

| FOR OFFICE USE ONLY |                  |
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| Admit Date: _____   | Amount: \$ _____ |
| Admit Date: _____   | Amount: \$ _____ |
| Admit Date: _____   | Amount: \$ _____ |
| Total: \$ _____     |                  |

## SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY

### FOOTHILL MORTGAGE FUND OF OLYMPIA, LLC a California limited liability company

The undersigned hereby applies to become an Investor Member in Foothill Mortgage Fund of Olympia, LLC, a California limited liability company (the “**Company**”), and subscribes to purchase the number of membership interest units (“**Units**”) herein indicated in accordance with the terms and conditions set forth in the Offering Circular of the Company dated May 2, 2011, as supplemented from time to time (the “**Offering Circular**”) and the Operating Agreement attached thereto as Exhibit A, thereto (the “**Operating Agreement**”). Capitalized terms not otherwise defined herein shall have the meanings given in the Offering Circular.

**1. REPRESENTATIONS AND WARRANTIES.** The undersigned represents and warrants as follows:

(a) I have received, read and fully understood the Offering Circular and the Operating Agreement and in making this investment I am relying only on the information provided in the Offering Circular and the Operating Agreement. I have not relied on any statements or representations inconsistent with those contained in the Offering Circular or the Operating Agreement.

(b) I understand that the Units are being offered and sold without registration under the Securities Act of 1933, as amended in reliance upon the exemption from such registration requirements for intrastate offerings. I acknowledge and understand that the availability of this exemption depends in part upon the accuracy of the representations and warranties contained herein, which I hereby make with the intent that they may be relied upon by the Manager. I understand that the Company has obtained a permit from the California Department of Corporations to offer and sell the Units in California but has not registered or qualified the Units for offer or sale under the securities laws of any other state. This Subscription Agreement is made pursuant to, and is subject to, the terms and conditions of the qualification approved by the Commissioner of Corporations of the State of California for the Company.

(c) If I am an individual, my principal residence is in the State of California or I am a non-U.S. citizen that resides in a foreign nation.

(d) Except as hereafter provided, if I am acting as the trustee of a trust or on behalf of any other business entity, both the principal office and the principal place of business of such trust or other entity are located in the State of California. If I am acting as the trustee or custodian of a Keogh plan, Individual Retirement Account or other retirement plan and I am not a resident of California, then all of the following requirements are satisfied: (i) all participants or beneficiaries of such retirement plan have their principal residence in California; (ii) all investment decisions regarding such plan are made by such resident participants and/or beneficiaries; and (iii) I perform only ministerial functions with respect to the investment of plan assets, with no independent authority or discretion to make investment decisions.

(e) I understand that Units may not be sold or otherwise disposed of without the prior written consent of the Manager, which consent may be granted or withheld in their sole discretion, and that any such transfer is also subject to the prior written consent of the California Commissioner of Corporations and to numerous other restrictions described in the Offering Circular and in the Operating Agreement. I have liquid assets sufficient to assure myself (i) that investment in these Units will not cause me undue financial difficulties and (ii) that I can provide for my current needs and possible personal contingencies or, if I am the trustee of a retirement trust, that the limited liquidity of the Units will not cause difficulty in meeting the trust's obligations to make distributions to plan participants in a timely manner.

(f) I understand that an investment in the Units involves certain risks.

(g) I am 18 years of age or older.

(h) By virtue of my own investment acumen and experience or financial advice from my independent advisors (other than a person receiving commissions by reason of my purchase of Units), I am capable of evaluating the risks and merits of an investment in the Units.

(i) As further indicated in Section 6, below, I satisfy one of the following financial suitability standards:

(i) I have a net worth (exclusive of home, furnishings and automobiles) of \$250,000 plus an annual gross income of \$65,000; or

(ii) I have a net worth (exclusive of home, furnishings and automobiles) of \$500,000; or

(iii) I am purchasing as a trustee or other fiduciary for a person meeting the requirements of clause (i) or (ii) above.

(j) The amount of my investment in the Units as set forth in this Agreement does not exceed ten percent (10%) of my net worth (exclusive of my home, furnishings and automobile); or if I am a trustee or fiduciary of a fiduciary account, the amount of the investment in the Units does not exceed ten percent (10%) of the net worth of such fiduciary account itself or of the plan participant who directly or indirectly supplies the funds for investment to such fiduciary account.

(k) I am purchasing the Units solely for my own account, and not with a view to or for a sale in connection with any distribution of the Units.

(l) If I am purchasing Units for cash (a "**Cash Subscription**"), I understand that the purchase price for my Units is payable concurrently with my delivery of this Subscription Agreement to the Manager ("**Subscription Funds**"). I understand that this subscription is subject to acceptance by the Manager and that upon acceptance, my Subscription Funds may be held by the Manager on behalf of the FMF in a segregated subscription account at a financial institution selected by the Manager (the "**Subscription Account**") prior to being transferred into the operating account of the Fund ("**Operating Account**"). I acknowledge that my Subscription Funds will be held in the Subscription Account until the Manager determines such funds are needed by the FMF for the purpose of funding or investing in a New Loan, paying fund debts,

creating appropriate reserves or to pay withdrawal requests to existing Investor Members. I further acknowledge that I will not earn interest on my subscription funds while on deposit in the Subscription Account.

(m) If I am an existing member of Olympia Mortgage Fund, LLC (“OMF”) electing to purchase Units from Liquidation Distributions payable to me by OMF (a “**Rollover Subscription**”), I understand that by delivering this Subscription Agreement to the Manager I am authorizing and directing the Manager to apply the indicated amount of each Liquidation Distribution otherwise payable to me towards the purchase of Units at the rate of \$1.00 per Unit at the time each future Liquidation Distribution is made. Liquidation Distributions in excess of such amount, if any, will be distributed to me in accordance with OMF’s Operating Agreement or any other agreement between the Manager and me in connection with such distributions. I further acknowledge that this subscription is subject to acceptance by the Manager and that, if accepted, I will only become an Investor Member in the Fund at the time the first Liquidation Distribution is made and transferred into FMF and Units are issued in my name, at which time additional Units will be issued to me at the rate of \$1.00 per Unit. Thereafter, each Liquidation Distribution (or the percentage thereof indicated herein) shall be applied to the purchase of additional Units at the rate of \$1.00 per Unit until either: (i) I notify the Manager, in writing, to terminate my Rollover Subscription; (ii) the final Liquidation Distribution payable to me from OMF has been made.

**2. POWER OF ATTORNEY.** The undersigned hereby irrevocably constitutes and appoints the Manager as his, her or its true and lawful attorney-in-fact, with full power of substitution and with full power and authority for him, her or it and in his, her or its name, place and stead, to execute, acknowledge, publish and file:

(a) The Operating Agreement, the Articles of Organization of the Company and any amendments thereto or cancellations thereof required under the laws of the State of California;

(b) Any other certificates, instruments and documents as may be required by, or may be appropriate under, the laws of any state or other jurisdiction in which the Company is doing or intends to do business; and

(c) Any documents which may be required to effect the continuation of the Company, the admission of an additional or substituted Member, or the dissolution and termination of the Company.

The power of attorney granted above is a special power of attorney coupled with an interest, is irrevocable, and shall survive the death of a Member or the delivery of an assignment of Units by a Member; provided, that where the assignee thereof has been approved by the Manager for admission to the Company as a substituted Member, such power of attorney shall survive the delivery of such assignment for the sole purpose of enabling the Manager to execute, acknowledge, file and record any instrument necessary to effect such substitution.

**3. ACCEPTANCE.** This Subscription Agreement will be accepted or rejected by the Manager promptly following receipt by the Company. Upon acceptance, the Manager will return a

countersigned copy of an Acceptance of Subscription in the form attached hereto, to accepted subscribers, which will be evidence of my purchase of Units.

**4. INVESTOR INFORMATION AND SUITABILITY** (please print or type).

**(a) Name and Address of Investor or Beneficial Owner:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_, California 9\_\_\_\_\_  
City Zip Code

( ) Telephone (Home)      ( ) Telephone (Office)      ( ) Telephone (Cell)

**Title to be held as:** \_\_\_\_\_

\_\_\_\_\_

*Note: For accounts held in a Trust, please supply Trust documentation*

**(b) Investor Suitability.** Please initial a “yes” or “no” response to the following questions:

My net worth (excluding home, furnishings and automobiles) exceeds \$500,000      Yes \_\_\_\_\_      No \_\_\_\_\_  
Initial Initial

I have a net worth (excluding home, furnishings and automobiles) of \$250,000 and my annual income exceeds \$65,000 per year      Yes \_\_\_\_\_      No \_\_\_\_\_  
Initial Initial

I am purchasing as a trustee or other fiduciary for a person or entity meeting one of the requirements listed above      Yes \_\_\_\_\_      No \_\_\_\_\_  
Initial Initial

**(c) Investment Restrictions.** Please initial a “yes” or “no” response to the following questions:

The amount of my investment in the Company is less than ten percent (10%) of my net worth (exclusive of my home, furnishings and automobiles); or if I am a trustee or fiduciary of a fiduciary account, the amount of the investment in the Units does not exceed then percent (10%) of the net worth of such fiduciary account itself or of the plan participant who directly or indirectly supplies the funds for investment to such fiduciary account.

Yes \_\_\_\_\_ No \_\_\_\_\_  
Initial Initial

**5. FURTHER IDENTIFYING INFORMATION.**

Please complete the following, as applicable. (Investments by more than one of the following entities, even if related to each other or controlled by the same person, require completion of separate Subscription Agreement.)

**Individual:**

Payments Made Payable To:  
*(Bank or Individual)*

Bank \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_, CA 9 \_\_\_\_\_  
Bank Acct.# \_\_\_\_\_

Monthly Income to Be:<sup>1</sup>

Compounded \_\_\_\_\_  
or Distributed\* \_\_\_\_\_  
*\*Monthly Income will not be distributed  
until account balance reaches \$5000.00*  
ss # \_\_\_\_\_

**Individual Retirement Account (“IRA”):**

Payments Made Payable To:

Custodian \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_, CA 9 \_\_\_\_\_  
IRA Acct. No. \_\_\_\_\_

Monthly Income to Be:

Compounded \_\_\_\_\_  
or Distributed\* \_\_\_\_\_  
*\*Monthly Income will not be distributed  
until account balance reaches \$5000.00*  
Custodial Tax I.D. # \_\_\_\_\_

**Pension or Profit Sharing Trust (“ERISA Plan”):**

Payments Made Payable To:  
*(Bank or Individual)*

Bank \_\_\_\_\_  
Trustee \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_, CA 9 \_\_\_\_\_  
Bank Acct. No. \_\_\_\_\_

Monthly Income to Be:

Compounded \_\_\_\_\_  
or Distributed\* \_\_\_\_\_  
*\*Monthly Income will not be distributed  
until account balance reaches \$5000.00*  
Tax I.D. # \_\_\_\_\_

<sup>1</sup> Changes in this election (whether to compound earnings or receive monthly distributions) are subject to certain restrictions and limitations, as set forth in the Offering Circular.

**Corporation, Trust or Other:**

|  |  |
|--|--|
| <u>Payments Made Payable To:</u><br><i>(Bank or Individual)</i><br>Bank _____<br>Trustee _____<br>Name _____<br>Address _____<br>_____, CA 9 _____<br>Bank Acct. No. _____ | <u>Monthly Income to Be:</u><br>Compounded _____<br>or Distributed* _____<br><br><i>*Monthly Income will not be distributed<br/>until account balance reaches \$5000.00</i><br>Tax I.D. # or ss# _____ |
|--|--|

**6. UNDERSTANDING OF LEGAL CONSEQUENCES.** The undersigned acknowledges that it understands the meaning and legal consequences of the representations and warranties made by the undersigned herein, and that the Manager is relying on such representations and warranties in making his determination to accept or reject this subscription.

**PLEASE READ THE FOLLOWING PARAGRAPHS CAREFULLY  
AND INITIAL WHERE INDICATED AFTER HAVING DONE SO**

The undersigned agrees to indemnify, defend and hold the Company and its Manager and their respective officers, directors, shareholders, members, agents and employees harmless from and against any and all claims, demands, liabilities, and damages (including, without limitation, all attorneys' fees which shall be paid as incurred) which any of them may incur, in any manner or to any person, by reason of the falsity, incompleteness or misrepresentation of any information furnished by the undersigned herein or in any document submitted herewith.

The effect of the foregoing paragraph is that the undersigned will be financially responsible for all losses, damages, expenses and liabilities incurred by the Company and/or its Manager as a result of a breach of any of the representations and warranties made by the undersigned.

**THE UNDERSIGNED HAS READ CAREFULLY AND UNDERSTANDS THE FOREGOING INDEMNIFICATION PROVISIONS AND ITS EFFECT.**

\_\_\_\_\_  
(INITIAL)                      (INITIAL)

**7. SUBSCRIPTION FOR UNITS.** Please indicate the type of subscription being made by completing the information below, as applicable. For further information regarding subscription elections, see the section of the Offering Circular entitled "Terms of the Offering – Subscriptions for Units and Admission to the Fund."

**Cash Subscription Election.** I hereby subscribe to purchase the following number of Units for the cash purchase price indicated which I am delivering to the Manager together with an executed copy of this Subscription Agreement:

No. of Units (Initial Minimum of 25,000) \_\_\_\_\_  
(1,000 minimum after initial investment)

Purchase Price (@ 1.00 per Unit; Initial Minimum \$25,000): \$ \_\_\_\_\_  
(\$1,000. minimum after initial investment)

- Please make checks payable to “Foothill Mortgage Fund of Olympia, LLC” and return checks together with an executed copy of this Subscription Agreement to:

Foothill Mortgage Fund of Olympia, LLC  
c/o Olympia Mortgage & Investment Company, Inc.  
1740 East Main Street, Suite 102  
Grass Valley, CA 95945  
Attention: \_\_\_\_\_

**Rollover Subscription Election.** I am an existing member of OMF, and hereby authorize and direct Manager to apply the following Liquidating Distributions payable to me from OMF to the purchase of Units<sup>2</sup>:

**Quarterly Capital Distributions**

Rollover \_\_\_\_\_% of each OMF quarterly capital distribution

*Note: Splitting rollover funds will require an extra 2-5 business days to process before your FMF account is credited.*

OR

**Quarterly Capital Distributions & Monthly Income**

Rollover 100% from each capital distribution and 100% of OMF monthly income

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<sup>2</sup> Rollover Subscriptions from future Liquidation Distributions are revocable at any time upon written notice to the Manager; however, once a Liquidation Distribution is applied to the purchase of Units and Units are issued in the name of a Member, the amounts paid for such Units and any Units issued prior thereto are non-refundable and immediately become subject to the withdrawal and other restrictions applicable to Units outlined in the Offering Circular.

- Please return a full completed and executed copy of this Subscription Agreement to:

Foothill Mortgage Fund of Olympia, LLC  
 c/o Olympia Mortgage & Investment Company, Inc.  
 1740 East Main Street, Suite 102  
 Grass Valley, CA 95945  
 Attention: \_\_\_\_\_

IN WITNESS WHEREOF, the undersigned hereby agrees to become a Member in Foothill Mortgage Fund of Olympia, LLC upon the terms and conditions set forth in the Operating Agreement.

Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
 (signature of Investor or Beneficial Owner)

\_\_\_\_\_  
 (signature of Trustee, if any)

\_\_\_\_\_  
 (signature of Investor or Beneficial Owner)

\_\_\_\_\_  
 (signature of Trustee, if any)

***[IF IRA OR ERISA PLAN, THEN BOTH TRUSTEE  
AND BENEFICIAL OWNER(S) MUST SIGN.]***

THE LIMITED LIABILITY COMPANY MEMBERSHIP INTEREST UNITS REPRESENTED BY THIS ACCEPTANCE OF SUBSCRIPTION HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). SUCH UNITS MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED TO ANY PERSON AT ANY TIME IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH UNITS UNDER THE ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED. IN ADDITION, IN NO EVENT MAY UNITS BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED TO ANY PERSON WHO IS NOT A RESIDENT OF CALIFORNIA FOR A PERIOD OF NINE MONTHS FROM THE DATE OF THE LAST SALE THEREOF BY THE COMPANY.

IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN OR TO RECEIVE ANY CONSIDERATION THEREFORE, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED BY THE COMMISSIONER'S RULES.

**ACCEPTANCE OF SUBSCRIPTION**

**FOOTHILL MORTGAGE FUND OF OLYMPIA, LLC  
a California Limited Liability Company**

This Acceptance of Subscription is being provided to \_\_\_\_\_  
\_\_\_\_\_ ("Investor"), by Olympia Mortgage & Investment Company, Inc.  
("Manager") in connection with Investor's subscription for the purchase of membership interest Units in Foothill Mortgage Fund of Olympia, LLC ("FMF") as set forth in the Subscription Agreement and Power of Attorney delivered by Investor to Manager, dated \_\_\_\_\_, 20\_\_\_\_ ("Subscription Agreement"). All capitalized terms not otherwise defined herein shall have the meaning given in the Subscription Agreement.

**[For Cash Subscriptions:]** This shall confirm that the Cash Subscription set forth in the Subscription Agreement has been accepted by the Manager and that Investor has been admitted to FMF and Units have been issued to Investor as set forth below.

| Issue Date       | Subscription Amount | No. of Units Issued | Capital Account Credit |
|------------------|---------------------|---------------------|------------------------|
| ____/____/20____ |                     |                     | \$ _____               |
| ____/____/20____ |                     |                     | \$ _____               |
| ____/____/20____ |                     |                     | \$ _____               |
| <b>TOTAL:</b>    | \$ _____            |                     | \$ _____               |

**[For Rollover Subscriptions:]** This shall confirm that effective as of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), the Rollover Subscription for Units as set forth in the Subscription Agreement has been accepted by the Manager and that Units will be issued to Investor at the rate of \$1.00 per Unit commencing on the next Liquidation Distribution made by OMF and thereafter in accordance with the instructions set forth in the Subscription Agreement. Unless Investor has been admitted as an Investor Member of FMF prior to the Effective Date, Investor Member shall

be admitted as an Investor Member of FMF only upon the next occurring Liquidation Distribution and issuance of Units to Investor from the proceeds thereof.

This Acceptance of Subscription has been executed as of the date indicated below.

Dated: \_\_\_\_\_ 20,\_\_\_\_

FOOTHILL MORTGAGE FUND OF OLYMPIA, LLC,  
a California limited liability company

By: OLYMPIA MORTGAGE & INVESTMENT  
COMPANY, INC.,  
a California corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_