

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). SUCH INTERESTS MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED TO ANY PERSON AT ANY TIME IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH UNITS UNDER THE ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER OF THE COMPANY TO THE EFFECT THAT SUCH REGISTRATION IS NOT REQUIRED.

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

**SUBSCRIPTION AGREEMENT AND POWER OF ATTORNEY
FOR
BLACKBURNE & BROWN EQUITY PRESERVATION FUND, LLC**

The undersigned hereby applies to become a member in Blackburne & Brown Equity Preservation Fund, LLC, a California limited liability company (the "Company"), and subscribes to purchase the number of Units of Class 2008-1 (the "Units") herein indicated in accordance with the terms and conditions of the Operating Agreement attached as Exhibit A to the Offering Circular dated January 28, 2008 as supplemented from time to time (the "Offering Circular"). All capitalized terms not otherwise defined herein shall have the meanings given in the Offering Circular.

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

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

(b) I understand that the Units are being offered and sold without registration under the Securities Act of 1933, as amended in reliance upon the exemption from such registration requirements for intrastate offerings and/or private offerings. I acknowledge and understand that the availability of this exemption depends in part upon the accuracy of the representations and warranties contained herein, which I hereby make with the intent that they may be relied upon by the manager of the Company, Blackburne & Brown Mortgage Company, Inc. ("Manager").

(c) I understand and acknowledge that the Company's real estate program as

set forth in the Offering Circular contains numerous variances from the Real Estate Program Regulations contained in Title 10 of the California Code of Regulations, Subpart 10, Regulations 260.140.110.1 through 260.140.118.6.

(d) I understand that Units may not be sold or otherwise disposed of without the prior written consent of the Manager, which consent may be granted or withheld in its sole discretion, and that any such transfer is also subject to the prior written consent of the California Commissioner of Corporations and to numerous other restrictions described in the Offering Circular and in the Operating Agreement. I have sufficient liquid assets sufficient to assure myself (i) that investment in these Units will not cause me undue financial difficulties and (ii) that I can provide for my current needs and possible personal contingencies.

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

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

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

(h) Please check whichever of the following is true:

- My net worth (either individually or together with my spouse) exceeds \$1,000,000. (My home and other personal assets may be included for purposes of this calculation.)
- My individual income exceeded \$200,000 in each of the two most recent calendar years, or my joint income with my spouse exceeded \$300,000 in each of those calendar years, and I expect to reach the same income level this current calendar year.
- My net worth exceeds \$250,000 and I have an annual gross income of at least \$65,000; or I have a net worth of at least \$500,000. (The value of the Investor's home, furnishings and automobiles may not be included for the purposes of calculating such Investor's net worth under this paragraph).

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

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

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

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

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

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

3. ACCEPTANCE. This Subscription Agreement will be accepted or rejected by the Manager within thirty (30) days of its receipt by the Company. Upon acceptance, this subscription will become irrevocable, and will obligate the undersigned to purchase the number of Units indicated below, for the purchase price of \$1,000 per Unit. The Manager will return a countersigned copy of this Subscription Agreement to accepted subscribers, which copy (together with my cancelled check) will be evidence of my purchase of Units.

4. PAYMENT OF SUBSCRIPTION PRICE. The full purchase price for Units is \$1,000 per Unit, payable in cash concurrently with delivery of this Subscription Agreement. I understand that the Manager intends to proceed with creating and issuing Units in the membership class subscribed for herein only if the minimum capitalization amount (as set forth in Exhibit A to the Offering Circular) is received by the Manager and only if the Purchase Transaction (as defined in the Offering Circular) is consummated. My subscription funds will be held by the Manager in a segregated account at a financial institution selected by the Manager, until my funds are needed by the Company, and only then will I actually be admitted to the Company. In the interim, my subscription funds will not earn interest.

5. THE UNDERSIGNED AGREES TO INDEMNIFY AND HOLD BLACKBURNE & BROWN EQUITY PRESERVATION FUND, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND ITS MANAGER AND OTHER AGENTS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES, AND DAMAGES (INCLUDING, WITHOUT LIMITATION, ALL ATTORNEYS' FEES WHICH SHALL BE PAID AS INCURRED) WHICH ANY OF THEM MAY INCUR, IN ANY MANNER OR TO ANY PERSON, BY REASON OF THE FALSITY, INCOMPLETENESS OR MISREPRESENTATION OF ANY INFORMATION FURNISHED BY THE UNDERSIGNED HEREIN OR IN ANY DOCUMENT SUBMITTED HEREWITH.

6. INVESTOR INFORMATION. (Please print or type)

Name and Address of Investor or Beneficial Owner:

() _____
Telephone (Home)

() _____
Telephone (Office)

Principal Residence of Investor:

PLEASE COMPLETE THE FOLLOWING, AS APPLICABLE.

Membership Class (See Class Designation set forth in Exhibit A to the Offering Circular): 2008-
1

Number of Units to be Purchased (see Minimum Subscription Amount set forth in Exhibit A to the Offering Circular): _____

Total Purchase Price (\$1,000 per Unit): \$_____

Make check payable to "Blackburne & Brown Equity Preservation Fund, LLC" and return with this Subscription Agreement to 4811 Chippendale Drive, Suite 101, Sacramento, California 95841.

IN WITNESS WHEREOF, the undersigned hereby agrees to become a Limited Partner in Blackburne & Brown Equity Preservation Fund, LLC, a California limited liability company, upon the terms and conditions set forth in the Operating Agreement.

Dated: _____, 20__

(signature of Investor or Beneficial Owner)

(signature of Investor or Beneficial Owner)

7. ACCEPTANCE.

The foregoing Subscription Agreement is hereby accepted by Blackburne & Brown Equity Preservation Fund, LLC, a California limited liability company.

Dated: _____, 20__

BLACKBURNE & BROWN MORTGAGE
COMPANY, INC., Manager

By: _____

Its: _____