIAL QUALIFICATIONS

Each Subscriber must be an "Accredited Investor" within the meaning of the Securities Act of 1933 (*"Securities Act"*) *and* must meet certain other financial qualifications. ***Please check all boxes below that describe Subscriber***. If Subscriber is a custodian acting for one or more minors, responses below should apply to each minor, *not* to the custodian.

INDIVIDUALS

❑ **Individual with $1.5 MILLION NET WORTH.** A natural person whose individual net worth, or joint net worth with his or her spouse, exceeds $1.5 million

❑ **INDIVIDUAL WITH SPECIFIED ANNUAL INCOME**. A natural person (not an entity) who: (i) in each of the preceding two years had individual income in excess of $200,000 or had joint income with his or her spouse in excess of $300,000; *AND* (ii) has a reasonable expectation of reaching the same income level in the current year.

TRUSTS

❑ **REVOCABLE TRUST**. A trust that is revocable by its grantors and *each* of whose grantors: (i) is a natural person whose individual net worth, or joint net worth with spouse, exceeds $1.5 million; or (ii) has assets under the Manager's management (including investments by such grantor in the Company) of at least $750,000; ***OR***

❑ **IRREVOCABLE TRUST.** A trust (*other than* an employee benefit plan) that: (i) is not revocable by its grantor(s); *AND* (ii) has at least $5 million of assets, *AND* (iii) was not formed to acquire an Interest; *AND* (iv) is directed by a person who has enough knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Company; ***OR***

BENEFIT PLANS

❑ **INVESTMENT RETIREMENT ACCOUNT ("IRA") OR SIMILAR BENEFIT PLAN**. An IRA, Keogh or similar benefit plan that covers only a natural person: (i) who has a net worth of at least $1.5 million; ***OR***

❑ **PARTICIPANT-DIRECTED EMPLOYEE BENEFIT PLAN ACCOUNT.** A participant-directed employee benefit plan, *e.g.*, many 401(k) plans, investing at the direction of and for the account of a participant who has a net worth of at least $1.5 million; ***OR***

❑ **OTHER ERISA PLAN.** An employee benefit plan within the meaning of Title I of the Employment Retirement Investment Security Act of 1974 (*"ERISA"*) (*other than* a participant-directed plan) or a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has a net worth of at least $1.5 million *and* has total assets of at least $5 million; *OR*, if an ERISA plan (*i.e.*, not a government plan), the decision to purchase an Interest is being made by a bank, registered investment adviser, savings and loan association or insurance company.

CORPORATIONS/ENTITIES

❑ **CORPORATIONS OR MEMBERSHIPS**. A corporation, Membership or similar entity that has at least $5 million of assets; *AND* was not formed for the specific purpose of acquiring an Interest; ***OR***

❑ **NON-PROFIT ENTITY.** An organization described in Section 501(c)(3) of the Internal Revenue Code (*"Code"* or *"IRC"*) with total assets in excess of $5 million (including endowment, annuity and life income funds), as shown by the organization's most recent audited financial statements; ***OR***

❑ **ENTITY OWNED ENTIRELY BY ACCREDITED INVESTORS**. A corporation, partnership or similar entity *each* of whose equity owners is either a natural person whose individual net worth, or joint net worth with his or her spouse, exceeds $1.5 million or an entity each of whose equity owners meets this test; ***OR***

❑ **OTHER INSTITUTIONAL INVESTOR** (*check one*). Any of the following entities*:* □ A bank, as defined in Securities Act Section 3(2) (whether acting for its own account or in a fiduciary capacity); □ a savings and loan association or similar institution, as defined in Securities Act Section 3(a)(5)(A) (whether acting for its own account or in a fiduciary capacity); □ a broker-dealer registered under the Securities Exchange Act of 1934 (*"Exchange Act"*); □ an insurance company, as defined in Securities Act Section 2(13); □ an investment company registered under the Investment Company Act of 1940 (*"Investment Company Act"*); □ a "business development company," as defined in Investment Company Act Section 2(a)(48); □ a small business investment company licensed under Section 301(c) or (d) of the Small Business Investment Act of 1958, or □ a "private business development company" as defined in Section 202(a)(22) of the Investment advisers Act of 1940 (*"Advisers Act"*).

INFORMATION ABOUT CERTAIN REGULATED ENTITIES

EMPLOYEE BENEFIT PLANS

□ **Yes** □ **No** Subscriber is an "employee benefit plan" as defined in ERISA Section 3(3) (whether or not the plan is subject to ERISA), or a plan as described in Code Section 4975(e)(1).

□ **Yes** □ **No** Subscriber has a class of equity interests that is **25%-owned** by one or more such plans.

CERTAIN INVESTMENT COMPANIES

☐ **Yes** ☐ **No** Subscriber is a "private investment company," *i.e.*, an entity that would be an "investment company" under the Investment Company Act but for an exclusion under either Investment Company Act Sections 3(c)(1) or (7). Generally, under those sections, a company that is not making (or presently proposing to make) a public offering of its securities, *and* [Section 3(c)(1)] whose outstanding securities (other than its short-term paper) are beneficially owned by not more than 100 persons *or* [Section 3(c)(7)] whose outstanding securities are owned exclusively by persons who, at the time of the purchase, are "qualified purchasers" as defined in Investment Company Act Section 2(a)(51)—generally, individuals who own at least $5 million in "investments" and entities that own at least $25 million in "investments"—are excluded from the definition of "investment company."

If Subscriber answered "Yes" to the preceding question, Subscriber represents and warrants that set forth in the blank below is the number of persons who "beneficially own" outstanding securities of Subscriber (other than its short term paper) within the meaning of Investment Company Act Section 3(c)(1). Subscriber will advise the Manager as soon as practicable after becoming aware of any change in that number.

Number of Beneficial Owners: _____.

NATURAL PERSONS; CERTAIN TRUSTS

Provide the following information as to each natural person who will have a "*Beneficial Interest*[2]" in the Interest. If Subscriber is a *revocable* trust, provide the information as to each grantor (trustor) of the trust.

Employment and Business Connections. Provide a complete description of Subscriber's current employment and corporate directorships.

_____

_____

[2] "Beneficial interest" means every type of direct financial interest in the Interest being subscribed.

Restricted Characteristics. Check each of the following that describes Subscriber.

❑ A Member of FINRA or a non-member broker-dealer ("*broker-dealer*").

❑ An officer, director, manager, employee or agent of a broker-dealer or a person associated[3] with a broker-dealer.[4]

❑ An individual who directly or indirectly owns equity securities, or has contributed to the capital, of a broker-dealer *other than* a broker-dealer that is engaged solely in the purchase or sale of either investment company/variable contracts securities or direct participation program securities.

If this box is checked "Yes,"

What percentage of any class of outstanding equity securities of that broker-dealer does Subscriber own? _____%[5]

What percentage of the capital of that broker-dealer did Subscriber contribute? _____%

Are the securities of that broker-dealer traded on a national securities exchange or in the Nasdaq system? ☐ **Yes** ☐ **No**

If the answer to question (3) is "No," what is the name of the broker-dealer?

_____

❑ A member of the Immediate Family[6] of a person described in any of the preceding three items. *If* this box is checked, please provide the following information about the extent to which the broker-dealer or associated person contributes to the support of Subscriber.

❑ He or she contributes directly or indirectly to Subscriber's support to a material extent;

❑ He or she contributes directly or indirectly to Subscriber's support but not to a material extent. Provide the name of the broker-dealer with which the contributing person is associated: _____; or

❑ He or she does ***not*** contribute directly or indirectly to Subscriber's support.

---

[3]A "person associated with" a broker-dealer is any sole proprietor, general or Member, officer, director, or branch manager of any broker-dealer (or any natural person occupying a similar status or performing similar functions), or any natural person engaged in the investment banking or securities business of a Member who directly *or indirectly* controls or is controlled by a broker-dealer (for example, any employee), whether or not registered as a representative with the FINRA or exempt from registration.

[4]Persons in certain limited registration categories are not considered "restricted" under the Interpretation. If you check this box, but believe you are not "restricted," please contact the Managers.

[5]If Subscriber's interest in a broker-dealer is through an intermediary entity, such as a partnership or corporation, then in determining percentage ownership or capital contribution multiply Subscriber's interest in that intermediary by the intermediary's interest in the broker-dealer.

[6]"Immediate Family" of a person includes parents, parents-in-law, husbands, wives, brothers or sisters, brothers- or sisters-in-law, sons- or daughters-in-law, and children, *plus* anyone else who is supported, directly or indirectly, by the person.

- ☐ A finder in respect of any public offering of securities, a person who is acting in a fiduciary capacity, *e.g.*, an attorney, accountant or financial consultant, to a managing underwriter of any public offering of securities, or any person who is supported directly or indirectly, to a material extent, by any such person.

- ☐ A senior officer of a bank, savings and loan institution, insurance company, investment company, investment **advisory** firm or any other institutional-type account, domestic or foreign (including a hedge fund, an investment Membership or corporation, or an investment club—referred to as an "Institution"), or a member of the Immediate Family of such a person.

- ☐ Employed in the securities department of, or an employee or other person who may influence or whose activities directly or indirectly involve or are related to the function of buying or selling securities for, an "Institution," or a member of the Immediate Family of such a person.

OR

- ☐ ***None*** of the foregoing applies to Subscriber.

CORPORATIONS, MEMBERSHIPS, OTHER ENTITIES

Provide the following information as to each partnership, corporation, limited liability company, trust or other entity[7] that will have a beneficial interest (*see* definition) in the Interest.

Relationship to Broker-Dealer.

Is Subscriber a manager of a Member (*see* definition) of FINRA or a non-member broker-dealer (a "*broker-dealer*")?

☐ **Yes** ☐ **No**

Does Subscriber otherwise actively participate in or control the business of such a broker-dealer?

☐ **Yes** ☐ **No**

Does Subscriber otherwise own equity securities, or has it contributed to the capital, of a broker-dealer *other* than a broker-dealer that is engaged solely in the purchase or sale of either investment company/variable contracts securities or direct participation program securities?

☐ **Yes** ☐ **No**

If "Yes,"

What percentage of any class of outstanding equity securities of that broker-dealer does Subscriber own? _____%[8]

[7]Includes foundations, endowments and organizations described in IRC Section 501(c)(3).

[8]If Subscriber's interest in a broker-dealer is through an intermediary entity, such as a partnership or corporation, then in determining percentage ownership or capital contribution multiply Subscriber's interest in that intermediary by the intermediary's interest in the broker-dealer.

What percentage of the capital of that broker-dealer did Subscriber contribute? _____%

Are the securities of that broker-dealer traded on a national securities exchange or in the Nasdaq system? ☐ **Yes** ☐ **No**

If the answer to question (3) is "No," what is the name of the broker-dealer?

_____

Investment Entities. Is Subscriber an investment partnership (general or limited), corporation, investment club or other, similar organization of which a principal activity is investing or trading in securities (an "*Investment Entity*")?

☐ **Yes** ☐ **No**

If "Yes,"

Has Subscriber provided the Company with a letter of representation from Subscriber's counsel or accountant relating to the persons with Beneficial Interests in Subscriber, *or* as to Subscriber's status as a "foreign investment company," that satisfies the requirements set forth in FINRA's "Free-Riding and Withholding" Interpretation under the section thereof entitled "Investment Memberships and Corporations."

☐ **Yes** ☐ **No**

Employee Benefit Trusts. If Subscriber is an employee benefit trust, provide the following information:

Types of business(es) in which the sponsor of the employee benefit plan pursuant to which Subscriber was formed or is maintained ("*Sponsor*") is engaged:

- ☐ The Sponsor is a broker-dealer or owns a controlling interest in a broker-dealer.
- ☐ The Sponsor is engaged in "financial services activities," as or through ownership of one of the following: ☐ an investment adviser; ☐ a bank; ☐ an insurance company; ☐ an investment company; or ☐ other financial services company.
- ☐ The Sponsor is *not* engaged in the investment or financial services industry.

Was the Subscriber formed primarily to provide benefits to the following types of persons?

- ☐ Persons associated with a broker-dealer or members of their Immediate Families.
- ☐ Other persons with "Restricted Characteristics," as described above.

INFORMATION TO DETERMINE WHETHER SUBSCRIBER MUST HAVE PURCHASER REPRESENTATIVE

Subscriber, either alone or together with a "purchaser representative" (such as an investment adviser, attorney, accountant or other consultant), must have such knowledge and experience in financial and business matters that Subscriber can evaluate the merits and risks of this investment and protect the Subscriber's own interests in this investment. *Please check one box below*:

- ☐ **NO PURCHASER REPRESENTATIVE**. Subscriber—without the assistance of any purchaser representative—has such knowledge and experience in financial and business matters that Subscriber can evaluate the merits and risks of this investment, make an informed investment decision and otherwise protect the Subscriber's interests in this transaction. Subscriber chooses not to engage any purchaser representative.

☐ SKIP THE REMAINDER OF THIS SECTION IF YOU CHECKED THE BOX ABOVE.☐

- ☐ **PURCHASER REPRESENTATIVE DESIGNATED.** Subscriber will be relying on the advice of the purchaser representative identified below in evaluating the merits and risks of this investment. Subscriber should: (i) furnish the information requested below about Subscriber's purchaser representative; (ii) ask the purchaser representative to complete and sign a Purchaser Representative Questionnaire; (iii) sign the "Subscriber's Acknowledgement of Purchaser Representative" on the last page of the Purchaser Representative Questionnaire, after reviewing the completed Purchaser Representative Questionnaire; and (iv) deliver the Purchaser Representative Questionnaire to the Manager.

Name of purchaser representative: _____

Firm: _____

Address: _____

Telephone: _____ Occupation: _____

ELIGIBILITY REQUIREMENTS OF PURCHASER REPRESENTATIVE: As explained further in the Purchaser Representative Questionnaire, a person may not serve as Subscriber's purchaser representative if the person is being compensated by the Company (or certain related persons) for advising Subscriber in connection with this investment, or if the purchaser representative has certain present or past relationships with the Company (or certain related persons). In addition, the purchaser representative must have such knowledge and experience in financial and business matters that he or she, either alone or together with Subscriber, is capable of evaluating the merits and risks of Subscriber's prospective investment in the Company.

[SIGNATURE PAGE FOLLOWS IMMEDIATELY AFTER THIS PAGE]

SUBSCRIPTION AMOUNT: Subscriber hereby agrees to invest the following amount in a Limited Liability Company Class B Membership Interest:

$_____

Subscriber represents and warrants that the information provided above is true and correct in all material respects. By signing below, Subscriber agrees to become a Member of the Company under the terms and conditions of the Company's Operating Agreement (as amended through the date Subscriber executes this Questionnaire) and the "Terms and Conditions of Subscription Agreement," each of which is incorporated fully herein by this reference. Subscriber has received and read such Agreements. In addition, Subscriber agrees to deliver to the Manager, if requested, a copy of any documentation necessary to establish the authority of the person signing this document on behalf of Subscriber, *e.g.*, corporate articles of incorporation, bylaws, and authorizing resolutions; Company Agreement; operating agreement; or declaration of trust. Each person signing below represents and warrants that he or she has all requisite power and authority to execute this document (and through it, the Terms and Conditions of Subscription Agreement and the Company's Operating Agreement) on behalf of Subscriber.

SIGNATURE FOR INDIVIDUAL SUBSCRIBER:	**SIGNATURE FOR PARTNERSHIP, CORPORATION, TRUST OR OTHER ENTITY SUBSCRIBER:**
_____	_____
(Signature)	(Print Name of Subscriber)
_____	_____
(Print Name)	(Signature)
_____	_____
(Signature of Joint Subscriber, if any)	(Print Name of Person Signing)
_____	_____
(Print Name of Joint Subscriber, if any)	(Title of Person Signing)

ACCEPTED:

Golden Returns Management LLC
Manager

By _____ Date _____

Its _____

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PRECIOUS METALS OPPORTUNITY FUND LLC
TERMS AND CONDITIONS OF SUBSCRIPTION AGREEMENT

The following provisions, together with the Operating Agreement (*"Operating Agreement"*) of PRECIOUS METALS OPPORTUNITY FUND LLC (*"Company"*), are the terms and conditions on which investors in the Company subscribe for Limited Liability Company interests and apply to become Members in the Company. Each prospective investor in the Company accepts these terms and conditions by signing the signature page to such investor's Confidential Investor Questionnaire ("*Questionnaire*"). These terms and conditions are sometimes referred to, collectively with the Questionnaire, as the "*Subscription Agreement*."

Agreement to Subscribe for Interests. The undersigned ("*Subscriber*") hereby offers to purchase a Class B limited liability company membership interest ("*Interest*") in Precious Metals Opportunity Fund LLC, a Colorado limited liability company ("*Company*"), in the amount set forth on the signature page to the Subscriber's Questionnaire. Subscriber agrees that: (i) the Company's Manager, Golden Returns Management LLC ("*Manager*"), may reject Subscriber's offer to purchase an Interest for any reason; (ii) as of the date designated by the Manager when (if at all) the Manager accepts this Subscription Agreement and Subscriber's subscription funds on behalf of the Company, Subscriber shall become obligated under the terms and conditions of this document and of the Operating Agreement as a Member; and (iii) by executing the signature page of the Questionnaire, Subscriber agrees to be bound by those terms and conditions.

Representations and Warranties. Subscriber hereby represents and warrants as follows, with the understanding that the Company will rely on the accuracy of these representations to establish the eligibility of this offering for certain registration exemptions under federal and state securities laws, and to enable the Company to comply with certain other laws and regulations:

Interest Not Registered**.** Subscriber understands that the Company's offer and its sale to Subscriber of an Interest have not been registered under the Securities Act of 1933 (*"Securities Act"*), or registered or qualified under state securities laws, on the ground, among others, that Interests are being offered and sold in a transaction that does not involve any public offering within the meaning of Securities Act Section 4(2) and Rule 506 of Regulation D thereunder. Subscriber understands that no federal or state agency has passed on the merits or fairness of this investment.

Interest Acquired for Investment**.** Subscriber is acquiring the Interest with Subscriber's own funds and for Subscriber's own account (or for a designated custodial or trust account, if Subscriber is a custodian or trustee) for investment and not with a view to the distribution of any interest therein. No other person will own any part of Subscriber's Interest or have any right to acquire such a part.

Review of Offering Materials and Independent Advice. Subscriber has reviewed the Private Placement Memorandum (*"Memorandum"*) relating to the Company's Operating Agreement (*"Operating Agreement"*) and its exhibits (including the Operating Agreement) carefully and has discussed with Company representatives any questions Subscriber may have had as to such materials or the Company or the business, operations or financial condition of the Company or the Manager. Subscriber understands the risks of this investment, as described in the "Certain Risk Factors" section and other portions of the Memorandum, and the conflicts of interest to which the Manager will be subject. Subscriber has consulted with Subscriber's own legal, accounting, tax, investment and other advisors in connection with this investment, to the extent that Subscriber has deemed necessary.

Offer Made Privately. The Company's offer of Interests was privately communicated to Subscriber. At no time has Subscriber received information concerning this offering or the Company or the Manager from any newspaper, magazine, television or radio broadcast, leaflet or other advertisement, public promotional meeting or any other form of general advertising or general solicitation.

Subscriber Able to Bear Risks and Protect Own Interests. Subscriber is able to bear the economic risks associated with this investment, including the likelihood that this investment will not generate current income or distributions even if the Company is successful, and the possibility that some or all of the amount invested will be lost if the Company is not successful.

Representations of Entity Subscribers. If Subscriber is an entity, then:

- Subscriber has or will have substantial business activities or investments other than its investment in the Company and was not specifically formed for the purpose of purchasing Interests;

- less than 40% of Subscriber's assets will be invested in the Company;

- under Subscriber's governing documents and in practice, Subscriber's investment decisions are based on the investment objectives of Subscriber and its owners generally, not on the particular investment objectives of any one or more of its owners; and

- under Subscriber's governing documents and in practice, the participation of each owner of Subscriber in each investment made by Subscriber is based on the owners' ownership percentages or on some other allocation provision that: (i) does not result in varying levels of participation among owners based on the nature, amount or other characteristics of a particular investment; and (ii) cannot be varied for particular investments made by Subscriber as a result of any election or other decision by any such owner in connection with a particular investment, any exercise of judgment or discretion made by Subscriber's investment decision-maker(s) in connection with a particular investment, or any other reason.

Authority. Subscriber is duly authorized to enter into this Subscription Agreement (including the power of attorney granted herein), and the person signing this Subscription Agreement on behalf of Subscriber is authorized to do so, under all applicable governing documents, *e.g.*, the Operating Agreement, trust instrument, pension plan, certificate of incorporation, bylaws or operating agreement. Each individual who may participate in Subscriber's investment decision is over 21 years of age (or the age of majority in such individual's state of residence). This Subscription Agreement constitutes a legal, valid and binding agreement of Subscriber enforceable against Subscriber in accordance with its terms.

Taxpayer Identification Number; No Backup Withholding; Not a Foreign Entity. Under penalty of perjury, Subscriber certifies that the taxpayer identification number being supplied herewith by Subscriber is Subscriber's correct taxpayer identification number and that Subscriber is not subject to backup withholding under Code Section 3406(a)(1)(c). If Subscriber is an entity, then: (i) Subscriber is not a foreign corporation, foreign Membership, foreign trust or foreign estate, as those terms are defined in the Code and Regulations thereunder; and (ii) if Subscriber hereafter becomes such a foreign entity, Subscriber shall notify the Manager within 60 days thereafter.

Transfer Restrictions. Subscriber understands that, except to the extent withdrawals are permitted under the Operating Agreement, Subscriber must hold the Interests indefinitely, that no market is ever likely to develop for the Interests, and that transfers of Interests are subject to further restrictions under the Operating Agreement, although withdrawals of capital are permitted on certain conditions described in the Operating Agreement. Subscriber agrees that: (i) Subscriber will not attempt to transfer the Interest in violation of these transfer restrictions; (ii) the Company may note these transfer restrictions in its records and refuse to recognize any transfer which violates these transfer restrictions, or any proposed transfer for which the Company has not received an acceptable opinion of counsel stating that the proposed transfer will not violate these transfer restrictions; and (iii) if the Company ever issues a certificate evidencing the Interest, one or more legends required under federal and/or applicable state securities laws and regulations may be imprinted thereon. One of such legends shall read substantially as follows:

> **THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR AN OPINION OR OTHER EVIDENCE SATISFACTORY TO THE MANAGER THAT SUCH REGISTRATION IS NOT REQUIRED.**

Indemnification. Subscriber agrees to indemnify and hold harmless the Company and the Manager, and each of their employees, agents, and attorneys, from and against any and all loss, liability, claims, damage, and expense (including any expense reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) related to any false representation or warranty or any breach of agreement by Subscriber contained herein or in any other document furnished by the Subscriber to the Company in connection with this transaction.

Agreement Binding on Subscriber's Successors. The representations, warranties and agreements in this Subscription Agreement shall be binding on Subscriber's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the Company and the Manager.

Employee Benefit Plan Subscribers.

Definitions. In this Section 7: (i) "*Employee Benefit Plan*" means any "employee benefit plan" as defined in ERISA, and any "plan" as defined in Code Section 4975(e)(1); (ii) "*25%-Plan-Owned Subscriber*" means any Subscriber that is not itself an Employee Benefit Plan but that has 25% of any class of equity interests owned (directly or indirectly) by one or more Employee Benefit Plans; and (iii) "*Plan Investor*" includes Subscriber itself if Subscriber is an Employee Benefit Plan or, if Subscriber is instead a 25%-Plan-Owned Subscriber, includes each Employee Benefit Plan that directly or indirectly owns any class of Subscriber's equity interests.

Representations, Warranties and Agreements. If Subscriber is either an Employee Benefit Plan or a 25%-Plan-Owned Subscriber, then the person executing this Agreement on behalf of Subscriber ("*Signer*") represents, warrants and agrees as follows on behalf of the Plan Investor(s):

- *Independent Determination*. The Signer has independently determined, as to the Plan Investor(s), that this investment satisfies all requirements of ERISA Section 404(a)(1), and that this investment will not be prohibited under any of the provisions of ERISA Section 406 or Code Section 4975(c)(1). The Signer has requested and received from the Manager all information that the Signer, after due inquiry, deemed relevant to such determinations. Signer has taken into account that there

is a risk of loss of this investment, and that this investment will be relatively illiquid so that invested funds will not be readily available for the payment of employee benefits. Taking into account these factors and all other factors relating to the Company, the Signer has concluded that this investment is an appropriate part of the overall investment program of the Plan Investor(s).

- *Agreement to Give Notice of Certain Changes*. Promptly after Subscriber obtains knowledge thereof, the Signer will notify the Manager in writing of: (i) any termination, substantial contraction, merger or consolidation, or transfer of assets of any Plan Investor; (ii) any amendment to the governing instrument(s) of a Plan Investor that materially affects the investments of such Plan Investor or the authority of any named fiduciary or investment manager to authorize investments by such Plan Investor; and (iii) any change in the identity of any named fiduciary or investment manager (including the Plan Investor itself) who has authority to approve investments for any Plan Investor.

- *No Investment Advice Given*. The Signer acknowledges that neither the Manager nor any of its Affiliates provides any investment advice on a regular basis to Subscriber (or, to the Signer's knowledge, to any other Plan Investor) and none of such parties provides any investment advice to Subscriber (or, to the Signer's knowledge, to any other Plan Investor) that serves as the primary basis of any investment decisions Subscriber makes as to any of its assets (or that such other Plan Investor(s) makes, as the case may be).

- *Limit on Fiduciary Responsibilities*. If the Manager, or equity owner, employee, agent or Affiliate of the Manager, is ever held to be a fiduciary of Subscriber or any other Plan Investor, then, in accordance with ERISA Sections 405(b)(1), 405(c)(2) and 405(d), the fiduciary responsibilities of that person shall be limited to the person's duties in administering the business of the Company, and the person shall not be responsible for any other duties to Subscriber or such other Plan Investor, specifically including evaluating the initial or continued appropriateness of this investment in the Company under ERISA Section 404(a)(1).

Additional Representations and Warranties. If Subscriber itself is an Employee Benefit Plan, then the Signer further represents and warrants that: (i) the Signer is an authorized fiduciary of Subscriber, with full authority under the terms of Subscriber's governing instrument(s) and, if applicable, the agreement pursuant to which the Signer has been engaged by Subscriber, to cause Subscriber to purchase the Interest; and (ii) this investment has been duly approved by all other fiduciaries of Subscriber whose approval is required, if any, and this investment is not prohibited by ERISA or prohibited or restricted by any provision of Subscriber's governing instrument(s) or of any related agreement or instrument.

Arbitration. Any controversy between Subscriber and the Company or the Manager involving the Company, this Subscription Agreement or the Operating Agreement will be submitted to arbitration on the request of any party to any such controversy in the county and state in which the Manager maintains its principal office at the time such request is made. The arbitration will comply with and be governed by the provisions of the commercial arbitration rules of the American Arbitration Association and no party to any such controversy shall be entitled to any punitive damages. Judgment may be entered upon any award granted in any such arbitration in any court of competent jurisdiction in the county and state in which the Manager maintains its principal office at the time the award is rendered. By signing this Agreement, Subscriber agrees to waive his or her or its right to seek remedies in court, including any right to a jury trial; *provided, however*, that nothing in this paragraph will constitute a waiver of any right any party to this Agreement may have to choose a judicial forum to the extent such a waiver would violate applicable law.

Governing Law. This Subscription Agreement shall be governed by the laws of the State of Colorado.

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