



CONFIDENTIAL
SUBSCRIPTION BOOKLET

COLONIAL IMPACT FUND-II, LLC

MEMBERSHIP UNITS

January 20, 2015

**520 Silicon Drive, Suite 110
Southlake, TX 76092-2001**

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COLONIAL IMPACT FUND-II, LLC OVERVIEW

This booklet contains documents which must be read, executed, and returned if you wish to invest in Colonial Impact Fund-II, LLC, a Delaware limited liability company (the "Fund"). You should consult with an attorney, accountant, investment advisor, and/or other advisor regarding an investment in the Fund.

If you decide to invest, please fill out, sign, and return the documents pertinent to you, as listed under each of the headings below with a check or wire (wire instructions provided separately) payable to Colonial Impact Fund-II, LLC, at the following address: 520 Silicon Drive, Suite 110, Southlake, TX 76092-2001.

For individuals the documents to be signed and/or completed and returned are:

1. The Signature Page for Individuals.
2. The Suitability Statement for Individuals.
3. The Signature Page of the Operating Agreement.

For entities the documents to be signed and/or completed and returned are:

1. The Signature Page for Entities.
2. The Suitability Statement for Entities.
3. The Signature Page of the Operating Agreement.

What this Booklet Contains:

1. An Operating Agreement.
2. A Subscription Agreement.

The Subscription Agreement is the document by which you agree to subscribe for and purchase membership units in the Fund (the "Membership Units" or "Units"). Section 2 of the Subscription Agreement includes a power of attorney granted to Colonial Capital Management LLC, Manager of the Fund ("CCM" or "Manager"). By signing this Agreement you will be granting the power of attorney contained therein, which among other things, grants the Manager the authority to sign certain instruments and agreements with respect to the Units on your behalf.

3. The Suitability Statements.

The Suitability Statements, which are in Section 11 of the Subscription Agreement and part of the Subscription Agreement, are important and must be completed by each U.S. investor.

Privacy Statement:

The Fund is committed to maintaining the confidentiality, integrity, and security of the personal information of its Members. The Fund does not disclose nonpublic personal information about its Members to third parties other than as described below. The Fund collects information about its Members (such as the Member's name, address, tax ID number, assets, and income) and their transactions with the Fund (such as investments, withdrawals, performance, and account balances) from discussions with Members and from documents that Members may deliver to the Fund such as subscription agreements. In order to provide services to the Fund and the Members, the Fund may provide a Member's personal information to its Affiliates and to firms that assist the Fund and that have a need for such information, such as lawyers, accountants, or other service providers and as permitted by law. The Fund maintains physical, electronic, and procedural safeguards designed to protect the nonpublic personal information the Fund obtains about its Members.

Please contact Ryan Parson, Director of Investor Relations at 888-633-1113 ext. 12, or ryan.parson@colcapmgmt.com if you have any questions.

COLONIAL IMPACT FUND-II, LLC
OPERATING AGREEMENT

THIS OPERATING AGREEMENT (the "Agreement") is made as of the _____ day of _____, 20____, by the Members of Colonial Impact Fund-II, LLC (the "Company" or the "Fund").

1. FORMATION

1.1 Definitions. Capitalized terms used in this Agreement have the meanings specified in Section 4 below.

1.2 Name. The name of the limited liability company is Colonial Impact Fund-II, LLC.

1.3 Formation. The Company was organized as a Delaware limited liability company on January 20, 2015 pursuant to filing the Certificate of Formation with the Secretary of State of Delaware.

1.4 Principal Place of Business. The principal place of business of the Company shall be 520 Silicon Drive, Suite 110, Southlake, Texas 76092-2001, or such other place or places as the Manager may from time to time determine.

1.5 Registered Office and Registered Agent. The Company's initial registered office shall be at 520 Silicon Drive, Suite 110, Southlake, Texas 76092-2001, and the name of the initial registered agent is Colonial Capital Management LLC, at the same address.

1.6 Term. The Fund is an evergreen offering, meaning there is no set end date to the term of the Fund. The Manager expects to originate and acquire Fund Assets on a frequent and ongoing basis and will continue to do so indefinitely until the maximum offering of \$100,000,000 has been reached, or until the Manager believes market conditions do not justify doing so. The Manager may also increase the maximum offering in its sole discretion. Members will be required to hold their Units for a minimum of 24 months before they may request redemption, subject to certain exceptions as set forth in Section 11.1.

1.7 Name of Each Member. The name of each Member shall be contained on Exhibit A of this Agreement, incorporated herein by reference, as amended from time to time and maintained in the Company's records.

1.8 Effect of Inconsistencies with the Act. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provisions, this Agreement shall, to the extent permitted by the Act, control.

2. PURPOSE AND BUSINESS OF THE COMPANY

The purpose and business of the Company will be to generate returns by investing in a variety of real estate based assets ("Assets" or "Fund Assets") nationwide (see PPM for further details).

3. CAPITAL AND CONTRIBUTIONS

3.1 Initial Capital Contributions. The initial capital of the Company shall be the amount set forth by the Manager as of the Effective Date for the subscription.

3.2 Membership Units. The interest of each Member in the capital and profits of the Company will be in the form of Membership Units. Each Unit shall represent a contribution to the capital of the Company in an amount equal to the price paid per Unit. The Fund will sell Membership Units at a "Unit Price" that shall fluctuate quarterly based on the total collective Stated Value of the Fund Assets. The initial Unit Price will be \$1,000.

Investors who wish to purchase Units must complete and sign the Subscription Agreement, a signature page to the Operating Agreement, an Investor Suitability Questionnaire, and other such documentation as is deemed appropriate by the Manager, and send them together with a check or wire for the purchase price of the Units to the Manager. Upon receipt of appropriate executed documents, the Fund will immediately deposit Investor funds into its holding account (the "Subscription Account"), the date of which shall be the "Deposit Date." Investors may execute the Unit Subscription documents at any time throughout a calendar quarter. However, an investment in the Units only become effective as an equity investment upon the Company's transfer of an Investor's funds into its operating account (the "Operating Account") and as of the first day of the calendar quarter (the "Effective Date") immediately following the Deposit Date. Investor funds held in the Subscription Account shall pay no interest to the Investor.

The Company may utilize a new Investor's funds for its operations between the Deposit Date and the Effective Date by transferring all or a portion of such funds as determined by the Manager (the date of which shall be the "Transfer Date") from the Subscription Account to the Operating Account. Any such amounts transferred shall be treated as a loan to the Fund for which the Investor shall receive interest at 9.5% (annualized) during the period between the Transfer Date and the Effective Date. The Fund will pay the accrued interest (running from the Transfer Date of any funds to the Effective Date) on any funds transferred from the Subscription Account to the Operating Account in the form of a check to the Investor to be prepared and mailed on or shortly after the Effective Date. An Investor's obligation to purchase Units with their full deposited amount shall be irrevocable during the time between the Deposit Date and the first day of the subsequent calendar quarter.

As soon after the Effective Date as is practicable (typically on or around the 15th of the first month of the quarter), the Fund shall issue Units to the Investor at the prevailing Unit Price for any and all amounts transferred into the Operating Account since the Deposit Date (i.e., funds that were treated as loaned to the Fund between the Transfer Date and the Effective Date). On the Effective Date, the Fund shall also be obligated to transfer some or all of any remaining Investor funds from the Subscription Account into the Operating Account and issue Units at the prevailing Unit Price, and/or to notify the Investor of any amounts it intends to let remain in the Subscription Account based on the Fund's financial position or projected yields at the time, or for other reasons in the Manager's sole discretion. Upon notice to the Investor of any such amounts it does not intend to transfer to the Operating Account and issue Units, the Investor shall have 10 days to decide to either leave the money with the Company in its Subscription Account, or to have the Company reimburse the remaining funds in the Subscription Account to the Investor. If an Investor chooses the reimbursement option, the Investor shall have no further right or obligation to use these remaining funds to purchase Units. If an Investor chooses to leave the remaining funds in the Subscription Account, the Investor's obligation to utilize such funds to purchase Units (and the Company's right to

transfer the funds to its Operating Account) shall once again be irrevocable, and the funds shall again be treated during each successive quarter as detailed in this section.

3.3 Capital Accounts. An individual capital account (a "Capital Account") shall be established and maintained for each Member in accordance with the following:

(a) There shall be credited to each Member's Capital Account: (a) the amount of any money paid by such Member for the purchase of Units in the Company, whether through the initial purchase of Units or through the purchase of additional Units via the reinvestment of Distributions; and (b) such Member's share of the income and gain (and all items thereof) of the Company (including income or gain exempt from federal income tax and income and gain described in Treasury Regulation §1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treasury Regulation §1.704-1(b)(4)(i)).

(b) There shall be charged against each Member's Capital Account: (a) the amount of capital distributed to such Member by the Company; (b) such Member's share of expenditures of the Company described in IRC §705(a)(2)(B); and (c) such Member's share of the losses and deductions of the Company (including losses and deductions described in Treasury Regulation §1.704-1(b)(2)(iv)(g), but excluding such Member's share of expenditures of the Company described in IRC §705(a)(2)(B) and losses and deductions described in Treasury Regulation §1.704-1(b)(4)(i)).

(c) It is the intent of the Members of the Company that the provisions of this Agreement relating to the establishment and maintenance of Capital Accounts comply with the requirements of Treasury Regulation §1.704-1(b)(2)(iv) or any successor provision, and that such provisions are interpreted and applied in a manner consistent with such Treasury Regulation or successor provision.

3.4 Adoption of this Agreement. Each person acquiring Units from the Company shall be admitted as a Member and shall, by written instrument in form and substance acceptable to the Manager, accept and adopt the terms and provisions of this Agreement, and such person shall each execute and deliver such other instruments as the Manager reasonably deems necessary or appropriate to effect, and as a condition to, such acquisition of Units.

4. DEFINITIONS

The following terms shall have the meaning ascribed to them below when used elsewhere in this Operating Agreement with the initial letter capitalized. Other capitalized terms found throughout this Operating Agreement and not defined below or elsewhere in this Operating Agreement shall have the meaning as ascribed to them in the PPM:

"Agreement" means this Operating Agreement.

"Acquisition Fee" means a 1.5% fee paid to the Manager that is based off the acquisition price of any Asset acquired by the Fund.

"Affiliate" means any company, organization, or entity owned or controlled by the Manager or a principal of the Manager.

"AUM" means total Fund Assets under Management. AUM shall be determined by the Manager in its sole discretion.

"Capital Account" shall have the meaning set forth in Section 3.3 hereof.

“Capital Contribution” shall mean the total price paid for Units issued.

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

“Credit Facility” or “Facility” means any secured line of credit (excluding obligations to Note Holders), warehouse lines, and/or individual loans from any lender, secured in first position by one or more of the Fund Assets.

“Critical Elements” shall have the meaning set forth in Section 10.2(g).

“Cumulative” means that any shortfall of a Preferred Return in a given quarter shall carry forward and accrue until paid.

“Disposition Fee” means a 1.5% fee paid to the Manager that is based off the net gain on the sales price of any Asset sold by the Fund.

“Distributions” means amounts which from time to time are distributed to holders of Units, at the Manager’s discretion, but subject to the limitations on discretion set forth in this Agreement.

“Excess Distributable Cash” or “EDC” means an amount that is equal to any remaining cash in the Fund after having paid out interest and principal payments on any Credit Facility, Fund Expenses, the 2% (annualized) Management Fee, Manager Acquisition and Disposition Fees as earned, Note Holder interest, repayment of maturing Notes, if any, eligible redemptions in the discretion of the Manager, the Preferred Return, and having reserved sufficient capital for future activities of the Fund, as determined in the sole judgment of the Manager. The EDC shall be determined quarterly by the Manager in its sole discretion. At each quarter end, payment of EDC shall either be made or not made depending on Fund results at the discretion of the Manager.

“Fund Assets” or “Assets” means any and all assets of the Fund including Mortgage Loans, real property, contracts, receivable, cash, or any other asset or receivable of the Company.

“Fund Expenses” means fund organizational costs, CPA related costs for tax return preparation, financial statement preparation and/or audits, legal fees and costs, filing, licensing, or other governmental fees, other third party audits, loan servicing fees, third party fund administration costs, capital acquisition fees and costs (including payment to duly licensed third parties who are contracted by the Manager to raise capital for the Fund), loan origination, and/or other fees associated with any Credit Facilities, costs associated with ownership of real property, e.g., property improvement and rehabilitation costs not otherwise capitalized, sales commissions, property taxes, property management, hazard insurance, utilities, and any other expenses associated with operation of the Fund or management of its Assets.

“Indemnified Parties” shall have the meaning set forth in Section 10.8.

“Lockup Period” means the 24 month period immediately following an investment in any Unit during which a Member may not request Redemption of that Unit, subject to the provisions of Section 11.1.

“Manager” means Colonial Capital Management LLC, a Texas limited liability company (“CCM”), and thereafter, any other individual or entity selected by the Members pursuant to the terms of this Agreement.

“Member” shall mean any person or entity holding Units who has been approved by the Manager and is a party to this Operating Agreement.

“Management Fee” means the fee payable to the Manager by the Company, as set forth in Section 10.3.

“Note Holder” means a purchaser of Note(s) secured on a Pari Passu basis by all Fund Assets in a senior lien position, except in the case where specific Fund Assets are being pledged to a Credit Facility.

“Ownership Interest” means, for each Member, that percentage which is obtained by dividing the Units held by the Member by the total of all Units held by all the Members. For the purposes of voting matters, the Manager shall determine each Member’s Ownership Interest as of the Record Date.

“Participation” shall mean an investment by the Fund in which it owns some undivided percentage interest in a Mortgage Loan.

“Preferred Return” means a 9.5% (annualized) return on the Members’ Capital Accounts. The Preferred Return is Cumulative.

“Private Placement Memorandum” or “PPM” means a disclosure document prepared to offer Units to certain accredited investors.

“Record Date” shall have the meaning set forth in Section 9.5.

“Reinvestment” shall have the meaning set for in Section 5.4.

“Stated Value” shall mean the figure used by the Fund as the value for each Asset it owns to assist in determining the Unit Price of the Membership Units of the Fund as well as the AUM. The Stated Value of each individual Fund Asset shall be determined on the last day of each calendar quarter by the Manager in its sole discretion. The Manager, however, shall establish and follow a methodology for determining the Stated Value and may modify, alter, or improve the methodology from time to time in its sole discretion.

“Substitute Member” shall mean a Member who acquires its Units from another Member, at the approval of the Manager.

“Transfer” shall have the meaning set forth in Section 11.2(a).

“Treasury Regulation” means the United States Treasury Regulations.

“Unit” or “Units” shall have the meaning set forth in the Overview.

5. ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocation of Profits and Losses. Each item of Company income, gain, loss, deduction, or credit for each year will be allocated among the Members in proportion to their Ownership Interest.

5.2 Use of Cash Flow; Distributive Shares. Distributions, if any, will be made quarterly hereof. Distributions will be calculated as of the last business day of a calendar quarter. The Manager has the right, in its sole discretion, to withhold a Distribution if distributing cash would not, in the Manager's discretion, be in the best interests of the Company.

5.3 Preferred Return. When distributions are made, Members will receive the first dollars of Distributions from the previous quarter (as determined by the Manager) until they have received their Preferred Return. After payment of the Preferred Return, EDC from the previous quarter, as determined by the Manager, will be distributed with 50% to the Members ratably to their Ownership Interest and 50% to the Manager.

5.4 Reinvestment. Members may choose to apply their Distributions to an additional purchase of Units (a "Reinvestment"), by indicating their desire to do so on their completed Subscription Booklet. Members have the option of either having their distribution paid out each quarter or having it reinvested into additional Membership Units. Any Units purchased by Members via the Reinvestment Option shall be considered, for purposes of any Redemption requests, to "tag along" with the original date of purchase of the Units for which the Reinvestment Units are associated. Members may change their election not more frequently than twice per year by giving 90 days' written notice to the Manager. The Manager has the right to suspend or terminate the Reinvestment program, at any time, without notice, at the Manager's sole discretion.

6. BOOKS OF ACCOUNT, RECORDS AND REPORTS

6.1 Books and Records. At the Company's principal place of business, the Manager shall maintain the Company's books and records, a register showing a current and past list of the full names and last known addresses of its Members, a copy of its Articles of Organization and all amendments thereto; a copy of this Agreement and all amendments thereto, along with a copy of any prior Agreements no longer in effect, a copy of the Company's federal, state, and local tax returns and reports, if any, for the three most recent years, and a copy of any financial statements of the Company for the three most recent years. Each Member shall have access thereto at all reasonable times and upon reasonable advance notice to the Manager.

The Manager shall keep proper and complete records and books of account, entering fully and accurately all transactions and other matters relative to the Company's business as are usually entered into records and books of account maintained by persons engaged in businesses of a like character. The Manager intends to maintain the books and records in full accordance with generally accepted accounting principles; however, it may choose an alternate method of accounting reasonably acceptable in the marketplace in its sole discretion. The Manager shall consistently maintain the books and records on the accrual basis (except in circumstances where it determines that the cash or income tax basis of accounting will be in the best interest of the Company). Except with respect to matters as to which the Manager is granted discretion hereunder, the opinion of the Company's certified public accountants shall be final and binding with respect to all disputes as to computations and determinations required under this Agreement.

6.2 Financial Statements; Reports. Beginning with the 2015 calendar year, the Company will employ a certified public accountant to prepare the Company's tax returns. The Company will also employ a certified public accountant to perform an audit of the Company's financial statements annually, once the Fund has reached \$5,000,000 in AUM, or as required by any particular state or federal regulations. The Manager shall prepare periodic financial statements and will engage its certified public accountant to prepare the Company's financial statements on at least an annual basis. A copy of such internally prepared and/or certified public accountant prepared financial statements will be made available to the Members. The cost of any certified public accountant prepared financial statements, tax returns, and audits will be paid solely by the Company. The Company will provide the Members with a statement of their Units in the Company within approximately 90 days following the close of the last quarter of each taxable year, as well as through periodic statements and newsletters. In addition, as soon as practicable following the close of each taxable year, the Company will provide the Members with information for their use in preparing documents required to be filed under federal income tax laws and other federal laws. The cost for any such report shall be borne by the Company. The cost of any members' tax related matters will be borne solely by the member.

6.3 Tax Matters.

(a) Tax Elections. The Manager shall, without any further consent of the Members being required, make any and all elections for federal, state, local, and foreign tax purposes, file any tax returns and execute any agreements or other documents relating to or affecting such tax matters, including agreements or other documents that bind the Members with respect to such tax matters or otherwise affect the rights of the Company and the Members. CCM is specifically authorized to act as the "Tax Matters Member" under the Code and in any similar capacity under state or local law.

(b) Tax Classification. The Manager shall take such action as may be required under the Code and the Treasury Regulations to cause the Company to be taxable as a partnership for federal and state income tax purposes.

7. FISCAL YEAR

The Company's taxable year will initially end on the 31st day of December in each year. The Manager may change the taxable year or the fiscal year at any time.

8. COMPANY FUNDS

The Company's available cash will be placed in one or more accounts, anticipated to be located at a federally insured financial institution. Each such account will consist of investments that are immediately liquid, and that, in the Manager's judgment, are sufficiently safe while attempting to produce a yield (if any) on the Company's cash.

9. MEMBER MEETINGS

9.1 Meetings. The Manager shall hold at least one meeting annually for the Members. In addition, a meeting of Members shall be held: (a) if it is called by the Manager; or (b) if Members holding at least 60% of the issued Units on the Record Date (as defined below) sign, date, and deliver to the Manager's principal office a written request for the meeting, describing the purpose or purposes for which it is to be held. In either case, the Manager shall call a meeting by providing written notice to the Members (in the case of a

Member requested meeting, within 10 days after receipt of the request from Members) stating the purpose of the meeting, and the date, time, and place of the meeting. Such meeting shall be held at a time and place designated by the Manager not less than 15 days or more than 60 days after the Manager's written notice to the Members. All meetings of Members shall be held at the principal office of the Company or any other place specified in the Notice of Meeting.

9.2 Proxies. A Member may be represented at a meeting in person or by written proxy. A proxy shall be in writing executed by the Member and filed with the Manager before the commencement of the meeting. The Manager may specify the persons who can be appointed as a proxy.

9.3 Voting. On each matter requiring action by the Members, each Member may vote the Member's Ownership Interest. Except as otherwise stated in the Certificate of Formation or this Agreement, a matter submitted to a vote of the Members shall be deemed approved if it receives the affirmative vote of 60% of the Ownership Interest.

9.4 Action By Ballot Without Meeting. Any action required or permitted to be taken by the Members at a meeting may be taken without a meeting by ballot in writing, describing the action taken, signed by 60% of the Members. The Manager may call for an action by ballot without meeting by delivering to the Members the ballot together with a description of the proposed action and by requiring that the ballot be returned within a specified number of days, which shall not be less than 15 or more than 60, after the date the ballots are mailed. If a Member does not return the Member's ballot within the required period of time, the Member shall be deemed to have voted against the proposed action.

9.5 Record Date. The persons entitled to notice of and to vote at a Members' meeting or by ballot, and their respective Ownership Interest, shall be determined as of the Record Date for the meeting or the ballot. The Record Date for a meeting shall be a date selected by the Manager not earlier than 60 days or less than 10 days before the meeting or the date the ballots are mailed, as the case may be (the "Record Date"). If the Manager does not specify a Record Date for a meeting or ballot, the Record Date shall be the date on which notice of the meeting or ballot was first mailed or otherwise transmitted to the Members.

10. POWERS, RIGHTS, FEE, AND DUTIES OF THE MANAGER

10.1 Authority. The Company shall be managed by one Manager. The initial Manager shall be CCM. The Manager has the exclusive authority to manage the operations and affairs of the Company and to make all decisions regarding the business of the Company. The Manager has all of the rights and powers of a Manager as provided in the Act, this Agreement, and as otherwise provided by law. Any action of the Manager shall constitute the act of and bind the Company.

10.2 Powers. The Manager has the right, power, and authority to do on behalf of the Company all things, which in its sole and independent judgment and discretion are necessary, proper, or desirable to carry out its duties and responsibilities and to implement the purposes and effect the objectives of the Company. Such powers include, but are not limited to the following, intended as examples of such powers:

- (a) Acquire and originate Fund Assets;
- (b) The right, power, and authority to incur all reasonable expenditures, to acquire, manage, improve, and/or dispose of Fund Assets and to operate the Company;

(c) Employ and dismiss from employment any and all employees, agents, independent contractors, managers, brokers, attorneys, and accountants;

(d) To borrow money from one or more Credit Facilities and utilize one or more Fund Assets as collateral for any such borrowing with the following restrictions:

- The Fund will not provide any Facility with a first lien position on any existing Fund Assets already encumbered by Note Holder interests for the specific purpose of acquiring cash to accommodate Member Redemption requests;
- The Fund will not utilize a Facility in an amount in excess of fifty percent (50%) of the Stated Value of any Fund Asset at the time of procurement of that debt.

(e) The right, power, and authority to sell any or all of the Company's Assets, provided that the Company shall receive all of the proceeds of such sale;

(f) Do any and all of the foregoing at such price, for cash, securities, or other property and upon such terms as the Manager deems proper; and to execute, acknowledge, and deliver any and all instruments to effectuate any and all of the foregoing;

(g) To modify this Agreement, other than as to Critical Elements or those items set forth in Section 14 (Amendments), at its discretion; provided, however, that within 30 days of modifying this Agreement (except with respect to Exhibit A), the Manager will inform the Members of such a change. If a majority of Members (as determined by Ownership Interests) object to such a change within 60 days of the modification, the modification shall be deemed null and void as of the date the majority of Ownership Interests has objected to the modification. For purposes of this Agreement, "Critical Elements" shall mean the following:

- The purpose of the Company, including the investment strategy (which shall specifically exclude from Critical Elements any decision making concerning individual Fund Assets, Asset allocations, and/or modifications to the underwriting guidelines which shall at all times remain in the sole discretion of the Manager);
- The fee structure and compensation being paid to the Manager (if such compensation is increased);
- The mechanisms for replacement and/or removal of the Manager and the selection of a replacement Manager;
- Changes to the liquidity structure of the Fund, specifically the Lockup Period;
- Any amendment requiring the written consent of Members holding at least 60% of the Membership Units, as provided for in Section 14.1; and
- Voting rights of the Members.

10.3 Management Fees and Additional Compensation. The Manager shall be entitled to a Management Fee equal to 2% annually (or 0.1667% monthly) of total AUM, as reasonably determined by the Manager. Such fee will be deemed earned and accrued daily and will be paid to the Manager on the last business day of each calendar month. In addition, the Manager shall be paid its allocable portion of the EDC as described in section 5.3. The Manager will also receive a 1.5% Acquisition Fee, which is based off the acquisition price of any Asset purchased by the Fund, and a 1.5% Disposition Fee, which is based off the net gain on the sales price of

any Asset sold by the Fund, as additional compensation. The Manager shall also receive 50% of any origination fees collected on Mortgage Loans, with the other 50% paid to the Fund. The Fund intends that a third party servicer will be contracted to perform loan servicing duties on the Mortgage Loans the Manager originates and acquires on behalf of the Fund. There may be cases where the Manager is contracted to be the loan servicer rather than a third party, and in such cases, the Servicing Fee will not exceed \$25 per Mortgage Loan monthly and shall at all times, be commercially reasonable.

10.4 Time and Effort. The Manager shall devote such time to the Company business as it deems necessary, in its sole discretion, to manage and supervise the Company business and affairs in an efficient manner. Nothing herein precludes employment of any agent or third party (at Company expense) to manage or provide other services subject to the control of the Manager.

10.5 Independent Activities of the Manager. The Manager is not required to manage the Company as its sole and exclusive function. It may have other business interests and may engage in activities other than those relating to the Company. The pursuit of such ventures by the Manager, even if competitive with the business of the Company, shall not be deemed wrongful or improper or a violation of any fiduciary duties by the Manager. Notwithstanding the foregoing, if the Manager receives an opportunity to invest in or manage, or in any way benefit from an opportunity that is competitive with or similar to Assets in which the Fund ordinarily might invest, the Manager shall grant the Fund such opportunity prior to taking such opportunity for itself, on the same terms and conditions as the opportunity was presented to the Manager.

10.6 Permitted Transactions. The validity of any transaction, agreement, or payment involving the Company and the Manager or an Affiliate or principal of the Manager which is otherwise permitted by the terms of this Agreement shall not be affected by the relationship between the Company and the Manager or an Affiliate or principal of the Manager.

10.7 Liability to the Company. To the greatest extent permitted by law, neither the Manager nor any director, officer, agent, employee, or owner of the Manager shall be liable, responsible, or accountable in damages or otherwise to the Company or any Member for any action taken or failure to act on behalf of the Company within the scope of the authority conferred on the Manager by this Agreement or by law unless such act or omission was performed or omitted fraudulently or in bad faith.

10.8 Indemnity of the Manager. To the greatest extent permitted by law, the Company shall indemnify and hold harmless the Manager and each owner, director, officer, employee, and agent of the Manager (herein the "Indemnified Parties") against and from any personal loss, expense, damage, or injury suffered or sustained by the Manager by reason of any acts, omissions, or alleged acts or omissions arising out of its activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorney fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim and including any payments made by the Manager to any of the Indemnified Parties pursuant to an indemnification agreement no broader than this Section 10.8, if the acts, omissions, or alleged acts or omissions upon which the actual or threatened action, proceeding, or claim is based were for a purpose reasonably believed to be in the best interests of the Company, and were not performed or omitted fraudulently or in bad faith by the Indemnified Parties and were not in violation of the Manager's fiduciary obligations to the Company. Any indemnification shall only be from the assets of the Company. Notwithstanding the foregoing, neither the Manager nor any owner, director, officer, employee, or agent of the Manager shall

be indemnified for any loss or damage incurred by them in connection with any judgment entered in or settlement of any lawsuit involving allegations that federal or state securities laws were violated by the Manager or by any such person in connection with the offer or sale of Units unless: (a) where the lawsuit is not settled, the person seeking indemnification successfully defends that lawsuit; and (b) indemnification is specifically approved by a court of law.

10.9 Prohibited Acts. Anything in this Agreement to the contrary notwithstanding, the Manager shall not cause or permit the Company to: (a) make any loan to the Manager or any of its Affiliates or owners, borrow therefrom or otherwise engage in any extension of credit with or between such parties; (b) reimburse the Manager for expenses incurred or for salaries of its officers except as otherwise expressly provided in this Agreement; (c) pay for any services performed by the Manager, except as permitted herein; nor receive any rebate or give up in connection with Company activities, nor participate in reciprocal business arrangements which circumvent this provision; (d) provide any Facility with a first lien position on any existing Fund Assets already encumbered by Note Holder interests for the specific purpose of acquiring cash to accommodate Member Redemption requests; or (e) commingle the Company's cash with those of any other person or employ or permit such cash or assets to be used in any manner except for the exclusive benefit of the Company, except to the extent that funds are temporarily retained by loan servicing agents or property managers, and except that those funds of the Company and funds of other partnerships or limited liability companies sponsored by the Manager may be held in an account or accounts established and maintained for the purpose of making computerized disbursements and/or short term investments.

10.10 Removal or Withdrawal of the Manager. Members holding 80% of the Ownership Interest may, by written consent or affirmative vote, and with 90 days' notice, remove the Manager. Members may then, by a majority vote, or written consent, elect a new Manager, provided, however, that such removal of the Manager shall not become effective until the election of the new Manager. In the event of the removal of the Manager without cause, the Manager shall be compensated in the amount of one year's Management Fee calculated on the AUM as of the date of removal (either the expiration of 90 days or the election of a new Manager by the Members, whichever is later). Removal of the Manager shall in no way impair any rights of the Manager attributable to the period prior to the effective date of removal. The Manager may voluntarily withdraw from the Company with one year's written notice to Members. In the event of the Manager's withdrawal, a Manager may be substituted who is acceptable to Members holding a majority of the Ownership Interests. The Manager's resignation shall not become effective until the election of a new Manager by the Members, or 12 months from the date of the Manager's resignation notice to the Members, which comes first.

10.11 Power of Attorney. Each Member who executes a signature page to this Agreement thereby irrevocably constitutes and appoints the Manager, with full power of substitution, as its true and lawful attorney-in-fact, in its name, place, and stead to execute, acknowledge, swear to, verify, deliver, file, and publish, if necessary: (a) this Agreement; (b) all amendments, alterations, or changes to this Agreement, including amendments admitting a substituted or additional Member, if otherwise authorized under this Agreement; (c) all instruments which effect a change in the Company or a change in this Agreement; (d) all certificates or other instruments necessary to qualify or maintain the Company as a limited liability company in which the Members have limited liability in the jurisdiction(s) where the Company may conduct business; and (e) all instruments necessary to effect a dissolution, termination, and liquidation of the Company and cancellation of this Agreement when such dissolution, termination, liquidation, or cancellation is otherwise provided in this Agreement;

provided, however, that the Manager shall not use this power of attorney to take any actions that have the effect of changing a Critical Element without the Member's consent. This power of attorney is deemed coupled with an interest and shall survive the death or disability of a Member or the assignment or transfer of all or any part of the interest of such Member in the Company until the transferee or assignee shall have become a substituted Member and shall have executed such instruments as the Manager deems necessary to bind such transferee or assignee under the terms of this Agreement as it may hereafter be amended. The Manager may exercise this power of attorney for each Member by listing all of the Members and executing any instrument with a single signature of the Manager acting as attorney-in-fact for all of them.

11. REDEMPTION AND TRANSFER OF UNITS BY MEMBERS

11.1 Member Redemptions and Lockup Period. Members will be required to hold their Units for a minimum of 24 months (the "Lockup Period") before they may request Redemption. Redemption requests for reasons of financial hardship or emergency during the Lockup Period may be considered on a case by case basis subject to a penalty (the "Redemption Fee") of 5% of the then current Unit Price. The Manager shall have no obligation to consider any hardship Redemption requests during the Lockup Period and shall be entitled to charge a higher or lower Redemption Fee. All Redemption Fees charged and collected will be considered income to the Fund.

After the Lockup Period, Redemption requests will be considered on a first come, first served basis. A Member shall be required to provide the Manager a 90 day notice for any Redemption request and any Redemption actually provided shall be done only as of the first day of the calendar quarter immediately following the end of the 90 day notice period at the then current Unit Price as determined by the Manager.

The Manager shall have no obligation to grant any particular Redemption request and shall retain sole discretion as to whether or not to redeem any Unit. Any Units purchased by Members via the Reinvestment Option shall be considered, for purposes of any Redemption requests, to "tag along" with the original date of purchase of the Units for which the Reinvestment Units are associated. For purposes of this provision, Redemption requests will not be considered to be outstanding until the first day of the subsequent quarter.

No Member will be given priority for Redemption over any other Member for any reason other than the date upon which the request was made. The Manager may redeem Membership Units Pari Passu at any time at the then current Unit Price in its sole discretion without penalty to the Manager or the Fund.

All of the above parameters notwithstanding, the Manager will endeavor to manage the Fund in such a manner as to be able to accommodate Redemption requests at any time after the Lockup Period as consistently as possible.

11.2 Restrictions on Transfer of Interests.

(a) Subject to Section 11.2(b), no transfer (a "Transfer") of all or any portion of a Member's Units may be made without (i) the prior written consent of the Manager, which consent may be withheld for any reason at the Manager's sole discretion, (ii) the receipt by the Manager of such documents and instruments of transfer as the Manager may reasonably require, and (iii) if requested by the Manager, the receipt by the Manager, not less than 10 days prior to the date of any proposed Transfer of a written opinion of counsel (who may be counsel for the Company), satisfactory in form and substance to the Manager, to the

effect that such Transfer would not result in any adverse legal or regulatory consequences to the Company or any Member under the Investment Company Act of 1940, the Investment Advisers Act of 1940, or otherwise, including, but not limited to, that such Transfer would not:

- result in a violation of the Securities Act of 1933, the Securities Exchange Act of 1934, or any securities laws of any jurisdiction applicable to the Company or the interest to be transferred;
- cause the Company to become a “publicly traded limited liability company” for federal income tax purposes;
- constitute a “public offering” within the meaning of Section 7(d) of the Investment Company Act of 1940; or
- result in the termination of the Company or loss by the Company of its status as a Company for tax purposes.

(b) Section 11.2(a) shall not apply to a Transfer by a Member to a person that acquires such Member’s Units by reason of the death or legal incapacity of such Member. Each Member hereby agrees that it will not Transfer all or any fraction of its Membership Units, except as permitted by this Agreement.

(c) In no event shall all or any part of a Member’s Membership Units be transferred to a minor or a person who is incapacitated, except in trust or by will or intestate succession.

(d) The transferring Member agrees that it will pay all reasonable expenses, including attorneys’ fees, incurred by the Company in connection with a Transfer of its Membership Units.

11.3 Assignees.

(a) The Company shall not recognize for any purpose any purported Transfer of all or any part of the Units of a Member, unless the provisions of Section 11.2 shall have been complied with and there shall have been filed with the Company a dated notice of such Transfer, in a form satisfactory to the Manager, executed and acknowledged by both the transferor or such transferor’s legal representative and the transferee, and such notice (i) contains the acceptance by the transferee of all the terms and provisions of this Agreement and such transferee’s agreement to be bound hereby and (ii) represents that such Transfer was made in accordance with all applicable laws, rules and regulations.

(b) Unless and until an Assignee becomes a Substitute Member, such Assignee shall have no rights with respect to such Units other than those rights with respect to allocations and distributions.

(c) Any Member which shall Transfer all of its Units shall cease to be a Member upon, but only upon, the admission of a Substitute Member in such Member’s stead.

(d) Notwithstanding anything to the contrary contained in this Agreement, both the Company and the Manager shall be entitled to treat a Member transferring all or any part of its Units as the absolute owner thereof in all respects, and shall incur no liability for distributions made in good faith to such Member, until such time as a Substitute Member is admitted in such Member’s stead in respect thereof.

11.4 Substitute Members.

(a) No Member shall have the right to substitute a transferee of all or any part of such Member's Units in its place, except as provided in Section 11.2. Any such transferee of Unit(s) (whether pursuant to a voluntary or involuntary Transfer) shall be admitted to the Company as a Substitute Member only (i) with the consent of the Manager granted at its sole discretion, (ii) by satisfying the requirements of Sections 11.2 and 11.3(a), and (iii) upon the receipt of all necessary consents of governmental and regulatory authorities. Persons who become Substitute Members pursuant to Section 11.2(b) need not comply with clause (i) of the preceding sentence.

(b) Each transferee of all or part of a Member's Membership Units, as a condition to its admission as a Substitute Member, shall execute and acknowledge such instruments, in form and substance satisfactory to the Manager, as the Manager reasonably deems necessary or desirable to effectuate such admission and to confirm the agreement of such person to be bound by all the terms and provisions of this Agreement with respect to the Membership Units acquired. All reasonable expenses, including attorneys' fees, incurred by the Company in this connection shall be borne by such person.

11.5 Bankruptcy or Incapacity of a Member. In the event of the bankruptcy or incapacity of a Member, the Company shall not be dissolved, and the Member's trustee in bankruptcy or other legal representative shall have only the rights of a transferee of the right to receive Company distributions applicable to the Units of such bankrupt or incapacitated Member as provided herein. Any Transfer to or from such trustee in bankruptcy or legal representative shall be subject to the provisions of this Agreement.

12. DISSOLUTION OF THE COMPANY

12.1 Dissolution. The Company will continue indefinitely until a date on which the Company has liquidated all of its Fund Assets, or earlier upon the occurrence of any of the following events:

(a) The disposition of all assets of the Company and disbursement of all cash to the Members;

(b) The agreement by Members holding 80% of the Ownership Interests; or

(c) The dissolution of the Manager, bankruptcy of the Manager, or withdrawal from the Company of the Manager when an approved replacement is not obtained within a period of 90 days of such dissolution or bankruptcy or one year after the withdrawal of the Manager in the case of withdrawal.

Upon dissolution of the Company, except a dissolution caused by the dissolution, bankruptcy, or withdrawal of the Manager where a substitute Manager is elected by the Members within 90 days of such dissolution or bankruptcy or one year in the case of withdrawal, the Company will be liquidated and the proceeds of liquidation will be applied as follows:

- Interest and outstanding principal balance of any Credit Facility (which may be limited to individual Fund Assets depending on specific collateral for any Facility);
- Liquidation and/or other Fund Expenses;
- Manager annualized 2% Management Fee (paid monthly) on total AUM as of the last day of each calendar month, and any other fees due the Manager;
- Manager Acquisition and/or Disposition Fees, as earned;

- Note Holder principal, followed by accrued Note Holder interest, all on a Pari Passu basis among the Note Holders;
- Return of Member's capital on a Pari Passu basis among the Members (or by order of priority for Redemption requests, if any, in the sole discretion of the Manager);
- Members Pari Passu as to the Preferred Return;
- Any remaining EDC, as determined by the Manager, to be split 50/50 between the Members and Manager respectively

12.2 Bankruptcy. A bankruptcy of a Manager shall be deemed to have occurred upon the happening of any of the following: (a) the Manager files an application for or consents to, the appointment of a trustee or receiver of its assets; (b) the Manager files a voluntary petition in bankruptcy or files a pleading in any court of record admitting in writing its inability to pay its debts as they become due; (c) the Manager makes a general assignment for the benefit of creditors; (d) the Manager files an answer admitting the material allegations of, or consents to, or defaults in answering a bankruptcy petition filed against it; or (e) any court of competent jurisdiction enters an order, judgment, or decree adjudicating the Manager a debtor or appointing a trustee or receiver of its assets, if such order, judgment, or decree continues unstayed and in effect for such period of 60 days.

12.3 Liquidation. If the Company dissolves, the Manager (or if the Manager has become bankrupt or terminated, then a liquidator or a liquidation committee selected by the holders of a majority of the then issued Units) shall commence to wind up the affairs of the Company and to liquidate its investments. The holders of the Units shall continue to share profits and losses during the period of liquidation in the same proportion as before the dissolution. The Manager (or such liquidator or liquidating committee) shall have full right and unlimited discretion to determine the time, manner, and terms of any sale or sales of Fund Assets, having due regard to the activity and condition of the relevant market and general financial economic conditions.

12.4 Liquidation Statement. Within a reasonable time following the completion of the liquidation of the Company's assets, the Manager (or liquidator or liquidating committee) shall supply to each Member a statement by the Company's accountants setting forth the assets and liabilities of the Company as of the date of complete liquidation and each Member's pro rata portion of the distributions pursuant to Section 12.1.

12.6 No Recourse to Assets or Members. Each Member shall look solely to the Assets of the Company for all Distributions with respect to the Company and its Capital Contribution thereto and share of profits or losses thereof, and shall have no recourse thereto (upon dissolution or otherwise) against any Member or the Manager or its principals, Affiliates, agents, or employees. No Member shall have any right to demand or receive property other than cash upon dissolution and termination of the Company.

12.7 Termination. Upon the completion of the liquidation of the Company and the distribution of all Company funds, the Company shall terminate and the Manager shall have the authority to execute and record the Certificate of Cancellation of the Company and any other documents required to effectuate the dissolution and termination of the Company.

13. NOTICES

All notices, requests, demands, and other communications given or required to be given hereunder shall be in writing and personally delivered or sent by United States

registered or certified mail, return receipt requested, postage prepaid or sent by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To the Member:	To the address shown on the attached signature page
To the Manager:	Colonial Capital Management LLC 520 Silicon Drive, Suite 110 Southlake, TX 76092-2001

Any notice or other communication hereunder shall be deemed given on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery to the address of the addressee, if sent by mail or courier service (such as Federal Express). Notice may also be given by email or facsimile to any party having an email account or facsimile machine compatible with the email service or facsimile machine of the party sending the notice. Any notice given by email or facsimile shall be deemed delivered when received by the email service or facsimile machine of the receiving party if received before 5:00 p.m. (Central Time) on the business day received, or if received after 5:00 p.m. (Central Time), or if emailed or faxed on a day other than a business day (i.e., a Saturday, Sunday, or legal holiday), then such notice shall be deemed delivered on the next following business day. The transmittal confirmation receipt produced by the facsimile machine of the sending party or the email read confirmation shall be prima facie evidence of such receipt. Any party may change its address email address or facsimile number for purposes of this Section by giving notice to the other party. If a "copy party" is designated service of notice shall not be deemed given to the designated party unless and until the "copy party" is also given such notice in accordance with this Section.

14. Amendments

14.1 Amendments Requiring Consent. Except as otherwise provided herein (and explicitly excluding the powers granted to the Manager to modify this Agreement pursuant to Section 10.2), this Agreement is subject to amendment only with the written consent of the Members holding 60% of the Membership Units; provided, however, that no amendment to this Agreement may:

- (a) without the consent of each affected Member, modify the limited liability of a Member;
- (b) alter the interest of any Member in respect of Company income, gains and losses or amend or modify any portion of Sections 3 and 5 without the consent of each Member adversely affected by such amendment or modification; provided, however, that the admission, withdrawal, or substitution of Members in accordance with this Agreement shall not constitute such an alteration, amendment, or modification;
- (c) amend or modify any provision of Section 11 in a manner that would further restrict the transferability of a Member's Interest without the consent of all of the Members;
- (d) amend any provision hereof which requires the consent, action, or approval of a specified Ownership Interest of the Members without the consent of such specified Ownership Interest of the Members;

(e) amend this Section 14.1 without the consent of all of the Members; or without the consent of Manager, modify any of the provisions of Sections 5 or 10 of this Agreement.

14.2 Amendments Not Requiring Consent. In addition to any amendments otherwise authorized hereby (including the powers granted to the Manager to modify this Agreement pursuant to Section 10.2), this Agreement may be amended from time to time by the Manager: (i) to add to the representations, duties, or obligations of the Manager or surrender any right or power granted to the Manager; (ii) to cure any ambiguity or correct or supplement any provisions hereof which may be inconsistent with any other provision hereof or correct any printing, stenographic, or clerical errors or omissions; (iii) to provide for the admission, withdrawal, or substitution of Members in accordance with this Agreement; (iv) to amend Exhibit A attached hereto to provide any necessary information regarding any Member and to add and delete Members or Substitute Members; (v) to delete or add any provisions of this Agreement required to be so deleted or added by applicable law or by a securities law commissioner or similar such official or in order to qualify for a private placement exemption; and (vi) to reflect any change in the amount of the Capital Contribution of any Member in accordance with this Agreement; provided, however, that no amendment shall be adopted pursuant to this Section 14.2 if (a) such amendment would adversely alter the interest of a Member in income, gains, or losses or distributions of the Company or (b) such amendment would, in the opinion of counsel for the Company, alter or result in the alteration of, the limited liability of the Members or the status of the Company as a Company for federal income tax purposes. The power of attorney granted pursuant to Section 10.12 may be used by the Manager to execute on behalf of a Member any document evidencing or effecting an amendment adopted in accordance with this Section 14.2.

15. GENERAL

15.1 Waiver of Partition. The Members agree that the Company properties are not and will not be suitable for partition. Accordingly, each Member hereby irrevocably waives any and all rights that it may have to maintain any action for partition of any Fund Assets.

15.2 Entire Agreement. This Agreement constitutes the entire agreement among the parties. It supersedes any prior agreement or understanding among them, and it may not be modified or amended in any manner other than set forth herein.

15.3 Law. This Agreement and the rights of the parties hereunder shall be governed and interpreted in accordance with the laws of the State of Delaware.

15.4 Binding Effect. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives, heirs, administrators, executors, successors, and assigns.

15.5 Variations in Pronouns. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns in the masculine, the feminine, or the neuter gender shall include the masculine, feminine, and neuter.

15.6 Captions. Captions are inserted only as a convenience and in no way define, limit, or extend the scope or intent of any provision hereof.

15.7 Validity. If any provision of this Agreement, or application of a provision to any person or circumstance, is held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby.

15.8 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Agreement may contain more than one counterpart of the signature page and it may be executed by the affixing of signatures of each of the Members to one of such counterpart signature pages; all counterpart signature pages shall be read as the one and they shall have the same force and effect as though all of the signers signed a single signature page.

15.9 Confidentiality. Each Member agrees, as set forth below, with respect to any information pertaining to the Company or any Fund Asset that is provided to such Member pursuant to this Agreement or otherwise (collectively "Confidential Matter"), to treat as confidential all such information, together with any analyses, studies, or other documents or records prepared by such Member, its Affiliates, or any representative or other person acting on behalf of such Member (collectively its "Authorized Representatives"), which contain or otherwise reflect or are generated from Confidential Matters, and will not, and will not permit any of its Authorized Representatives to, disclose any Confidential Matter, provided that any Member (or its Authorized Representative) may disclose any such information: (a) as has become generally available to the public; (b) as may be required or appropriate in any report, statement, or testimony submitted to any governmental authority having or claiming to have jurisdiction over such Member (or its Authorized Representative) but only that portion of the data and information which, in the written opinion of counsel for such Member or Authorized Representative is required or would be required to be furnished to avoid liability for contempt or the imposition of any other material judicial or governmental penalty or censure; (c) as may be required or appropriate in response to any summons or subpoena or in connection with any litigation; or (d) as to which the Manager has consented in writing. Notwithstanding anything herein to the contrary, any Member (and any employee, representative, or other agent of such Member) may disclose to any and all persons, without limitation of any kind, such Member's U.S. federal income tax treatment and the U.S. federal income tax structure of the transactions contemplated hereby relating to such Member and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, no disclosure of any information relating to such tax treatment or tax structure may be made to the extent nondisclosure is reasonably necessary in order to comply with applicable securities laws.

15.10 Counsel. Each Member acknowledges and agrees that Ater Wynne LLP and any other law firm or counsel retained by the Manager in connection with the organization of the Company, the offering of Units, the management and operation of the Company, or any dispute between the Manager and any Member is acting as counsel to the Manager and as such does not represent or owe any duty to such Member or to the Members as a group.

15.11 Attorney Fees. In the event of any legal action in connection with this Agreement (whether at law or in equity), the prevailing party in such action shall be entitled to recover its reasonable attorney fees and costs incurred therein, including attorney fees and costs on appeal. The term "legal action" shall be deemed to include any action commenced in any court of general or limited jurisdiction as well as any proceeding in the bankruptcy courts of the United States and arbitration proceedings. The term "costs" includes, but is not limited to, reasonable attorney fees, deposition costs (discovery or otherwise), witness fees (expert or otherwise), title expenses (search or policy), and any and all other out-of-pocket expenses as may be allowed by the court or arbitrator.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties on the day and year set forth at the beginning of this Agreement.

MANAGER:

COLONIAL CAPITAL MANAGEMENT LLC

By: _____

MEMBER(S):

MEMBER NAME: _____

BY: _____

TITLE IF APPLICABLE: _____

DATE: _____ 20____



EXHIBIT A
MEMBERS (_____2015)



COLONIAL IMPACT FUND-II, LLC
SUBSCRIPTION AGREEMENT

This Subscription Agreement (the "Agreement") is between Colonial Impact Fund-II, LLC, a Delaware limited liability company (the "Fund"), and the undersigned (referred to herein as "you" except that in the case of a subscription for the account of one or more trusts or other entities, "you" will refer to the trustee, fiduciary, or representative making the investment decision and executing this Agreement, of the trust or other entity, or both, as appropriate). Capitalized terms used herein without definition have the meanings given to the terms in the Operating Agreement (defined below) or the Confidential Private Placement Memorandum dated January 20, 2015 (together with any amendments and supplements thereto, the "PPM"). The Fund and you hereby agree as follows:

1. Sale and Purchase of Membership Units

The Fund has been formed under the laws of the State of Delaware and is governed by an Operating Agreement as may be modified from time to time in accordance with the terms thereof (the "Operating Agreement").

Subject to the terms and conditions of this Agreement, by signing this Agreement:

(a) You irrevocably subscribe for and agree to purchase from the Fund, membership units in the Fund ("Units"); and

(b) upon the Effective Date (defined below), you will be admitted as a Member, upon the terms and conditions, and in consideration of your agreement to be bound by the terms and provisions of the Operating Agreement and this Agreement, with a capital commitment in the amount equal to the amount set forth on your Signature Page (your "Capital Commitment").

Subject to the terms and conditions hereof and of the Operating Agreement, your obligation to subscribe and pay for your Units, and to fund your entire Capital Commitment will be complete and binding upon the execution and delivery of this Agreement.

2. Power of Attorney

You hereby irrevocably constitute and appoint the Manager (and any substitute or successor Manager(s) of the Fund) your true and lawful attorney in your name, place, and stead: (a) to receive and pay over to the Fund on your behalf, to the extent set forth in this Agreement, all funds received under this Subscription Agreement; (b) to complete or correct, on your behalf, all documents to be executed by you in connection with your subscription for Units, including, without limitation, filling in or amending amounts, dates, and other pertinent information; and (c) to execute, acknowledge, swear to, and file (i) any counterparts of the Operating Agreement to be entered into pursuant to this Agreement and any amendments to which you are a signatory; (ii) any amendments to any such amendments (as provided in the Operating Agreement); (iii) any agreements or other documents relating to the obligations of the Fund, as limited and defined in the Operating Agreement; (iv) all certificates and other instruments necessary to qualify, or continue the qualification of, the Fund in the states where it may be doing business and to preserve the limited liability status of the Fund in the jurisdictions in which the Fund may acquire investments; (v) any certificates or other instruments which may be required to effectuate any change in the membership of the Fund; (vi) all assignments, conveyances, or other instruments or documents necessary to effect the dissolution of the Fund; and (vii) all other filings with agencies of the federal government, of

any state or local government, or of any other jurisdiction, which the Manager considers necessary or desirable to carry out the purposes of this Agreement, the Operating Agreement, and the business of the Fund. This power of attorney is deemed coupled with an interest, will be irrevocable and will survive the transfer of your Units.

3. Other Subscriptions

The Fund has entered into separate but substantially similar subscription agreements (the "Other Subscription Agreements" and, together with this Agreement, the "Subscription Agreements") with other purchasers (the "Other Purchasers"), providing for the sale to the Other Purchasers of Units and the admission of the Other Purchasers as Members. This Agreement and the Other Subscription Agreements are separate agreements, and the sales of Units to you and the Other Purchasers are separate sales.

4. Closing

Upon receipt of this Agreement and the Operating Agreement, both fully executed by you, the Company will immediately deposit your funds into its holding account (the "Subscription Account"), the date of which shall be the "Deposit Date." However, notwithstanding such deposit in the Subscription Account, your investment will only be accepted, and the issuance of Units will only be deemed effective upon (the "Effective Date"):

(a) the Fund's acceptance of this Agreement by its countersignature on the signature page to this Agreement and having depositing in the U.S. Mail or overnight delivery service, a fully executed copy of this Agreement;

(b) the Fund's deposit of the Investor's funds into its operating account (the "Operating Account") **and**

(c) as of the first day of the calendar quarter (the "Effective Date") immediately following the Deposit Date.

Investor funds held in the Subscription Account shall pay no interest to the Investor. However, the Fund may use your money between the Deposit Date and the Effective Date, provided that any amounts drawn by the Fund from the Subscription Account into the Operating Account shall be treated as a loan to the Fund for which you shall receive interest at 9.5% (annualized) during the period between the Deposit Date and the Effective Date, and for which you will receive a 1099 Statement for passive interest income.

As soon after the Effective Date as is practicable, the Fund shall issue Units to you at the prevailing Unit Price for any and all amounts transferred into the Operating Account since the Deposit Date (i.e., funds that were treated as loaned to the Fund between the Transfer Date and the Effective Date). On the Effective Date, the Fund shall also be obligated to transfer some or all of any of your remaining funds from the Subscription Account into the Operating Account and issue Units at the prevailing Unit Price, and/or to notify you of any amounts it intends to let remain in the Subscription Account. Upon notice to you of any such amounts the Fund does not intend to transfer to the Operating Account and issue Units, you shall have 10 days to decide to either leave the money with the Company in its Subscription Account, or to have the Company reimburse the remaining funds in the Subscription Account to you. If an Investor chooses the reimbursement option, you shall have no further right or obligation to use these remaining funds to purchase Units. If you choose to leave the remaining funds in the Subscription Account, your obligation to utilize such funds to purchase Units (and the Company's right to transfer the funds to its Operating Account) shall once again be

irrevocable, and the funds shall again be treated during each successive quarter as detailed in this section.

Units may be sold to any person or entity that the Manager determines meets the qualification requirements established by the Manager. The Manager may, in its sole and complete discretion, determine the terms and conditions of the offering and the sale of Units including the length of the offering period. The Manager is authorized and directed to do all things which it deems to be necessary, convenient, appropriate, or advisable in connection therewith.

5. Termination of Offering. The Termination Date of the Offering shall be the date selected by the Manager in its sole discretion.

6. Conditions Precedent to the Fund's Obligations

6.1 Conditions Precedent. The obligations of the Fund and the Manager to issue to you the Units and to admit you as a Member at the Effective Date will be subject to the fulfillment (or waiver by the Fund) prior to or at the time of the Effective Date, of the following conditions:

(a) Operating Agreement. Any filing with respect to the formation of the Fund required by the laws of the State of Delaware will have been duly filed in such place or places as are required by such laws. The Operating Agreement will be in full force and effect.

(b) Representations and Warranties. The representations and warranties made by you in Section 8 will be true and correct when made and at the time of the Effective Date.

(c) Documents. You will have executed and delivered a counterpart of this Agreement and the Operating Agreement and a completed Suitability Statement which indicates your qualification to invest in the Fund.

(d) Performance. You will have duly performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by you prior to or at the Effective Date.

(e) Legal Investment. On the Deposit Date, your subscription hereunder will be permitted by the laws and regulations applicable to you.

(f) Subscription Amount. You will have paid the Capital Commitment amount set forth in this Agreement and such amount, or the amount you otherwise agreed to invest in the Fund, shall be at least \$100,000, unless such minimum investment is waived by the Manager.

6.2 Nonfulfillment of Conditions. If at the Effective Date any of the conditions specified in Section 6.1 will not have been fulfilled or the Fund otherwise determines not to accept your subscription for any reason in its sole discretion, the Fund will, at the Manager's election, be relieved of all further obligations under this Agreement and the Operating Agreement, without thereby waiving any other rights it may have by reason of such nonfulfillment. If the Manager elects for the Fund to be relieved of its obligations under this Agreement pursuant to the foregoing sentence, the Operating Agreement will be null and void as to you and the power of attorney contained herein will be used only to carry out and effect

the actions required by this sentence, and the Fund will promptly take, or cause to be taken, all steps necessary to nullify the Operating Agreement as to you.

7. Representations and Warranties of the Fund

7.1 The Representations and Warranties. The Fund represents and warrants to you that each of the following statements is true and correct as of the Deposit Date and continuing through and including the Effective Date:

(a) Formation and Standing. The Fund is duly formed and validly existing as a limited liability company under the laws of the State of Delaware and, subject to applicable law, has all requisite limited liability company power and authority to carry on its business as now conducted and as proposed to be conducted as described in the PPM. The Manager is duly formed and validly existing as a limited liability company under the laws of the State of Delaware and, subject to applicable law, has all requisite limited liability company power and authority to act as Manager of the Fund and to carry out the terms of this Subscription Agreement and the Operating Agreement applicable to it.

(b) Authorization of Agreement, etc. The execution and delivery of this Agreement has been authorized by all necessary action on behalf of the Fund and this Agreement is a legal, valid, and binding obligation of the Fund, enforceable against the Fund in accordance with its terms. The execution and delivery by the Manager of the Operating Agreement has been authorized by all necessary action on behalf of the Manager and the Operating Agreement is a legal, valid, and binding agreement of the Manager, enforceable against the Manager in accordance with its terms.

(c) Compliance with Laws and Other Instruments. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in any violation of or default under any provision of the Operating Agreement, or any agreement or other instrument to which the Fund is a party or by which it or any of its properties is bound, or any permit, franchise, judgment, decree, statute, order, rule, or regulation applicable to the Fund or its business or properties. The execution and delivery of the Operating Agreement and the consummation of the transactions contemplated thereby will not conflict with or result in any violation of or default under any provision of the limited liability company agreement of the Manager, or any agreement or instrument to which the Manager is a party or by which it or any of its properties is bound, or any permit, franchise, judgment, decree, statute, order, rule, or regulation applicable to the Manager or its businesses or properties.

(d) Fund Liabilities; Litigation. Prior to the date hereof the Fund has not incurred any material liabilities other than liabilities in respect of Organizational Expenses. There is no action, proceeding, or investigation pending or, to the knowledge of the Manager or the Fund, threatened against the Manager or the Fund.

8. Representations and Warranties of the Purchaser

8.1 The Representations and Warranties. You represent and warrant to the Fund, the Manager, and each other Person who is, or in the future becomes, a Member that each of the following statements is true and correct as of the Deposit Date and continuing through and including the Effective Date:

(a) Accuracy of Information. All of the information provided by you in response to Section 11 and in the suitability statements is true, correct, and complete in all

respects. Any other information you have provided to the Manager or the Fund about you is correct and complete as of the date of this Agreement.

(b) PPM; Advice. You have either consulted your own attorney, accountant, investment adviser, or other financial adviser about this investment, your proposed purchase of Membership Units, and its suitability to you, or have chosen not to do so, despite the recommendation of that course of action by the Manager. Any special acknowledgment set forth below with respect to any statement contained in the PPM will not be deemed to limit the generality of this representation and warranty.

You have received or will receive a copy of the PPM and the form of the Operating Agreement and you understand the risks of, and other considerations relating to, a purchase of Units, including the risks set forth under the caption "Certain Investment Considerations and Risk Factors" in the PPM. You have been given access to, and prior to the execution of this Agreement you were provided with an opportunity to ask questions of and receive answers from the Manager and any of its principals concerning the terms and conditions of the offering of Units, and to obtain any other information which you and your investment representative and professional advisers requested with respect to the Fund and your investment in the Fund in order to evaluate your investment and verify the accuracy of all information furnished to you regarding the Fund. All such questions, if asked, were answered satisfactorily and all information or documents provided were found to be satisfactory.

(c) Investment Representation and Warranty. You are acquiring your Units for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds of which you are trustee as to which you are the sole qualified professional asset manager within the meaning of Prohibited Transaction Exemption 84-14 (a "QPAM") for the assets being committed hereunder, in each case not with a view to or for sale in connection with any distribution of all or any part of such Unit. If you are purchasing for the account of one or more pension or trust funds, you represent that (except to the extent you have otherwise advised the Fund in writing prior to the date hereof) you are acting as sole trustee or sole QPAM for the assets being committed hereunder and have sole investment discretion with respect to the acquisition of the Units to be purchased by you pursuant to this Agreement, and the determination and decision on your behalf to purchase such Units for such pension or trust funds is being made by the same individual or group of individuals who customarily pass on such investments.

(d) Representation of Investment Experience and Ability to Bear Risk. You (i) are knowledgeable and experienced with respect to the financial, tax, and business aspects of the ownership of Units and of the business contemplated by the Fund and are capable of evaluating the risks and merits of purchasing Units and, in making a decision to proceed with this investment, have not relied upon any representations, warranties, or agreements, other than those set forth in this Agreement, the PPM, and the Operating Agreement, if any, and (ii) can bear the economic risk of an investment in the Fund for an indefinite period of time, and can afford to suffer the complete loss of your investment.

(e) Restrictive Legend. You understand and acknowledge that upon the original issuance of the Units and until no longer required under the Securities Act or applicable state securities laws, any certificates representing the Units will bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES AGREES FOR THE BENEFIT OF THE FUND THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF THE FUND'S OPERATING AGREEMENT AND NO OFFER, SALE, TRANSFER, PLEDGE, OR OTHER DISPOSITION OF THE SECURITIES MAY BE MADE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

and that any certificate representing securities issued in exchange therefor or in substitution thereof will bear the same legend; provided that the legend may be removed by providing a declaration to the Fund's registrar and transfer agent to the following effect (or as the Fund may prescribe from time to time), and provided that the Fund may at any time rescind this procedure for the removal of restrictive legends if it determines that this procedure no longer complies with applicable legal requirements: "The undersigned acknowledges that the sale of the securities to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States Securities Act of 1933 (the "Securities Act"), and the undersigned certifies that: (1) the seller is not an affiliate of the Fund (as defined in Rule 405 under the U.S. Securities Act); (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believes that the buyer was outside the United States, or (b) the transaction was executed in, on, or through the facilities of the Vancouver Stock Exchange, The Toronto Stock Exchange, the Montreal Exchange, or any other designated offshore securities market, and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged in any directed selling efforts in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), and (5) the contemplated sale is not a transaction or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act."

(f) Accredited Investor. Member has completed a Suitability Statement to document Member's status as an Accredited Investor or "Non-Resident Alien." All information provided by Member in the Documents, including such Suitability Statement is complete and accurate. Member is aware that Fund is relying upon the accuracy of that information in issuing Units to the Member. Member also agrees to submit such additional materials, including without limitation financial statements, as the Fund reasonably requests to further confirm the information contained in this section.

(g) No Investment Company Issues. If you are an entity, (i) you were not formed, and are not being utilized, primarily for the purpose of making an investment in the Fund (and your investment in the Fund does not exceed 40% of your total assets or the aggregate capital commitments to you by your partners, members, shareholders, or others) and (ii) either (A) all of your outstanding securities (other than short-term paper) are beneficially owned by one Person, (B) you are not an investment company under the

Investment Company Act or a "private investment company" that avoids registration and regulation under the Investment Company Act based on the exclusion provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, or (C) you have delivered to the Manager a representation and covenant as to certain matters under the Investment Company Act satisfactory to the Manager.

(h) Certain ERISA Matters. You represent that (i) except as described in a letter to the Manager dated at least five days prior to the date hereof, no part of the funds used by you to acquire Units constitutes assets of any "employee benefit plan" within the meaning of Section 3(3) of ERISA, either directly or indirectly through one or more entities whose underlying assets include plan assets by reason of a plan's investment in such entities (including insurance company separate accounts, insurance company general accounts, or bank collective investment funds, in which any such employee benefit plan (or its related trust) has any interest) or (ii) if Units are being acquired by or on behalf of any such plan (any such purchaser being referred to herein as an "ERISA Partner"), (A) such acquisition has been duly authorized in accordance with the governing documents of such plan and (B) such acquisition and the subsequent holding of the Units do not and will not constitute a "non-exempt prohibited transaction" within the meaning of Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (i.e., a transaction that is not subject to an exemption contained in ERISA or in the rules and regulations adopted by the U.S. Department of Labor (the "DOL") thereunder). The foregoing representation will be based on a list of the Other Purchasers to be provided by the Manager to each ERISA Partner prior to the Effective Date.

(i) Suitability. You have evaluated the risks involved in investing in the Units and have determined that the Units are a suitable investment for you. Specifically, the aggregate amount of the investments you have in, and your commitments to, all similar investments that are illiquid is reasonable in relation to your net worth, both before and after the subscription for and purchase of the Units pursuant to this Agreement.

(j) Transfers and Transferability. You understand and acknowledge that the Units have not been registered under the Securities Act or any state securities laws and are being offered and sold in reliance upon exemptions provided in the Securities Act and state securities laws for transactions not involving any public offering and, therefore, cannot be resold or transferred unless they are subsequently registered under the Securities Act and such applicable state securities laws or unless an exemption from such registration is available. You also understand that the Fund does not have any obligation or intention to register the Units for sale under the Securities Act, any state securities laws or of supplying the information which may be necessary to enable you to sell Units; and that you have no right to require the registration of the Units under the Securities Act, any state securities laws, or other applicable securities regulations. You also understand that sales or transfers of Units are further restricted by the provisions of the Operating Agreement.

You represent and warrant further that you have no contract, understanding, agreement, or arrangement with any person to sell or transfer or pledge to such person or anyone else any of the Units for which you hereby subscribe (in whole or in part); and you represent and warrant that you have no present plans to enter into any such contract, undertaking, agreement, or arrangement.

You understand that the Units cannot be sold or transferred without the prior written consent of the Manager, which consent may be withheld in its sole and absolute discretion and which consent will be withheld if any such transfer could cause the Fund to

become subject to regulation under federal law as an investment company or would subject the Fund to adverse tax consequences.

You understand that there is no public market for the Units and that any disposition of the Units may result in unfavorable tax consequences to you.

You are aware and acknowledge that, because of the substantial restrictions on the transferability of the Units, it may not be possible for you to liquidate your investment in the Fund readily, even in the case of an emergency.

(k) Residence. You maintain your domicile at the address shown on the Member Information Page and you are not merely transient or temporarily resident there.

(l) Anti-Money Laundering. You or your beneficial owner is not a person, government, country, or entity: (i) that is listed in the Annex to, or is otherwise subject to the provisions of, United States Executive Order 13224, as issued on September 24, 2001 ("EO 13224") which list is published at <http://www.treasury.gov/terrorism.html>; (ii) whose name appears on the most current U.S. Office of Foreign Assets Control ("OFAC") list of "Specifically Designated Nationals and Blocked Persons" (which list is published on the OFAC website, <http://www.treas.gov/ofac>); (iii) who commits, threatens to commit, or supports "terrorism" as that term is defined in EO 13224; or (iv) who is otherwise affiliated with any person, government, country, or entity listed above. Any funds used by us to invest in the Fund were not, directly or indirectly, derived from activities that may contravene U.S. federal and/or state laws and regulations, including anti-money laundering laws or that may contravene the anti-money laundering laws of any other jurisdiction.

(m) Publicly-Traded Fund. By the purchase of any Unit in the Fund, you represent to the Manager and the Fund that you have neither acquired nor will you transfer or assign any Unit you purchase (or any interest therein) or cause any such Units (or any interest therein) to be marketed on or through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704(b)(1) of the Code. Further, you agree that if you determine to transfer or assign any of your Units pursuant to the provisions of the Operating Agreement, you will cause your proposed transferee to agree to the transfer restrictions set forth therein and to make the representations set forth above.

(n) Awareness of Risks; Taxes. You represent and warrant that you are aware that: (i) the Fund has no operating history; (ii) the Units involve a substantial degree of risk of loss of your entire investment and that there is no assurance of any income from your investment; and (iii) any federal and/or state income tax benefits which may be available to you may be lost through the adoption of new laws or regulations, to changes to existing laws and regulations, and to changes in the interpretation of existing laws and regulations. You further represent that you are relying solely on your own conclusions or the advice of your own counsel or investment representative with respect to tax aspects of any investment in the Fund.

(o) Capacity to Contract. If you are an individual, you represent that you are over 21 years of age and have the capacity to execute, deliver, and perform this Subscription Agreement and the Operating Agreement.

(p) Power, Authority; Valid Agreement. (i) You have all requisite power and authority to execute, deliver, and perform your obligations under this Agreement and the Operating Agreement and to subscribe for and purchase or otherwise acquire your Units; (ii)

your execution of this Agreement and the Operating Agreement has been authorized by all necessary corporate or other action on your behalf; and (iii) this Agreement and the Operating Agreement are each valid, binding, and enforceable against you in accordance with their respective terms.

(q) No Conflict; No Violation. The execution and delivery of this Agreement and the Operating Agreement by you and the performance of your duties and obligations hereunder and thereunder (i) do not and will not result in a breach of any of the terms, conditions, or provisions of, or constitute a default under (A) any charter, bylaws, trust agreement, partnership agreement, or other governing instrument applicable to you, (B) (1) any indenture, mortgage, deed of trust, credit agreement, note, or other evidence of indebtedness, or any lease or other agreement or understanding, or (2) any license, permit, franchise, or certificate, in either case to which you or any of your affiliates is a party or by which you or any of them is bound or to which your or any of their properties are subject; (ii) do not require any authorization or approval under or pursuant to any of the foregoing; and (iii) do not violate any statute, regulation, law, order, writ, injunction, or decree to which you or any of your affiliates is subject.

(r) No Default. You are not (i) in default (nor has any event occurred which with notice, lapse of time, or both, would constitute a default) in the performance of any obligation, agreement, or condition contained in (A) this Agreement or the Operating Agreement, (B) any provision of any charter, bylaws, trust agreement, partnership agreement, or other governing instrument applicable to you, (C) (1) any indenture, mortgage, deed of trust, credit agreement, note, or other evidence of indebtedness or any lease or other agreement or understanding, or (2) any license, permit, franchise, or certificate, in either case to which you or any of your affiliates is a party or by which you or any of them is bound or to which your or any of their properties are subject, or (ii) in violation of any statute, regulation, law, order, writ, injunction, judgment, or decree applicable to you or any of your affiliates.

(s) No Litigation. There is no litigation, investigation, or other proceeding pending or, to your knowledge, threatened against you or any of your affiliates which, if adversely determined, would adversely affect your business or financial condition or your ability to perform your obligations under this Agreement or the Operating Agreement.

(t) Consents. No consent, approval, or authorization of, or filing, registration, or qualification with, any court or governmental authority on your part is required for the execution and delivery of this Agreement or the Operating Agreement by you or the performance of your obligations and duties hereunder or thereunder.

(u) Conflicts of Interest. You understand and agree that the Fund may engage Affiliates of the Manager to perform services for and on behalf of the Fund. You also understand that the Fund may, in connection with such services, pay to such Affiliates brokerage commissions and fees, property management fees, and other compensation. You also understand and agree that Affiliates of the Fund may receive commissions or fees from unrelated third parties with whom the Fund is purchasing or selling a real property asset or engaging in another transaction, and that in such event, such Affiliate may have a potentially conflicting division of loyalties and responsibilities regarding the Fund and the other parties to the transaction.

8.2 Survival of Representations and Warranties; Duty to Inform. All representations and warranties made by you in Section 8.1 of this Agreement will survive the execution and delivery of this Agreement and the issue and sale of Units. All of the representations and

information provided by you in this Subscription Agreement and any additional information which you have furnished to the Fund with respect to your financial position and business experience are accurate and complete as of the date that this Subscription Agreement was executed by you. If there should be any change in such representations or information prior to the sale of the Units subscribed for herein, you will immediately furnish accurate and complete information concerning any such material change to the Fund.

8.3 Reliance. You acknowledge that your representations, warranties, acknowledgments, and agreements in this Agreement will be relied upon by the Fund in determining your suitability as a purchaser of Units.

8.4 Further Assurances. You agree to provide, if requested, any additional information that may be requested or required to determine your eligibility to purchase the Units.

8.5 Indemnification. You hereby agree to indemnify the Fund, the Manager, and any Affiliates, and to hold each of them harmless from and against any loss, damage, liability, cost or expense, including reasonable attorneys' fees (collectively, a "Loss") due to or arising out of any breach or representation, warranty, or agreement by you, whether contained in this Subscription Agreement (including the suitability statements) or any other document provided by you to the Fund in connection with your investment in the Units. You hereby agree to indemnify the Fund and any Affiliates and to hold them harmless against all Loss arising out of the sale or distribution of the Units by you in violation of the Securities Act or other applicable law or any misrepresentation or breach by you with respect to the matters set forth in this Agreement. In addition, you agree to indemnify the Fund and any Affiliates and to hold such persons harmless from and against, any and all Loss, to which they may be put or which they may reasonably incur or sustain by reason of or in connection with any misrepresentation made by you with respect to the matters about which representations and warranties are required by the terms of this Agreement, or any breach of any such warranty or any failure to fulfill any covenants or agreements set forth herein or included in and as defined in the PPM. The indemnification obligations provided herein will survive the execution and delivery of this Agreement and the issue and sale of Units and will be in addition to any liability you may otherwise have.

9. Certain Agreements and Acknowledgments of the Purchaser

9.1 Agreements. You understand, agree, and acknowledge that:

(a) Acceptance. Your subscription for Units contained in this Agreement may be accepted or rejected, in whole or in part, by the Manager in its sole and absolute discretion. Your subscription will not be accepted or deemed to be accepted until you have been admitted as a Member in the Fund on the Effective Date. Such admission will be deemed an acceptance of this Agreement by you, the Fund, and the Manager for all purposes.

(b) Fees. The Management Fee is 2% per year based on the collective AUM as determined by the Manager. The Management Fee shall be deemed to be earned daily, shall be calculated partly based on Fund Assets, and shall be prorated and paid monthly at the end of each calendar month. The Manager will also be entitled to receive certain Acquisition Fees, Disposition Fees, origination fees, and potentially servicing fees associated with the Fund's investments as set forth in greater detail in the PPM and Operating Agreement.

(c) Irrevocability. Except as expressly provided in this Agreement and under applicable state securities laws, this subscription is and will be irrevocable, except that you

will have no obligations hereunder if this subscription is rejected for any reason, or if this offering is cancelled for any reason, or subject to Section 3.2 of the Operating Agreement, if the Fund determines not to transfer all of your subscription to the Operating Account.

(d) No Recommendation. No foreign, federal, or state authority has made a finding or determination as to the fairness for investment of the Units and no foreign, federal, or state authority has recommended or endorsed or will recommend or endorse this offering.

(e) No Disposal. You will not, directly or indirectly, assign, transfer, offer, sell, pledge, hypothecate, or otherwise dispose of all or any part of your Units (or solicit any offers to buy, purchase, or otherwise acquire or take a pledge of all or any part of the Units) except in accordance with the registration provisions of the Securities Act or an exemption from such registration provisions, with any applicable state or other securities laws, and with the terms of the Operating Agreement.

10. General Contractual Matters

10.1 Amendments and Waivers. This Agreement may be amended and the observance of any provision hereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of you and the Fund.

10.2 Assignment. You agree that neither this Agreement nor any rights which may accrue to you hereunder may be transferred or assigned.

10.3 Notices. All notices, requests, demands, and other communications hereunder will be in writing and will be deemed to have been duly given to any party when delivered by hand, when delivered by facsimile, or when mailed, first class postage prepaid, (a) if to you, to you at the address, email address, or facsimile number set forth in your Member Information, or to such other address, email address, or facsimile number as you will have furnished to the Fund in writing, and (b) if to the Fund, to it at Colonial Capital Management LLC, 520 Silicon Drive, Suite 110, Southlake, TX 76092-2001, or to such other address or addresses, email address, or addresses, or facsimile number or numbers, as the Fund will have furnished to you in writing, provided that any notice to the Fund will be effective only if and when received by the Manager.

10.4 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to principles of conflict of laws (except insofar as affected by the securities or "blue sky" laws of the state or similar jurisdiction in which the offering described herein has been made to you).

10.5 Descriptive Headings. The descriptive headings in this Agreement are for convenience of reference only and will not be deemed to alter or affect the meaning or interpretation of any provision of this Agreement.

10.6 Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement, and there are no representations, covenants, or other agreements except as stated or referred to herein.

10.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which taken together will constitute one and the same instrument.

10.8 Joint and Several Obligations. If you consist of more than one person, this Agreement will consist of the joint and several obligations of all such persons.

11. Suitability Statements

The truth, correctness, and completeness of the suitability information appearing in the following pages is warranted pursuant to Section 8.1(a) above:

FOR INDIVIDUALS

INITIAL TO INDICATE IF THE STATEMENT IS TRUE OR FALSE, OR COMPLETE THE STATEMENT, AS APPROPRIATE.

Verification of Status as “Accredited Investor” under Regulation D.

- 1. You are a natural person (individual) whose own net worth, taken together with the net worth of your spouse, exceeds \$1,000,000. Net worth for this purpose means total assets (excluding your primary residence¹) in excess of total liabilities.
 True False

- 2. You are a natural person (individual) who had an individual income in excess of \$200,000 in each of the two previous years, or joint income with your spouse in excess of \$300,000 in each of those years, and who reasonably expects to reach the same income level in the current year.
 True False

- 3. You are an executive officer of the Fund or a manager or executive officer of the Manager of the Fund.
 True False

- 4. You have such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of investing in the Units.
 True False

Disclosure of Foreign Citizenship.

- 1. You are not a citizen of the United States.
 True False

If the answer to the preceding question is true, specify the country of which you are a citizen:

¹For purposes of this question, “excluding your personal residence” means:

(A) Your primary residence shall not be included as an asset;

(B) Indebtedness that is secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your subscription, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your subscription exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and

(C) Indebtedness that is secured by your primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.



FOR ENTITIES OTHER THAN INDIVIDUALS

INITIAL TO INDICATE IF THE STATEMENT IS TRUE OR FALSE, OR COMPLETE THE STATEMENT, AS APPROPRIATE.

Verification of Status as "Accredited Investor" under Regulation D.

1.
 True False You are (i) a bank, or any savings and loan association or other institution acting in its individual or fiduciary capacity; (ii) a broker dealer; (iii) an insurance company; (iv) an investment company or a business development company under the Investment Company Act of 1940; (v) a Small Business Investment Company licensed by the U.S. Small Business Administration; (vi) an employee benefit plan whose investment decision is being made by a plan fiduciary, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan whose total assets are in excess of \$5,000,000 or a self-directed employee benefit plan whose investment decisions are made solely by persons that are accredited investors; or (vii) a plan established and maintained by a state of the United States, its political subdivisions, or any agency or instrumentality of a state of the United States or its political subdivisions, for the benefit of its employees that has total assets in excess of \$5,000,000.

2.
 True False You are a private business development company as defined in Section 202 (a) (22) of the Investment Advisors Act of 1940.

3.
 True False You are (i) an organization described in Section 501(c)(3) of the Internal Revenue Code, (ii) a corporation, (iii) a Massachusetts or similar business trust, or (iv) a partnership, in each case not formed for the specific purpose of acquiring the securities offered and in each case with total assets in excess of \$5,000,000.

4.
 True False You are an entity as to which all the equity owners are accredited investors (If questions 1-3 above and question 5 below have been initialed "false," then have each equity owner fill out a suitability questionnaire).

5.
 True False You are a trust, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000 and whose purchase is directed by a sophisticated person.

6.
 True False You (i) were not formed, and (ii) are not being utilized, primarily for the purpose of making an investment in the Fund (and investment in this Fund does not exceed 40% of the

aggregate capital committed to you by your partners, shareholders or others).

7. True False
- You are, or are acting on behalf of, (i) an employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not such plan is subject to ERISA, (ii) a plan described in Section 4975(e)(1) of the Code or (iii) an entity which is deemed to hold the assets of any such employee benefit plan pursuant to 29 C.F.R. § 2510.3-101. For example, a plan which is maintained by a foreign corporation, governmental entity or church, a Keogh plan covering no common-law employees and an individual retirement account are employee benefit plans within the meaning of Section 3(3) of ERISA but generally are not subject to ERISA (collectively, "Non-ERISA Plans"). In general, a foreign or U.S. entity which is not an operating company and which is not publicly traded or registered as an investment company under the Investment Company Act and in which 25% or more of the value of any class of equity interests is held by employee pension or welfare plans (including an entity which is deemed to hold the assets of any such plan), would be deemed to hold the assets of one or more employee benefit plans pursuant to 29 C.F.R. § 2510.3-101. However, if only Non-ERISA Plans were invested in such an entity, the entity generally would not be subject to ERISA. For purposes of determining whether this 25% threshold has been met or exceeded, the value of any equity interests held by a person (other than such a plan or entity) who has discretionary authority or control with respect to the assets of the entity, or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliates of such person, is disregarded.
8. True False
- You are, or are acting on behalf of, such an employee benefit plan, that is subject to ERISA or a plan described in Section 4975(e)(1) of the Code, or are an entity deemed to hold the assets of any such plan or plans (i.e., you are subject to ERISA).
9. True False
- You are a U.S. pension trust or governmental plan qualified under Section 401(a) of the Code or a U.S. tax-exempt organization qualified under Section 501(c)(3) of the Code.
10. True False
- You are acting on behalf of an insurance company general account and any part of the general account represents interests that may be deemed to be assets of benefit plan investors under applicable law.

Disclosure of Foreign Ownership.

1. You are an entity organized under the laws of a jurisdiction
 True False other than those of the United States or any state, territory or
 possession of the United States.

2. You are a corporation of which, in the aggregate, more than
 True False one-fourth of the capital stock is owned of record or voted by
 foreign citizens, foreign entities, foreign corporations or foreign
 partnerships.

3. You are a general or limited partnership of which any general
 True False or limited partner is a foreign citizen, foreign entity, foreign
 government, foreign corporation or foreign partnership.

4. You are a representative of, or entity controlled by, any of the
 True False entities listed in items 1 through 3 above.

If you answered true to any of questions 1 through 4, what is the percentage of:

Your aggregate capital commitment that will be contributed directly or indirectly by any person or entity listed in items 1 through 4 above? %

for a pension fund, your non-U.S. beneficiaries? %

for a corporation, your direct and indirect foreign ownership
 %

for a trust, your foreign beneficial interest? %

for a partnership or limited liability company, your direct and indirect foreign ownership? %

COLONIAL IMPACT FUND-II, LLC
Signature Page – Individuals

The undersigned, desiring to become a Member of Colonial Impact Fund-II, LLC, (the "Fund"), by executing this Signature Page, hereby (a) executes, adopts, and agrees to all the terms, conditions, and representations set forth in the undersigned's Subscription Agreement and the Operating Agreement of the Fund and (b) reaffirms the Power of Attorney set forth in Section 2 of the Subscription Agreement.

Dollar amount of Capital Commitment: \$ _____

Date: _____ 20____ Reinvest Distributions: Yes _____ No _____

If Purchaser is an individual, sign below and provide the requested information:

Signature

Print Name

Social Security Number

If purchasing jointly, additional individual should sign below:

Signature

Print Name

Social Security Number

Purchaser(s) Information:

Address: _____

Mailing Address, if different: _____

Home No.: _____

Work No.: _____

Mobile No.: _____

Fax No.: _____

Email: _____

Addl Email: _____

Accepted:

COLONIAL IMPACT FUND-II, LLC

By: Colonial Capital Management LLC, as
Manager

By: _____



**COLONIAL IMPACT FUND-II, LLC
Signature Page - Entities**

The undersigned, desiring to become a Member of Colonial Impact Fund-II, LLC (the "Fund"), by executing this Signature Page, hereby (a) executes, adopts, and agrees to all the terms, conditions, and representations set forth in the undersigned's Subscription Agreement and the Operating Agreement of the Fund and (b) reaffirms the Power of Attorney set forth in Section 2 of the Subscription Agreement.

Dollar amount of Capital Commitment: \$ _____

Date: _____ 20____ Reinvest Distributions: Yes _____ No _____

If Purchaser is an entity, an authorized individual signs below:

Print Name of Entity

Type of Entity

Tax Identification Number

Signature

Print Name

Title or Capacity

Entity/Trustee Information:

Address: _____

Mailing Address, if different: _____

Home No.: _____

Work No.: _____

Mobile No.: _____

Fax No.: _____

Email: _____

Addl Email: _____

Accepted:

COLONIAL IMPACT FUND-II, LLC

By: Colonial Capital Management LLC, as
Manager

By: _____

