

SUBSCRIPTION AGREEMENT

of

PACIFIC WEST MORTGAGE FUND, LLC

A California limited liability company

Pursuant to this Subscription Agreement of Pacific West Mortgage Fund, LLC (the "LLC"), the undersigned purchaser ("Purchaser") hereby subscribes to become a Member in the LLC and to purchase a Membership Interest in the LLC by investing the amount indicated herein, all in accordance with the terms and conditions of this Subscription Agreement, the Limited Liability Company Operating Agreement of Pacific West Mortgage Fund, LLC (the "Operating Agreement"), and the Offering Circular of Pacific West Mortgage Fund, LLC dated October 3, 2006 (the "Offering Circular"). All capitalized terms used herein, but not defined herein, shall have the meanings ascribed to them in the Offering Circular.

1. **SUBSCRIPTION FOR MEMBERSHIP INTERESTS.** Purchaser hereby subscribes for a Membership Interest in the LLC as follows:

(a) AMOUNT OF INVESTMENT: \$ _____

PLEASE MAKE CHECK PAYABLE TO PACIFIC WEST MORTGAGE FUND, LLC, AND MAIL THIS COMPLETED AND SIGNED SUBSCRIPTION AGREEMENT TO 1971 WEST 190TH STREET, SUITE 200, TORRANCE, CALIFORNIA 90504.

(b) EXACT NAME OF PURCHASER(S) _____

(c) **FORM OF OWNERSHIP:** Please indicate the form of ownership in which Purchaser will hold title to the Membership Interest. Purchaser should seek the advice of an attorney in deciding because different forms of ownership can have varying gift tax, estate tax, income tax and other consequences. Check one:

- INDIVIDUAL OWNERSHIP
- COMMUNITY PROPERTY
- JOINT TENANTS WITH RIGHT OF SURVIVORSHIP
- TENANTS IN COMMON
- GENERAL PARTNERSHIP
- LIMITED PARTNERSHIP
- CORPORATION
- LIMITED LIABILITY COMPANY
- TRUST
- IRA OR KEOGH PLAN
- PENSION, PROFIT SHARING PLAN OR RETIREMENT TRUST

(d) PURCHASER(S)' ADDRESS: _____

 PURCHASER(S)' PHONE NUMBER: _____

 PURCHASER(S)' EMAIL: _____

2. **ELECTION TO RECEIVE MONTHLY CASH DISTRIBUTIONS OR ALLOW DISTRIBUTIONS TO BE REINVESTED.** The Purchaser elects to (select one of the following provisions):

(a) ____ Receive monthly cash distributions from the LLC in the amount of Purchaser's share of cash available for distribution;

(b) ____ Allow all monthly distributions to be reinvested for additional Membership Interests; or

(c) ____ Receive ____% of each monthly distribution in cash, and allow ____% to be reinvested in the LLC.

Purchaser understands and agrees that such election will become effective on the first (1st) day of the month following receipt of the election. If no election is made, then the monthly distribution will be a cash distribution. An election to reinvest distributions is revocable with thirty (30) days notice to the LLC. Purchaser further understands and agrees that: (a) cash retained by the LLC on behalf of all Members who elect to reinvest their distributions will be used by the LLC to make further mortgage loans or for other proper LLC purposes; and (b) Members whose distributions are retained by the LLC pursuant to an election to reinvest distributions will have the retained funds credited to their Capital Accounts. They will therefore be entitled to a larger proportionate share of LLC's profits and losses, and Member voting rights. In the interest of the LLC, the Manager may change the frequency of cash distributions from monthly to another frequency, such as quarterly.

For retirement plan investors only. Retirement plan investors may elect to the frequency which they prefer to receive the distributions, such as monthly, quarterly, semi-annually, or annually. Any monthly cash distribution not sent to an investor will be considered reinvested into the LLC.

(a) ____ Receive monthly cash distributions from the LLC in the amount of Purchaser's share of cash available for distribution;

(b) ____ Receive quarterly cash distributions from the LLC in the amount of Purchaser's share of cash available for distribution;

(c) ____ Receive semi-annual cash distributions from the LLC in the amount of Purchaser's share of cash available for distribution; or

(d) ____ Receive annual cash distributions from the LLC in the amount of Purchaser's share of cash available for distribution;

3. **INVESTOR SUITABILITY.** Purchaser represents and warrants as follows:

(a) If Purchaser is an individual, then he or she (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of Five-Hundred Thousand Dollars (\$500,000); or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of Two-Hundred Fifty Thousand Dollars (\$250,000) and an annual gross income of Sixty Five Thousand Dollars (\$65,000).

(b) If Purchaser is a trust, corporation, or other entity, then each of the principal owners: (check one):

_____ (i) has a net worth (exclusive of home, furnishings and automobiles) of Five-Hundred Thousand Dollars (\$500,000); or

_____ (ii) has a net worth (exclusive of home, furnishings and automobiles) of Two-Hundred Fifty Thousand Dollars (\$250,000) and an annual gross income of Sixty Five Thousand Dollars (\$65,000).

(c) If Purchaser is a pension plan or profit-sharing plan, then (check all that apply):

_____ (i) the trustee, custodian, or all of the participants of the plan either:

_____ (A) has a net worth (exclusive of home, furnishings and automobiles) of Five Hundred Thousand Dollars (\$500,000); or

_____ (B) has a net worth (exclusive of home, furnishings and automobiles) of Two Hundred Fifty Thousand Dollars (\$250,000) and an annual gross income of Sixty Five Thousand Dollars (\$65,000).

_____ (ii) if the plan assets are in excess of One Million Dollars (\$1,000,000), then the majority of the participants of the plan either:

_____ (A) has a net worth (exclusive of home, furnishings and automobiles) of Five Hundred Thousand Dollars (\$500,000); or

_____ (B) has a net worth (exclusive of home, furnishings and automobiles) of Two Hundred Fifty Thousand Dollars (\$250,000) and an annual gross income of Sixty Five Thousand Dollars (\$65,000).

(d) Purchaser's investment is limited to ten percent (10%) of Purchaser's net worth, as applicable.

4. **ACKNOWLEDGEMENT AND AGREEMENT.**

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

(b) Purchaser acknowledges and agrees that this subscription may be rejected, in whole or in part, by the Manager in its sole and absolute discretion. If this subscription is rejected, in whole or in part, or if the Minimum Offering Amount is not raised, then Purchaser's funds shall be returned, in whole or in part, without interest. This subscription shall be binding on the LLC only upon acceptance by the Manager.

(c) Purchaser acknowledges and agrees that neither the execution, nor the acceptance of this Subscription Agreement, makes Purchaser a Member of the LLC. Purchaser will become a Member only when Purchaser's funds are transferred to the LLC's bank account and a Membership Interest is issued to Purchaser. Until that time, Purchaser shall have only the rights set forth in this Subscription Agreement. An Investor's subscription for Membership Interests must be accompanied by a check for the full amount of the investment payable to the PACIFIC WEST MORTGAGE FUND, LLC. Purchasers' funds held in the Subscription Account will be deposited into thirty (30) day money market accounts of federally insured banks and all interest earned will be payable to the Investors. All funds will be held in the Subscription Account until the funds are required by the LLC to be utilized to make loans. To the extent the LLC needs funds for loans or other operational requirements, proceeds in the Subscription Account will be remitted to the LLC operating bank account and the Investor will be admitted as a Member, as of the date the funds are removed from the Subscription Account. If the Manager determines that funds are immediately needed for the operations of the LLC and there are no funds already deposited in the Subscription Account, the Manager may deposit the funds received from an Investor directly in the operating account of the LLC and immediately issue Membership Interests. If the Investor's Subscription Account funds are not placed into the LLC operating bank account within ninety (90) days, the Investor will have the option to have the funds invested returned from the Subscription Account or to extend its investment by up to an additional ninety (90) days. Funds placed in the Subscription Account will be remitted to the LLC on a first in-first out basis.

(d) Purchaser acknowledges and agrees that Purchaser's rights and responsibilities will be governed by the terms and conditions of this Subscription Agreement, the Operating Agreement, and the Offering Circular. The LLC will rely upon the information provided in this Subscription Agreement to confirm that Purchaser is qualified to invest in the LLC.

5. **REPRESENTATIONS AND WARRANTIES.** Purchaser, on behalf of himself, herself, or the entity or trust purchasing the Membership Interest, represents, warrants, and agrees as follows:

(a) Purchaser has received and read the Offering Circular and its exhibits, and is thoroughly familiar with the proposed business, operations, and financial condition of the LLC. Purchaser has relied solely upon the Offering Circular and independent investigations made by Purchaser or Purchaser's representative with respect to the investment in the LLC. No oral or written representations beyond the Offering Circular have been made to me, or relied upon by me.

(b) Purchaser has read and understands the Operating Agreement and how an LLC functions as a corporate entity. By purchasing the Membership Interest and executing this Subscription Agreement, Purchaser hereby agrees to the terms and provisions of the Operating Agreement and the Offering Circular.

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

(d) Purchaser is purchasing the Membership Interest for Purchaser's own account (or for an entity if Purchaser is a principal or officer of such, 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 my participation with others or to resell, assign, transfer, or otherwise dispose of all or part of the Membership Interest.

(e) Purchaser, or Purchaser's investment advisors, has such knowledge and experience in financial and business matters that enables Purchaser to utilize the information made available to evaluate the risks of this prospective investment and to make an informed investment decision. Purchaser has been advised by the LLC to consult Purchaser's own attorney concerning this investment and to consult with independent tax counsel regarding the tax considerations of participating in the LLC.

(f) Purchaser has carefully reviewed and understands the risks of investing in the LLC, including those set forth in the Offering Circular. 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 Interest to satisfy any existent or contemplated debt or undertaking. Purchaser has adequate means of providing for Purchaser's current needs and possible contingencies, have no need for liquidity in Purchaser's investment, and can afford to lose some or all of Purchaser's investment.

(g) Purchaser has been advised that the Membership Interests have not been registered under the Securities Act of 1933, as amended.

(h) Purchaser represents to the LLC and the other Members that (a) Purchaser is acquiring the Membership Interest in the LLC for investment purposes for Purchaser's own account and not with a view to its sale or distribution and (b) neither the Manager nor any other Member has made any guaranty or representation upon which Purchaser has relied upon concerning the possibility or probability of profit or loss resulting from an investment in the LLC.

(i) Purchaser will notify the Manager and the LLC immediately of any material change in any statement or response made in this Subscription Agreement before acceptance by the Manager of this subscription, and if accepted, during the term that Purchaser is a Member of the LLC.

(j) Purchaser has sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the prospective investment, or Purchaser has consulted with Purchaser's investment advisors who have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of prospective investment.

(k) Purchaser is able to bear the economic risk of an investment in the LLC for an indefinite period of time and understands that an investment in the LLC is illiquid and may result in a complete loss of such investment.

(l) If Purchaser is an individual, then he or she must be a bona fide resident of California. If Purchaser is a trust, corporation, or other entity, then its principal office must be located in California. If Purchaser is a pension, profit-sharing, IRA, or other retirement plan, then its trustee or custodian must be a bona fide resident of California. If such trustee or custodian is not a resident of California, then (a) all participants or beneficiaries must be bona residents of California; (b) all investment decisions regarding such plan must be made by such participants or beneficiaries; and (c) the trustee or custodian may only perform ministerial functions with respect to the investment of retirement plan assets, without any independent authority or discretion to make investment decisions.

6. **AGREEMENT TO REFRAIN FROM RESALE.** Purchaser will not transfer or attempt to transfer any of the Membership Interests or any interest therein (1) to any person who is not a bona fide resident of California for a period of at least nine (9) months after the completion of the offering, or (2) in any manner or at any time other than as allowed by the regulations of the California Department of Corporations.

7. **POWER OF ATTORNEY.**

(a) Purchaser irrevocably constitutes and appoints the Manager with full power of substitution as his, her or its true and lawful attorney-in-fact and agent, to execute, acknowledge, verify, swear to, deliver, record, and file, in Purchaser's name or his, her, or its 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 LLC 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 LLC, including, without limitation, the power of attorney and authority to execute, verify, swear to, acknowledge, deliver, record and file the following:

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

(ii) All instruments that the Manager deems appropriate to reflect any amendment to the Operating Agreement, or modification of the LLC, made in accordance with the terms of the 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 jurisdiction in which the LLC conducts or plans to conduct business;

(iv) All instruments relating to the admission of any additional or substituted Member; and

(v) All conveyances and other instruments that the Manager deems appropriate to reflect the dissolution and termination of the LLC pursuant to the terms of 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 Purchaser, and shall extend to Purchaser's heirs, successors, and assigns. Purchaser agrees to be bound by any representations made by the Manager 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 Manager taken in good faith under such power of attorney.

8. **IDENTIFYING INFORMATION:**

(a) FOR INDIVIDUAL PURCHASER ONLY:

Name of **Purchaser:** _____

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

If applicable, please enter a State for the following:

Residence other than above: _____ Registered to vote: _____

Driver's license: _____ State income taxes: _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service
(List all professional licenses, directorships and elected positions in government service):

Name of **Spouse or Co-Purchaser**:

Social Security No.: _____ - _____ - _____ Date of Birth: ____/____/____

Residence Address: _____

Residence Phone Number: (_____) _____

Full Time _____ Part Time _____ Retired _____

Employer: _____

Is this business owned and operated by you? Yes _____ No _____

Current position held: _____

Employer Address: _____

Employer Phone Number: (_____) _____

Length of Employment: _____

Prior Employment in Last Five Years: (Occupation, Employer, City and State, Length of Time):

Other business, governmental or professional positions held and approximate dates of service
(List all professional licenses, directorships and elected positions in government service):

(b) FOR FAMILY TRUST PURCHASER ONLY:

Exact name of Family Trust: _____

Federal Tax Identification No.: _____

Address (including City, State, and Zip): _____

(c) FOR CORPORATE, PARTNERSHIP, OR OTHER BUSINESS ENTITY PURCHASER ONLY:

Name of Entity: _____

Federal Tax Identification No.: _____

State and date of incorporation: _____

Fiscal year end: _____

Principal place of business: _____

Phone number of business: _____

What is the entity's net worth, on a consolidated basis, according to its most recent audited financial statement? _____

(d) FOR IRA, KEOGH, PENSION PLAN, OR OTHER RETIREMENT PLAN ONLY:

Exact Name of the Plan: _____

Name(s) of the Trustee(s): _____

Trustee's State Residency: _____

Federal Tax Identification No.: _____

State and date of organization: _____

Describe and set forth the value of the assets of the Plan or Trust: _____

Please identify the person(s) with investment control over the Plan or Trust assets and that person's state of residence:

Please identify the person(s) responsible for the ministerial duties of administering the Plan or Trust (the Trustee) and that person's state of residence:

9. INVESTMENT EXPERIENCE OF PURCHASER.

If Purchaser is not an individual, provide the following information on each officer, general partner, and/or other person who will participate in the decision to purchase the Membership Interest.

PERSON NO. 1:

Educational background (name of college attended, major, degree obtained, if any, and year):

Investing courses attended (list the name of each, sponsor, and date of attendance):

Any professional licenses or registrations, including bar admissions, accounting certifications, real estate brokerage licenses, and SEC or state broker/dealer registrations held:

PERSON NO. 2:

Educational background (name of college attended, major, degree obtained, if any, and year):

Investing courses attended (list the name of each, sponsor, and date of attendance):

Any professional licenses or registrations, including bar admissions, accounting certifications, real estate brokerage licenses, and SEC or state broker/dealer registrations held:

Has Purchaser had the following investment experience. Check all that apply:

- Stock Market investing for at least two (2) years in self-managed accounts.
- Real Estate investing for at least two (2) years.
- Investing in trust deeds for at least two (2) years.
- Bond investing in self-managed accounts.
- Mutual Fund investing.

10. **INVESTMENT EVALUATION.** Purchaser agrees and understands that in making this investment, Purchaser: (a) must have sufficient knowledge and experience in such financial and business matters to be capable of evaluating the merits and risks of a purchase of the Membership Interest; or (b) must retain the services of an "Investment Advisor" (who may be an attorney, accountant, or other financial adviser unaffiliated with, and who is not compensated by, the LLC or any affiliate or selling agent of the LLC, directly or indirectly) for the purpose of aiding in the evaluation of this particular transaction.

Do you intend to have an "Investment Advisor" in order to meet this requirement?

Yes _____ (If yes, the information below must be completed)
No _____

Name of Advisor(s) and Relationship: _____
Advisor's Address and Phone Number: _____

Qualifications of the Advisor(s): _____

11. **MISCELLANEOUS.**

(a) **CHOICE OF LAWS.** This Subscription Agreement will be governed by and construed in accordance with the laws of the State of California.

(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 under this Subscription Agreement will be resolved under the then prevailing rules of the American Arbitration Association in the county of the LLC's principal place of business.

(d) **TERMINATION OF AGREEMENT.** If this subscription is rejected by the LLC, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party and the LLC shall promptly return the funds delivered with this Subscription Agreement without interest.

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

(f) **DULY AUTHORIZED.** If Purchaser is a corporation, partnership, trust, or other entity, the individuals signing in its name 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) **SUCCESSORS.** The representations, warranties and agreements contained in this Subscription Agreement shall be binding on Purchaser's successors, assigns, heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the LLC and its directors and officers. If 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, her, or its, executors, administrators, successors, and assigns.

(h) **INDEMNIFICATION.** Purchaser shall indemnify and defend the LLC and the Manager 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 Purchaser's declarations, representations, warranties or covenants set forth in this document or any other document or writing delivered to the LLC; (ii) any disposition by Purchaser of any Membership Interests in violation of this Subscription Agreement, the Operating Agreement or applicable law; or (iii) any action, suit, proceeding or arbitration alleging any of the foregoing.

[Signature Page to Subscription Agreement follows]

[Signature Page to Subscription Agreement]

THE SALE OF LIMITED LIABILITY COMPANY INTERESTS COVERED BY THIS OFFERING CIRCULAR HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON THE EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS SET FORTH IN SECTION 3(a)(11) OF THE ACT AND RULE 147 THEREUNDER RELATING TO INTRASTATE OFFERINGS. ACCORDINGLY, THESE MEMBERSHIP INTERESTS ARE BEING OFFERED SOLELY TO CERTAIN SELECTED RESIDENTS OF THE STATE OF CALIFORNIA, AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON. FURTHERMORE, FOR A PERIOD OF NINE (9) MONTHS FROM THE COMPLETION OF THIS OFFERING, NO MEMBERSHIP INTERESTS MAY BE SOLD OR OTHERWISE TRANSFERRED EXCEPT TO RESIDENTS OF THE STATE OF CALIFORNIA.

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

BY EXECUTING THIS SUBSCRIPTION AGREEMENT, PURCHASER HEREBY AGREES, UPON SUBMISSION AS A MEMBER INTO THE LLC, TO BE LEGALLY BOUND BY THE TERMS OF THE OPERATING AGREEMENT AND OFFERING CIRCULAR. FOR GOOD AND VALID CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Purchaser, intending to be legally bound, has executed this Subscription Agreement as of _____, 20__.

PURCHASER:

Name of Purchaser(s)

Purchaser Signature

Co-Purchaser Signature

Name and title (if applicable) of person signing

Name and title (if applicable) of person signing

ACCEPTANCE: (NOT VALID UNTIL ACCEPTED BY MANAGER)

ACCEPTANCE

The Manager of the LLC has accepted this Subscription Agreement as of _____,
20__.

PACIFIC WEST MANAGERS, LLC
a California limited liability company, Manager and Member

By: _____
Name: Mark Granger
Title: Managing Member