

MARSHALL REDDICK MORTGAGE FUND, LLC

a California limited liability company

SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY

THE MEMBERSHIP INTERESTS OF THE FUND SUBJECT TO THIS SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY (THE “SUBSCRIPTION AGREEMENT”) ARE SECURITIES WHICH HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”). SUCH MEMBERSHIP INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED TO ANY PERSON AT ANY TIME IN: (A) THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH MEMBERSHIP INTERESTS UNDER THE ACT; OR (2) AN OPINION OF COUNSEL SATISFACTORY TO THE FUND TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED; OR (B) A MANNER INCONSISTENT WITH THE TERMS OF THE MEMBERSHIP INTERESTS OR THE FUND ARTICLES OF ORGANIZATION OR OPERATING AGREEMENT, ALL OF WHICH ARE INCORPORATED HEREIN BY THIS REFERENCE.

1. INVESTOR SUITABILITY STANDARDS. The Fund intends to sell the Membership Interests to an unlimited number of “Accredited Investors” only. No Membership Interests will be sold to non-accredited investors. To qualify as an Accredited Investor, Purchaser must meet any of the following:

(a) Any bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any 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 total assets in excess of \$5,000,000.00; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered adviser, or if the employee benefit plan has total assets in excess of \$5,000,000.00 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

(b) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

(c) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;

(d) A director or executive officer of the Fund, or a director or executive officer of the Manager;

(e) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000.00 (excluding the value of such person's primary residence);

(f) Any natural person who had an individual income in excess of \$200,000.00 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000.00 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

(g) Any trust, with total assets in excess of \$5,000,000.00, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii); or

(h) Any entity in which all of the equity owners are accredited investors.

(i) The Manager.

2. SUBSCRIPTION.

MEMBERSHIP CLASS: CLASS A MEMBERSHIP INTERESTS

INVESTMENT AMOUNT

DISTRIBUTION SELECTION

(please select one):

☐ CASH/ACH ☐ REINVESTMENT

Members may change their distribution selection at any time upon Thirty (30) days written notice to the Fund. Upon receipt and after the Thirty (30) day notice has occurred, the Member's election shall be changed and reflected on the following quarter in which the Member is entitled to receive a distribution.

INVESTING ENTITY PURCHASER NAME

TAX ID NUMBER OF INVESTING ENTITY/PURCHASER

INVESTING ENTITY/PURCHASER TYPE:

☐ INDIVIDUAL ☐ TRUST ☐ LLC ☐ CORPORATION ☐ IRA/401K ☐ OTHER

FOR LLC SELECTION: ☐ PARTNERSHIP ☐ DISREGARDED ENTITY

IF DISREGARDED ENTITY, BENEFICIAL OWNER NAME: _____

BENEFICIAL OWNER TAX ID: _____

FOR OTHER SELECTION: _____

MAILING ADDRESS OF INVESTING ENTITY/PURCHASER

CITY, STATE AND ZIP CODE OF INVESTING ENTITY/PURCHASER

PHONE NUMBER / EMAIL OF INVESTING ENTITY/PURCHASER

The undersigned (“Purchaser”) hereby subscribes to become a holder (“Member”) of membership interests in **MARSHALL REDDICK MORTGAGE FUND, LLC**, a California limited liability company (the “Fund”), and to purchase Class A membership interests (“Membership Interests”) in the amount indicated above, all in accordance with the terms and conditions of this Subscription Agreement, the Articles of Organization (the “Articles”), Operating Agreement (“Operating Agreement”) of the Fund and the Private Placement Memorandum dated March 10, 2020 (the “Memorandum”).

(a) The Purchaser acknowledges and agrees that this subscription cannot be withdrawn, terminated, or revoked. The Purchaser agrees to become a Member and to be bound by all the terms and conditions of the Operating Agreement. This subscription shall be binding on the heirs, executors, administrators, successors and assigns of the Purchaser. This subscription is not transferable or assignable by the Purchaser, except as is provided in the Memorandum or Subscription Agreement.

(b) This subscription may be rejected as a whole or in part by the Fund in its sole and absolute discretion. If this subscription is rejected, the Purchaser’s funds shall be returned to the extent of such rejection. This subscription shall be binding on the Fund only upon its acceptance of the same.

(c) By executing this Subscription Agreement, a Purchaser: (a) makes certain representations and warranties upon which KKI Ventures, Inc., a California corporation, doing business as Marshall Reddick Real Estate (the “Manager”), will rely on in accepting Purchaser’s subscription funds; and (b) unconditionally and irrevocably agrees to purchase the Membership Interests in the amount shown above, and thereby makes a commitment to contribute capital in accordance with the terms set forth in this Subscription Agreement, the Memorandum, and the Operating Agreement.

(d) Neither the execution nor the acceptance of this Subscription Agreement constitutes the Purchaser as a Member, shareholder, owner or creditor of the Fund. If accepted by the Manager, the Purchaser’s capital contribution will be temporarily deposited into a call account (the “Subscription Account”). This Subscription Agreement is only an agreement to purchase the Membership Interests on a when issued basis; and the Purchaser will become a Member only after the Purchaser’s funds are duly transferred to the operating bank account of the Fund (“Operating Account”) and the Membership Interests are issued thereupon to the Purchaser in conjunction with the provisions of the Operating Agreement (which Purchaser would become a signatory to). Until such time, the Purchaser shall have only those rights as may be set forth in this Subscription Agreement.

(e) The Purchaser’s rights and responsibilities will be governed by the terms and conditions of this Subscription Agreement, the Memorandum, the Articles and the Operating Agreement. The Fund will rely upon the information provided in this Subscription Agreement to confirm that the Purchaser is an “Accredited Investor” as defined in Regulation D promulgated under the Act.

(f) If a Purchaser has not been admitted as a Member within Ninety (90) days of signing this Subscription Agreement and depositing funds into the Subscription Account, the Purchaser may request in writing to the Manager to recover his, her or its investment funds. If, upon receipt of such request in writing,

the Fund has not yet admitted the Purchaser as a Member, then the Fund may, in its sole and absolute discretion, return the Purchaser's funds to the Purchaser and revoke the Subscription Agreement within Ten (10) business days of receipt of such request from the Purchaser.

(g) The Purchaser agrees that the subscription for Membership Interests, or portions thereof, will become effective (subject to acceptance of the same by the Fund, in its sole and absolute discretion) following acceptance of the subscription and the transfer of the Purchaser's subscription funds into the Operating Account.

3. REPRESENTATIONS AND WARRANTIES BY THE PURCHASER. The Purchaser hereby represents, warrants, and agrees as follows:

(a) Purchaser has received and read the Memorandum and its Exhibits, including the Articles and the terms and conditions of the Operating Agreement, and Purchaser is thoroughly familiar with the proposed business, operations, properties and financial condition of the Fund. Purchaser has relied solely upon the Memorandum and independent investigations made by Purchaser or Purchaser's representative with respect to the investment in Membership Interests. No oral or written representations beyond the Memorandum have been made or relied upon.

(b) Purchaser has read and understands the Articles and Operating Agreement and understands how the Fund functions as a corporate entity. By purchasing the Membership Interests and executing this Subscription Agreement, Purchaser hereby agrees to the terms and provisions of the Articles and the Operating Agreement.

(c) Purchaser understands that the Fund has limited financial and operating history. Purchaser has been furnished with such financial and other information concerning the Fund, its management, and its business, as Purchaser considers necessary in connection with the investment in Membership Interests. Purchaser has been given the opportunity to discuss any questions and concerns with the Fund.

(d) Purchaser is purchasing Membership Interests for Purchaser's own account (or for a trust if Purchaser is a trustee), for investment purposes and not with a view or intention to resell or distribute the same. Purchaser has no present intention, agreement, or arrangement to divide Purchaser's participation with others or to resell, assign, transfer, or otherwise dispose of all or part of the Membership Interests.

(e) Purchaser or Purchaser's investment advisors have such knowledge and experience in financial and business matters that will enable Purchaser to utilize the information made available to evaluate the risks of the prospective investment and to make an informed investment decision. Purchaser has been advised to consult Purchaser's own attorney concerning this investment and to consult with independent tax counsel regarding the tax considerations of investing in the Membership Interests and becoming a Member of the Fund.

(f) If Purchaser has not been admitted as a Member within Ninety (90) days of signing this Subscription Agreement and depositing funds into the Subscription Account, the Purchaser may send a written notice to the Manager asking the Manager to either admit Purchaser as a Member or return Purchaser's funds and revoke the Subscription Agreement. Within Ten (10) business days of receipt of such written request from the Purchaser, Manager shall, in its sole and absolute discretion, either accept Purchaser as a Member and transfer Purchaser's funds to the Fund's operating account or return the Purchaser's funds to the Purchaser and revoke the Subscription Agreement.

(g) Purchaser has carefully reviewed and understands the risks of investing in the Membership Interests, including those set forth in the Memorandum and the terms and conditions of the Membership

Interests. Purchaser has carefully evaluated Purchaser's financial resources and investment position and acknowledges that Purchaser is able to bear the economic risks of this investment. Purchaser further acknowledges that Purchaser's financial condition is such that Purchaser is not under any present necessity or constraint to dispose of the Membership Interests to satisfy any existent or contemplated debt or undertaking. Purchaser has adequate means of providing for Purchaser's current needs and possible contingencies, has no need for liquidity in Purchaser's investment, and can afford to lose some or all of Purchaser's investment.

(h) Purchaser has been advised that the Membership Interests have not been registered under the Securities Act of 1933, as amended (the "Act"), or qualified under any State Securities Laws (the "Law"), on the ground, among others, that no distribution or public offering of the Membership Interests is to be effected and the Membership Interests will be issued by the Fund in connection with a transaction that does not involve any public offering within the meaning of section 4(2) of the Act or of the Law, under the respective rules and regulations of the Securities and Exchange Commission.

(i) Purchaser has previously furnished the Fund a completed and signed Investor Questionnaire. All information which Purchaser has furnished in this Subscription Agreement and the Investor Questionnaire, concerning his/her/itself, financial position, and knowledge of financial and business matters is correct, current, and complete.

(j) Purchaser agrees that Purchaser must provide any and all documentation and information (to the satisfaction of the Fund) to verify the Purchaser's status as an Accredited Investor. The Fund may conduct such verification through any reasonable means and steps deemed necessary or suitable by the Fund.

(k) All information which Purchaser has furnished in this Subscription Agreement concerning Purchaser, Purchaser's financial position, and Purchaser's knowledge of financial and business matters is correct, current, true and complete.

4. AGREEMENT TO REFRAIN FROM RESALE. The Purchaser agrees not to pledge, hypothecate, sell, transfer, assign or otherwise dispose of any Membership Interests, nor receive any consideration for Membership Interests from any person, unless and until prior to any such action:

(a) A registration statement on a form appropriate for the purpose under the Act with respect to the Membership Interests proposed to be so disposed of shall be then effective and such disposition shall have been appropriately qualified in accordance with applicable securities laws; or

(b) All of the following shall have occurred: (i) the Purchaser shall have furnished the Fund with a detailed explanation of the proposed disposition, (ii) the Purchaser shall have furnished the Fund with an opinion of the Purchaser's counsel in form and substance satisfactory to the Fund to the effect that such disposition will not require registration of such Membership Interests under the Act or qualification of such Membership Interests under any other securities law, and (iii) counsel for the Fund shall have concurred in such opinion and the Fund shall have advised the Purchaser in writing of such concurrence.

5. POWER OF ATTORNEY.

(a) The Purchaser irrevocably constitutes and appoints the Fund with full power of substitution as his/her true and lawful attorney-in-fact and agent, to execute, acknowledge, verify, swear to, deliver, record, and file, in the Purchaser's name or his/her assignee's name, place, and stead, all instruments, documents, and certificates that may from time to time be required by the laws of the United States of America, the State of California, and any other state in which the Fund conducts or plans to conduct business, or any

political subdivision or agency of the government, to effectuate, implement, and continue the valid existence of the Fund, including, without limitation, the power of attorney and authority to execute, verify, swear to, acknowledge, deliver, record and file the following:

(i) the Membership Interests, the Operating Agreement, the Articles and all other instruments (including amendments thereto) that the Fund deems appropriate to form, qualify or continue the Fund as a limited liability company in the State of California and all other jurisdictions in which the Fund conducts or plans to conduct business;

(ii) all instruments that the Fund deems appropriate to reflect any amendment to the Articles or Operating Agreement, or modification of the Fund, made in accordance with the terms of the Articles or Operating Agreement;

(iii) a fictitious business name certificate and such other certificates and instruments as may be necessary under the fictitious or assumed name statute from time to time in effect in the State of California and all other jurisdictions in which the Fund conducts or plans to conduct business;

(iv) all instruments relating to the admission of any additional Members or other shareholders, owners or creditors, whether secured or unsecured; and

(v) all conveyances and other instruments that the Fund deems appropriate to reflect the dissolution and termination of the Fund pursuant to the terms of the Articles and the Operating Agreement.

(b) The power of attorney granted is a special power of attorney and shall be deemed to be coupled with an interest, shall be irrevocable, shall survive the death, dissolution, bankruptcy, or legal disability of the Purchaser, and shall extend to the Purchaser's heirs, successors, and assigns. The Purchaser agrees to be bound by any representations made by the Fund acting in good faith under such power of attorney, and each Member waives any and all defenses that may be available to contest, negate, or disaffirm any action of the Fund taken in good faith under such power of attorney.

6. MISCELLANEOUS.

(a) **CHOICE OF LAWS.** This Subscription Agreement will be governed by and construed in accordance with the laws of the State of California, without giving effect to its choice of laws rules.

(b) **ENTIRE AGREEMENT.** This Subscription Agreement constitutes the entire agreement between the parties and may be amended only by written agreement between all parties.

(c) **BINDING ARBITRATION.** Any dispute, claim or controversy arising out of, relating to, in connection with or under this Subscription Agreement, or the breach or threatened breach thereof, will be resolved through confidential binding arbitration under the then prevailing rules of the American Arbitration Association in the County of Orange, State of California, and any party making a claim hereunder in whatever form hereby submits to jurisdiction and venue in that forum for any and all purposes. The decision of the arbitrator shall be final and judgment on any award thereupon may be entered in any court having jurisdiction thereof. This paragraph 6(c) shall not preclude either party from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

(d) **TERMINATION OF AGREEMENT.** If this subscription is rejected by the Fund, then this Subscription Agreement shall be null and void and of no further force and effect and no party shall have

any rights against any other party hereunder and the Fund shall promptly return the funds delivered with this Subscription Agreement.

(e) **TAXES.** The discussion of the federal income tax considerations arising from investment in the Fund, as set forth in the Memorandum, is general in nature and the federal income tax considerations to the Purchaser of investment in the Membership Interests will depend on individual circumstances. The Memorandum does not discuss state income tax considerations, which may apply to all or substantially all Purchasers. There can be no assurance that the Internal Revenue Code or the Regulations under the Code will not be amended in a manner adverse to the interests of the Purchaser or the Fund.

(f) **DULY AUTHORIZED.** If the Purchaser is a corporation, partnership, trust, or other entity, the individual(s) signing in its name is (are) duly authorized to execute and deliver this Subscription Agreement on behalf of such entity, and the purchase of the Membership Interests by such entity will not violate any law or agreement by which it is bound.

(g) **MEMBERSHIP INTERESTS WILL BE RESTRICTED SECURITIES.** The Purchaser understands that the Membership Interests will be "restricted securities" as that term is defined in Rule 144 under the Act and, accordingly, that the Membership Interests must be held indefinitely unless they are subsequently registered under the Act and any other applicable securities law or exemptions from such registration is available. The Purchaser understands that the Fund is under no obligation to register Membership Interests under the Act, to qualify Membership Interests under any federal or state securities law, or to comply with Regulation A or any other exemption under the Act or any other law.

(h) **MEMBERSHIP INTERESTS CONTAIN RESTRICTIVE LEGEND.** Any documents or certificates issued to evidence ownership of the Membership Interests will bear restrictive legends notifying prospective purchasers of the transfer restrictions set forth above, and the Fund will not permit transfer of any Membership Interests on the books of the Fund in violation of such restrictions.

(i) **SUCCESSORS.** The representations, warranties and agreements contained in this Subscription Agreement shall be binding on the Purchaser's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the Fund and its directors and officers. If the Purchaser is more than one person, the obligations of all of them shall be joint and several, and the representations and warranties contained herein shall be deemed to be made by, and to be binding upon, each such person and his heirs, executors, administrators, successors, and assigns.

(j) **INDEMNIFICATION.** The Purchaser shall indemnify and defend the Fund and its directors and officers from and against any and all liability, damage, cost, or expense (including attorneys' fees) arising out of or in connection with:

(i) Any inaccuracy in, or breach of, any of the Purchaser's declarations, representations, warranties or covenants set forth in this document or any other document or writing delivered to the Fund;

(ii) Any disposition by the Purchaser of any Membership Interests in violation of this Agreement, the Articles or the Operating Agreement, or any applicable law; or

(iii) Any action, suit, proceeding or arbitration, whether threatened, pending or actual, alleging any of the foregoing.

(k) **ELECTRONIC SIGNATURE.** This Subscription Agreement may be executed and delivered in counterparts by electronic signature with the same effect as if the parties executing the counterparts had all executed one counterpart. Counterparts may be delivered via facsimile, electronic mail (including .pdf

or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., clicking "I agree" or use of www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Each party consents and agrees that its electronic signature meets the requirements of an original signature as if actually signed by such party in writing. Further, each party agrees that no certification authority or other third-party verification is necessary to the enforceability of its signature. At the request of Fund, this Agreement must be re-executed in original form by Purchaser if Purchaser executed this Agreement electronically. No party hereto may raise the use of an electronic signature as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this section.

FOR GOOD AND VALID CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the Purchaser, intending to be legally bound, has executed this Subscription Agreement as of _____.

BY PURCHASING MEMBERSHIP INTERESTS AND EXECUTING THIS SUBSCRIPTION AGREEMENT, EACH PURCHASER HEREBY AGREES, UPON ACCEPTANCE BY THE FUND, TO BE LEGALLY BOUND BY THE TERMS OF THE OPERATING AGREEMENT, THE SUBSCRIPTION AGREEMENT AND THE MEMORANDUM.

PURCHASER:

Signature of Purchaser

Print Name and, if Applicable, Title of Purchaser

Signature of Additional Purchaser, if Applicable

Print Name and, if Applicable, Title of Additional Purchaser, if Applicable

The Fund has acknowledged this Subscription Agreement as of _____, by the signature of a duly authorized representative of the Manager of the Fund.

MARSHALL REDDICK MORTGAGE FUND, LLC,
a California limited liability company

Patrick Prunty, Director of Private Lending with KKI Ventures, Inc., a California corporation, doing business as Marshall Reddick Real Estate, Manager of the Fund