UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 3, 2026

REDWOOD TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**001-13759**	**68-0329422**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Belvedere Place
Suite 300
Mill Valley, California 94941
(Address of principal executive offices, including Zip Code)

(415) 389-7373
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ¨

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	RWT	New York Stock Exchange
10% Series A Fixed-Rate Reset Cumulative Redeemable Preferred Stock, par value $0.01 per share	RWT PRA	New York Stock Exchange
9.125% Senior Notes Due 2029	RWTN	New York Stock Exchange
9.0% Senior Notes Due 2029	RWTO	New York Stock Exchange
9.125% Senior Notes Due 2030	RWTP	New York Stock Exchange
9.500% Senior Notes Due 2030	RWTQ	New York Stock Exchange
9.75% Senior Notes Due 2031	RWTS	New York Stock Exchange

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth in Item 3.03 of this Current Report is incorporated into this Item 1.01 by reference.

Waiver and Repurchase Agreement

On November 3, 2026, Redwood Trust, Inc. (the "Company" or "Redwood") entered into a Waiver and Repurchase Agreement (the "Agreement") with Hildene Capital Management, LLC (the "Investor"), acting for itself and on behalf of its managed entities, relating to the trust preferred securities issued by Redwood Capital Trust I (the "Trust Preferred Securities") under the Amended and Restated Trust Agreement, dated as of December 12, 2006 (the "Trust Agreement") and the related Junior Subordinated Notes due 2037 of the Company (the "Notes") issued under the Junior Subordinated Indenture, dated as of December 12, 2006 (the "Indenture"). Under the Indenture, the Company is required to use its reasonable best efforts to meet the requirements to qualify as a REIT (as defined below) (the "REIT Maintenance Covenant"). Pursuant to the Indenture and the Trust Agreement, the Company may omit to comply with the REIT Maintenance Covenant if a majority in aggregate principal amount of the outstanding Notes and a majority in aggregate liquidation amount of the outstanding Trust Preferred Securities waive such compliance.

Under the Agreement, the Investor and its managed entities, as holders of a majority of the aggregate liquidation amount of the outstanding Trust Preferred Securities, agreed to (i) waive generally the Company's compliance with the REIT Maintenance Covenant and (ii) approve and direct the property trustee under the Trust Agreement, as holder of the Notes, to waive generally the Company's compliance with the REIT Maintenance Covenant, effective on the Last Deposit Date (as defined below).

In addition, the Company agreed to repurchase from the Investor an aggregate $53,125,000 liquidation amount of Trust Preferred Securities at a price equal to 85% of the liquidation amount thereof, or $45,156,250 (the "Aggregate Repurchase Price"), plus any accumulated but unpaid distributions thereon. The Company will pay deposits for the Aggregate Repurchase Price in three installments, with the last installment payment to occur on the earlier of (x) the date of the Company's formal revocation of its election to be taxed as a REIT and (y) February 15, 2027 (the "Last Deposit Date"). The Company also agreed to pay the Investor a cash fee of $500,000.

A copy of the Agreement is filed as Exhibit 1.1 to this Current Report. This description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement filed as an exhibit to this Current Report and incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The disclosure set forth in Item 8.01 below under the caption "Joint Venture and Secured Financing Facility" is incorporated by reference into this Item 3.02. Any additional shares of Common Stock (as defined below) issued or issuable upon exercise of the Amended Warrants (as defined below) will be issued in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), in transactions not involving a public offering or in reliance upon Section 3(a)(9) of the Securities Act as involving an exchange by the Company exclusively with its security holders.

Item 3.03. Material Modification to Rights of Security Holders.

Plan for C-Corp. Conversion – Impact on Corporate Charter's Restrictions on Transfer/Ownership of Capital Stock

As described in Item 8.01 below, the Company has announced that the Board of Directors of the Company (the "Board") unanimously approved a plan to revoke the Company's election to be treated as a real estate investment trust ("REIT") for U.S. federal income tax purposes in the first quarter of 2027 and transition to a C corporation beginning with its 2027 taxable year (the "C-Corp. Conversion Plan"). Under the C-Corp. Conversion Plan, the Board has determined it is in the Company's best interests to continue to maintain its REIT status for the taxable year ending December 31, 2026 and to remain in compliance with the requirements for taxation as a REIT during 2027 until such time as the Company makes a filing with the Internal Revenue Service ("IRS") to revoke the Company's election to be taxed as a REIT pursuant to Section 856(g)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), for the taxable year beginning on January 1, 2027 (the "REIT Status Revocation Filing").

Accordingly, under the C-Corp. Conversion Plan, the restrictions on transfer and ownership of shares of capital stock of the Company set forth in Article XI of the Company's Articles of Amendment and Restatement and the related restrictions on transfer and ownership in the terms of the Series A preferred stock (the Articles of Amendment and Restatement, as amended and supplemented, the "Charter") will cease to be in effect upon the consummation of the C-Corp. Conversion Plan. The Company intends to file a Certificate of Notice with the State Department of Assessments and Taxation of Maryland ("SDAT") and to file such Certificate of Notice with the Securities and Exchange Commission on a Current Report on Form 8-K promptly thereafter.

Adoption of Tax Benefits Preservation Plan

On November 3, 2026, the Board adopted a tax benefits preservation plan and declared a dividend of one right (a "Right") for each outstanding share of common stock of the Company, par value $0.01 per share ("Common Stock"), to stockholders of record at the close of business on November 16, 2026 (the "Record Date"). Each Right entitles its holder, subject to the terms of the Tax Benefits Preservation Plan (as defined below), to purchase from the Company one one-thousandth of a share of Series X Junior Participating Preferred Stock, par value $0.01 per share ("Series X Preferred Stock"), of the Company at an exercise price of $20.00 per Right, subject to adjustment. The description and terms of the Rights are set forth in a tax benefits preservation plan, dated as of November 3, 2026 (the "Tax Benefits Preservation Plan"), by and between the Company and Computershare Trust Company, N.A., as rights agent (and any successor rights agent, the "Rights Agent").

The Company adopted the Tax Benefits Preservation Plan in order to protect against a possible limitation on the Company's ability to use its net operating losses (the "NOLs") and certain other tax attributes to reduce potential future U.S. federal income tax obligations. The NOLs and certain other tax attributes are valuable assets to the Company, which may inure to the benefit of the Company. However, if the Company experiences an "ownership change," as defined in Section 382 of the Code, its ability to fully utilize the NOLs and certain other tax attributes could be substantially limited and the timing of the usage of the NOLs and other tax attributes could be substantially delayed, which could significantly impair the value of such attributes. Generally, an "ownership change" would occur if the Company's "5-percent shareholders" increase their ownership of Company stock by more than 50 percentage points over the lowest percentage owned by such shareholders at any time over a rolling three-year period, as determined under Section 382 of the Code and the regulations thereunder. The Tax Benefits Preservation Plan is intended to prevent such an "ownership change."

The Tax Benefits Preservation Plan is not expected to interfere with any merger or other business combination approved by the Board.

The Rights. The Rights will attach to any shares of Common Stock that become issued and outstanding after the Record Date and prior to the earlier of (a) the Distribution Time (as defined below) and (b) the Expiration Time (as defined below), and in certain other circumstances described in the Tax Benefits Preservation Plan.

Until the Distribution Time, the Rights are associated with Common Stock and evidenced by Common Stock certificates or, in the case of uncertificated shares of Common Stock, the book-entry account that evidences record ownership of such shares. Until the Distribution Time, the Rights are transferable with—and only with—the underlying shares of Common Stock.

Until the Distribution Time, the surrender for transfer of any shares of Common Stock will also constitute the transfer of the Rights associated with those shares. As soon as practicable after the Distribution Time, separate rights certificates will be mailed to holders of record of Common Stock as of the Distribution Time. From and after the Distribution Time, the Rights will be represented solely by the separate rights certificates.

The Rights are not exercisable until the Distribution Time. Until a Right is exercised, its holder will have no rights as a stockholder of the Company, including the right to vote or to receive dividends.

Separation and Distribution of Rights; Exercisability. Subject to certain exceptions, the Rights become exercisable and trade separately from Common Stock only upon the "Distribution Time," which occurs upon the earlier of:

- the close of business on the tenth (10th) day after the "Stock Acquisition Date" (which is defined as (a) the first date of public announcement that any person or group has become an Acquiring Person (as defined below) or (b) such other date, as determined by the Board, on which a person or group has become an Acquiring Person); and

- the close of business on the tenth (10th) business day (or such later date as may be determined by the Board prior to such time as any person or group becomes an Acquiring Person) after the commencement of a tender offer or exchange offer that, if consummated, would result in a person or group becoming an Acquiring Person, unless such tender or exchange offer is conditioned on the redemption of the Rights or termination of the Tax Benefits Preservation Plan.

An "Acquiring Person" is defined as a person or group that, together with its affiliates and associates, beneficially owns at least 4.9% (the "Specified Percentage") of either of (x) the Company Securities, consisting of the outstanding shares of Common Stock, shares of preferred stock (other than certain non-voting, non-participating preferred stock), warrants, rights, convertible debt or options to purchase stock of the Company, and any other interest that would be treated as "stock" of the Company for purposes of Section 382 of the Code and the regulations thereunder (collectively, the "Company Securities"), with beneficial ownership and percentage ownership of Company Securities determined under the constructive ownership rules of Section 382 of the Code and the regulations thereunder or (y) the outstanding shares of Common Stock, with beneficial ownership of Common Stock determined under Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the other provisions of the Tax Benefits Preservation Plan described below.

An Acquiring Person does not include:

- the Company or any subsidiary of the Company;

- any officer, director or employee of the Company or any subsidiary of the Company in his or her capacity as such;

- any employee benefit plan of the Company or of any subsidiary of the Company or any entity or trustee holding (or acting in a fiduciary capacity in respect of) shares of capital stock of the Company for or pursuant to the terms of any such plan or for the purpose of funding other employee benefits for employees of the Company or any subsidiary of the Company;

- any person or group, together with its affiliates and associates, whose beneficial ownership of at least the Specified Percentage will not jeopardize or endanger the availability to the Company of any NOL or other tax attribute, as determined by the Board in its sole discretion prior to the time any person becomes an Acquiring Person (provided that such person will be an Acquiring Person if the Board subsequently makes a contrary determination in its sole discretion, regardless of the reason for such contrary determination); or

- any person or group that, together with its affiliates and associates, as of immediately prior to the first public announcement of the adoption of the Tax Benefits Preservation Plan, beneficially owns at least the Specified Percentage, so long as such person or group continues to beneficially own at least the Specified Percentage and does not acquire securities of the Company to beneficially own an amount greater than or equal to the greater of (a) the Specified Percentage and (b) the sum of the lowest beneficial ownership of such person or group since the public announcement of the adoption of the Tax Benefits Preservation Plan plus (x) for persons with beneficial ownership of more than 5.0%, 0.5% of the then outstanding shares of Common Stock or (y) for all other persons, one share of Common Stock.

In addition, the Tax Benefits Preservation Plan provides that no person or group will become an Acquiring Person (1) as a result of a repurchase or other acquisition of securities of the Company by the Company that, by reducing the number of securities outstanding, increases such person's percentage ownership or (2) solely as a result of any unilateral grant of any security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers or employees; however, a person or group that becomes a beneficial owner of at least the Specified Percentage as a result of either of the foregoing will become an Acquiring Person if it thereafter acquires beneficial ownership of any additional securities of the Company (other than pursuant to a dividend, distribution, split or subdivision), unless after such acquisition it beneficially owns less than the Specified Percentage. Also, a person or group will not be an Acquiring Person if the Board determines in its sole discretion that such person or group has become an Acquiring Person inadvertently and such person or group has already divested or, if requested by the Company, divests as promptly as practicable a sufficient number of securities of the Company so that such person or group would no longer be an Acquiring Person. The Board is in no case required to except a person or group from the definition of "Acquiring Person" due to inadvertence. A bona fide swaps dealer also will not be an Acquiring Person if the Board determines that its ordinary course actions were taken without the intent or effect of evading the purposes of the Tax Benefits Preservation Plan or seeking to control or influence the Company, subject to revocation by the Board. There are also certain exceptions for an "investment advisor" to mutual funds or a trustee of trusts qualified under Section 401(a) of the Code sponsored by unrelated corporations, unless the Board determines, in its reasonable discretion, that such investment advisor or trustee is deemed to beneficially own at least the Specified Percentage under specified regulations promulgated under the Code.

Certain synthetic interests in securities created by derivative positions—regardless of whether such interests are considered to be ownership of the underlying Common Stock or are reportable for purposes of Regulation 13D-G under the Exchange Act—are treated as beneficial ownership of the number of shares of Common Stock equivalent to the economic exposure created by the derivative position, to the extent actual shares of Common Stock are directly or indirectly held by counterparties to the derivatives contracts. For purposes of the Tax Benefits Preservation Plan, a person or group is deemed to beneficially own (i) Company Securities that such person or group is deemed to directly, indirectly or constructively own (as determined for purposes of Section 382 of the Code or the regulations promulgated under the Code) and (ii) shares of Common Stock that such person or group beneficially owns under Rule 13d-3 under the Exchange Act, has the right or obligation to acquire (whether or not currently exercisable), or that are beneficially owned by any other person with which such person or group has any agreement, arrangement or understanding with respect to acquiring, holding, voting or disposing of Common Stock, in each case subject to certain exceptions described in the Tax Benefits Preservation Plan.

Expiration Time. The Rights will expire on the earliest to occur of (a) 5:00 P.M., New York City time, on November 3, 2027 or, if the Tax Benefits Preservation Plan is approved by the Company's stockholders by a majority of the votes cast at a meeting of stockholders held prior to that time, 5:00 P.M., New York City time, on November 3, 2029 (the "Final Expiration Time"), (b) the time at which the Rights are redeemed by the Company (as described below), (c) the time at which the Rights are exchanged by the Company (as described below), (d) the closing of any merger or other acquisition transaction involving the Company pursuant to a merger or other acquisition agreement that has been approved by the Board before any person or group becomes an Acquiring Person and (e) the time at which the Board determines that the NOLs and certain other tax attributes are utilized in all material respects or that an ownership change under Section 382 of the Code would not adversely impact in any material respect the time period in which the Company could use the NOLs and other tax attributes or materially impair the amount of NOLs and other tax attributes that could be used by the Company in any particular time period, for applicable tax purposes (the earliest of clauses (a), (b), (c), (d) and (e) being herein referred to as the "Expiration Time").

Flip-in Event. In the event that any person or group (other than certain exempt persons) becomes an Acquiring Person (a "Flip-in Event"), each holder of a Right (other than such Acquiring Person, any of its affiliates or associates or certain transferees of such Acquiring Person or of any such affiliate or associate, whose Rights automatically become null and void) will have the right to receive, upon exercise, Common Stock having a value equal to two (2) times the exercise price of the Right.

Flip-over Event. In the event that, at any time following the Stock Acquisition Date, any of the following occurs (each, a "Flip-over Event"):

- the Company consolidates with, or merges with and into, any other entity, and the Company is not the continuing or surviving entity;
- any entity engages in a share exchange with or consolidates with, or merges with or into, the Company, and the Company is the continuing or surviving entity and, in connection with such share exchange, consolidation or merger, all or part of the outstanding shares of Common Stock are changed into or exchanged for stock or other securities of any other entity or cash or any other property; or
- the Company sells or otherwise transfers, in one transaction or a series of related transactions, 50% or more of the Company's assets, cash flow or earning power,

each holder of a Right (except Rights that previously have been voided as described above) will have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two (2) times the exercise price of the Right.

Series X Preferred Stock Provisions. Each share of Series X Preferred Stock, if issued:

- will not be redeemable;
- will rank junior to all other series of the Company's preferred stock, including the Company's outstanding Series A preferred stock, as to dividends and distributions;
- will entitle the holder thereof, when, as and if authorized by the Board and declared by the Company, to quarterly dividend payments equal to the greater of $1.00 per share and 1,000 times the amount of all cash dividends plus 1,000 times the amount of non-cash dividends or other distributions paid on one share of Common Stock;
- will entitle the holder thereof to receive $1,000 plus accrued and unpaid dividends per share upon liquidation;
- will have the same voting power as 1,000 shares of Common Stock; and
- if shares of Common Stock are exchanged by means of a merger, consolidation or a similar transaction, will entitle the holder thereof to a per share payment equal to the payment made on 1,000 shares of Common Stock.

Anti-dilution Adjustments. The exercise price payable—and the number of shares of Series X Preferred Stock or other securities or property issuable—upon exercise of the Rights are subject to adjustment from time to time to prevent dilution:

- in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Series X Preferred Stock;
- if holders of the Series X Preferred Stock are granted certain rights, options or warrants to subscribe for Series X Preferred Stock or convertible securities at less than the current market price of the Series X Preferred Stock; or
- upon the distribution to holders of the Series X Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the exercise price will be required until cumulative adjustments amount to at least 1% of the exercise price. No fractional shares of Series X Preferred Stock will be issued. Instead, holders that would otherwise receive a fractional share of Series X Preferred Stock will be paid an amount of cash based on the current market value of the Series X Preferred Stock at the closing of the trading day immediately prior to exercise.

Redemption; Exchange. The Board may, at its option, at any time prior to the earlier of (i) such time as any person or group becomes an Acquiring Person and (ii) the Final Expiration Time, direct the Company to redeem the Rights in whole, but not in part, at a price of $0.001 per Right (subject to adjustment and payable in cash, Common Stock or other consideration deemed appropriate by the Board). Immediately upon the action of the Board authorizing any redemption—or at a later time as the Board may establish for the effectiveness of the redemption—the Rights will terminate and the only right of the holders of Rights will be to receive the redemption price.

At any time after any person or group becomes an Acquiring Person but before any Acquiring Person, together with all of its affiliates and associates, becomes the beneficial owner of 50% or more of the outstanding shares of Common Stock, the Company may exchange the Rights (other than Rights owned by the Acquiring Person, any of its affiliates or associates or certain transferees of the Acquiring Person or of any such affiliate or associate, whose Rights will have become null and void), in whole or in part, at an exchange ratio of one share of Common Stock, or one one-thousandth of a share of Series X Preferred Stock (or of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

Exemption Requests. A person desiring to either (i) effect a transaction that might result in such person becoming a beneficial owner of at least the Specified Percentage or (ii) effect a transaction that might result in such person owning additional securities of the Company when such person already owns at least the Specified Percentage, may, by following the procedures outlined in the Tax Benefits Preservation Plan, request that the Board determine that such person would not be an Acquiring Person. The Board is not required to consider or respond to any such request, and a failure by the Board to respond within 30 calendar days after receipt of a request constitutes a denial. In such case, the Board may grant the exemption notwithstanding the effect on the Company's NOLs and other tax attributes, if the Board determines that such exemption is in the best interests of the Company. The Board may impose any conditions that it deems reasonable and appropriate in connection with any such determination, including restrictions on the ability of the requesting person to transfer securities of the Company acquired by it in the transaction requiring approval.

Amendment of the Tax Benefits Preservation Plan. The Company and the Rights Agent may from time to time amend or supplement the Tax Benefits Preservation Plan without the consent of the holders of the Rights. However, on or after the Stock Acquisition Date, no amendment can materially adversely affect the interests of the holders of the Rights (other than the Acquiring Person, any of its affiliates or associates or certain transferees of the Acquiring Person or of any such affiliate or associate).

Miscellaneous. While the distribution of the Rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) or for common stock of any acquiring company or in the event of the redemption of the Rights as described above.

* * * * *

The foregoing description of the Tax Benefits Preservation Plan and the Rights does not purport to be complete and is qualified in its entirety by reference to the Tax Benefits Preservation Plan, which is filed as Exhibit 4.1 hereto and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

Filing of Articles Supplementary

In connection with the adoption of the Tax Benefits Preservation Plan described in Item 3.03 of this Current Report, the Board approved Articles Supplementary, which designate the rights, preferences and privileges of 395,000 shares of a series of the Company's stock, par value $0.01 per share, designated as Series X Junior Participating Preferred Stock. The information set forth in Item 3.03 of this Current Report is incorporated into this Item 5.03 by reference.

The Articles Supplementary will be filed with the SDAT and become effective on November 4, 2026. A copy of the Articles Supplementary is filed as Exhibit 3.1 hereto and is incorporated herein by reference.

Amended and Restated Bylaws

Effective November 3, 2026, the Board approved the amendment and restatement of the Bylaws of the Company (as so amended and restated, the "Amended and Restated Bylaws").

The amendments add a clause to Article X, Section 8 providing that, notwithstanding any other provision of the Charter or the Amended and Restated Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law, or any successor statute, shall not apply to the voting rights of any shares of stock of the Company acquired and held by any person pursuant to a grant by the Board of a waiver to such person of the stock ownership limitation contained in any tax benefits preservation plan adopted by the Company, but only to the extent that a waiver pursuant to such plan applies to ownership of shares of stock representing 10% or more of the voting power of the Company's outstanding shares of stock. This change is an addition to the current exclusion in Article X, Section 8 relating to waivers of the stock ownership limit in the Charter.

The preceding description of the provisions amended by the Amended and Restated Bylaws does not purport to be complete and is qualified in its entirety by reference to, and should be read in connection with, the complete copy of the Amended and Restated Bylaws attached as Exhibit 3.2 to this Current Report and incorporated herein by reference.

Item 8.01. Other Events.

Press Release

On November 3, 2026, the Company issued a press release announcing that the Board unanimously approved the C-Corp. Conversion Plan, plans for a preferred-for-common stock exchange offer, a one-for-five reverse stock split of the Common Stock, and the adoption of the Tax Benefits Preservation Plan. A copy of the press release (the "Corporate Structure Press Release") is attached as Exhibit 99.1 to this Current Report.

Plan for C- Corp. Conversion

The Company announced that on November 3, 2026, the Board unanimously approved the C-Corp. Conversion Plan. The C-Corp. Conversion Plan will not be completed until the REIT Status Revocation Filing. Under the C-Corp. Conversion Plan, the Company currently expects to make the REIT Status Revocation Filing with the IRS on or prior to March 31, 2027. As a result of the REIT Status Revocation Filing, the Company would become a taxable C corporation effective January 1, 2027. Under the C-Corp. Conversion Plan, the Board has determined it is in the Company's best interests to continue to maintain its REIT status for the taxable year ending December 31, 2026, and to remain in compliance with the requirements for taxation as a REIT during 2027 until such time as the Company makes the REIT Status Revocation Filing.

In connection with the approval of the C-Corp. Conversion Plan, the Board also approved a related authorization for the repurchase of up to $40 million of our Common Stock, which authorization is separate from, and in addition to, the already existing stock repurchase authorization described in Part II, Item 2 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026, filed with the Securities and Exchange Commission on August 5, 2026.

Reverse Stock Split

The Company announced that on November 3, 2026, the Board unanimously approved a reverse stock split of its outstanding shares of Common Stock, at a ratio of one-for-five (the "Reverse Stock Split"). The Reverse Stock Split is expected to take effect at 5:00 p.m. Eastern Time on December 31, 2026 (the "Effective Time").

As a result of the Reverse Stock Split, at the Effective Time, every five (5) issued and outstanding shares of Common Stock, par value $0.01 per share, will be converted into one (1) share of Common Stock, par value $0.05 per share. The charter amendment effecting the Reverse Stock Split will further provide that the par value of the outstanding shares of Common Stock will be changed from $0.05 per share (as a result of the Reverse Stock Split) back to $0.01 per share. Trading in the Common Stock on a split-adjusted basis is expected to begin at the market open on January 4, 2027.

The Common Stock will continue trading on the New York Stock Exchange under the symbol "RWT," but will be assigned a new CUSIP number.

The number of shares of the Company's Series A preferred stock outstanding and their preference amount and dividend rate will not be affected by the Reverse Stock Split.

No fractional shares will be issued in connection with the Reverse Stock Split. The Reverse Stock Split will apply to all of the outstanding shares of Common Stock as of the Effective Time and therefore will not affect any stockholder's ownership percentage of shares of Common Stock, except for *de minimis* changes resulting from the payment of cash in lieu of fractional shares.

Joint Venture and Secured Financing Facility

On November 3, 2026, the Company announced an expansion of its strategic capital partnership with Canada Pension Plan Investment Board ("CPP Investments"), including an extension of the commitment period for the joint venture, an upsize and extension of the secured revolving financing facility, and amendments to outstanding warrants (the "Amended Warrants") previously issued to CPP Investments pursuant to a warrant agreement (as so amended, the "Warrant Agreement"), dated as of March 18, 2024, in connection with the initial closing of the strategic capital partnership. The joint venture commitment period was extended for an additional 18 months, until March 2030. The secured revolving financing facility was upsized to $500 million from $400 million, and the term was extended until March 2030. The Amended Warrants were amended to extend the expiration date of the exercise period for 18 months, until March 2032, to re-strike the exercise price for the warrants at a price of $4.90 per share of Common Stock and to adjust the Dividend Threshold (as defined in the Warrant Agreement) to be $0.00. In addition, the Amended Warrants also provide that if certain corporate events that constitute a "Make-Whole Fundamental Change Event" (as defined in the Amendment (as defined below)) occur, then the number of shares of Common Stock issuable upon exercise of the warrants will, in certain circumstances, be increased for a specified period of time. The maximum additional number of shares of Common Stock that may be issued in connection with a Make-Whole Fundamental Change Event is 452,911, subject to adjustment upon the occurrence of certain events.

The above description of the Amended Warrants is a summary and is not complete. A copy of the Second Amendment to Warrant Agreement, dated November 3, 2026, between Redwood and CPP Investments (the "Amendment"), is filed as Exhibit 4.2 to this Current Report, and the above summary is qualified by reference to the terms of the Amendment set forth in such exhibit.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 1.1	Waiver and Repurchase Agreement, by and between the Company and Hildene Capital Management, LLC, dated November 3, 2026
Exhibit 3.1	Articles Supplementary, dated November 3, 2026
Exhibit 3.2	Amended and Restated Bylaws, dated November 3, 2026
Exhibit 4.1	Tax Benefits Preservation Plan, dated as of November 3, 2026, by and between the Company and Computershare Trust Company, N.A., as rights agent (which includes the Form of Rights Certificate as Exhibit B thereto)
Exhibit 4.2	Second Amendment to Warrant Agreement, dated November 3, 2026, between Redwood and CPP Investments
Exhibit 99.1	Corporate Structure Press Release issued by the Company on November 3, 2026
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 3, 2026

REDWOOD TRUST, INC.

By: /s/ Andrew P. Stone
Name: Andrew P. Stone
Title: Executive Vice President, Chief Legal Officer, and Secretary

Exhibit 1.1

WAIVER AND REPURCHASE AGREEMENT

REDWOOD TRUST, INC.

JUNIOR SUBORDINATED NOTES DUE 2037

This AGREEMENT (this "**Agreement**") is made as of November 3, 2026, by and between REDWOOD TRUST, INC., a Maryland corporation (the "**Company**"), and Hildene Capital Management, LLC, a Delaware limited liability company (the "**Investor**" and, together with the Company, the "**Parties**" and, each, a "**Party**"), for itself and on behalf of the beneficial owners listed on Exhibit A hereto (each, a "**Repurchase Investor**"). The Investor holds contractual and investment authority for each of the Repurchase Investors.

Reference is made to (i) the Junior Subordinated Indenture, dated as of December 12, 2006 (the "**Indenture**"), between the Company and The Bank of New York Trust Company, National Association, as trustee (in such capacity, the "**Trustee**"), pursuant to which the Company issued its Junior Subordinated Notes due 2037 (the "**Notes**"), and (ii) the Amended and Restated Trust Agreement, dated as of December 12, 2006 (the "**Amended and Restated Trust Agreement**"), among the Company, as depositor, The Bank of New York Trust Company, National Association, as property trustee (in such capacity, the "**Property Trustee**"), The Bank of New York (Delaware), as Delaware trustee, the administrative trustees named therein and the Holders from time to time of the Trust Securities (as defined in the Amended and Restated Trust Agreement), relating to the issuance of Preferred Securities (CUSIP 75777GAA5) of Redwood Capital Trust I (the "**Trust Preferred Securities**"). Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture or, if not defined therein, in the Amended and Restated Trust Agreement.

WHEREAS, Section 10.6(c) of the Indenture provides that "[t]he Company also agrees to use its reasonable best efforts to meet the requirements to qualify, effective for the fiscal year ending December 31, 2006 and all future fiscal years, as a real estate investment trust under the Internal Revenue Code of 1986, as amended" (the "**REIT Maintenance Covenant**");

WHEREAS, pursuant to Section 10.7 of the Indenture, the Company may omit in any particular instance to comply with any covenant or condition contained in Section 10.6 of the Indenture if, before or after the time for such compliance, the Holders of at least a majority in aggregate principal amount of the Outstanding Securities shall, by Act of such Holders, and at least a majority of the aggregate Liquidation Amount of the Preferred Securities then outstanding, by consent of such holders, either waive such compliance in such instance or generally waive compliance with such covenant or condition;

WHEREAS, the Notes are held of record by the Property Trustee, and Section 6.9(b) of the Amended and Restated Trust Agreement provides that the Property Trustee shall not waive compliance with any covenant or condition under Section 10.7 of the Indenture without obtaining the prior approval of the Holders of at least a Majority in Liquidation Amount of the Trust Preferred Securities; and

WHEREAS, the total aggregate Liquidation Amount of the Trust Preferred Securities outstanding as of the date hereof is $99,500,000.

NOW, THEREFORE, in consideration of the representations, warranties and agreements contained in this Agreement, and other valuable consideration, the Parties hereto hereby agree as follows:

1. *The Waiver and Repurchase.*

(a) *The Repurchase*. Subject to the terms and conditions of, and in reliance upon the representations and warranties in, this Agreement:

(i) The Company agrees to repurchase $53,125,000 aggregate Liquidation Amount of the Trust Preferred Securities held by the Investor or Repurchase Investors (the "**Subject Trust Preferred Securities**") at a purchase price of $45,156,250, equal to 85% of the Liquidation Amount thereof (the "**Aggregate Repurchase Price**" and such repurchase, the "**Repurchase**").

(ii) The Company shall pay to the Investor deposits for the Aggregate Repurchase Price in cash in three installments, each in an amount equal to one-third of the Aggregate Repurchase Price (the "**Installment Deposit Price**"), as follows: (i) the first installment on the date of this Agreement; (ii) the second installment on or before January 15, 2027; and (iii) the third installment on or before the earlier of (x) the date of the Company's formal revocation of its election to be taxed as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "**De-REIT Date**"), and (y) February 15, 2027 (each such installment date, a "**Deposit Payment Date**"). In addition, on the last Deposit Payment Date, the Company shall pay to the Investor in cash, in addition to the Installment Deposit Price, an amount equal to all accumulated but unpaid Distributions on the Subject Trust Preferred Securities from the most recent Distribution Date to, but excluding, the last Deposit Payment Date, calculated in accordance with the Amended and Restated Trust Agreement (the "**Accrued Interest**").

(iii) On the fifth (5^{th}) business day following the last Deposit Payment Date or on such other date as the Company and the Investor may mutually agree (the "**Repurchase Settlement Date**"), the Investor shall, or shall cause the Repurchase Investors to, transfer and deliver, through the Depository Trust Company's Deposit & Withdrawal at Custodian system to the Company, and the Company shall accept, the Subject Trust Preferred Securities. The Subject Trust Preferred Securities received by the Company shall be cancelled promptly upon receipt and cease to be outstanding. For the avoidance of doubt, no right, title or interest in or to the Subject Trust Preferred Securities, including any economic or voting rights thereof, shall transfer to the Company before the Repurchase Settlement Date, and the Repurchase Investors shall remain the legal and beneficial owners of the Subject Trust Preferred Securities until consummation of the Repurchase on the Repurchase Settlement Date. If the Investor fails to deliver, or to cause the Repurchase Investors to deliver, all of the Subject Trust Preferred Securities on the Repurchase Settlement Date, then, without limiting any other right or remedy of the Company hereunder (including under Section 9 hereof), the Investor shall, upon the Company's written demand, repay to the Company in cash, within five (5) business days of such demand, all Installment Deposit Prices theretofore paid by the Company; provided, however, that if at least a majority of the aggregate Liquidation Amount of the Trust Preferred Securities outstanding on the last Deposit Payment Date are delivered on the Repurchase Settlement Date, the repurchase shall remain effective with respect to the Subject Trust Preferred Securities so delivered, and the Investor shall be required to repay only the portion of the Installment Deposit Prices allocable to the Subject Trust Preferred Securities not so delivered.

(b) *The Waiver*. In accordance with Section 10.7 of the Indenture and Section 6.9(b) of the Amended and Restated Trust Agreement, the Investor, for itself and on behalf of the Repurchase Investors, as the beneficial owners of at least a majority of the aggregate Liquidation Amount of the Trust Preferred Securities outstanding on the last Deposit Payment Date, (i) irrevocably consents to the general waiver of the Company's compliance with the REIT Maintenance Covenant set forth in Section 10.6(c) of the Indenture, (ii) approves, for purposes of Section 6.9(b) of the Amended and Restated Trust Agreement, and directs, pursuant to Section 6.10(e) of the Amended and Restated Trust Agreement, the Property Trustee, as Holder of the Notes, to waive generally the Company's compliance with the REIT Maintenance Covenant set forth in Section 10.6(c) of the Indenture by Act of the Holders pursuant to Section 10.7 of the Indenture, and (iii) agrees that any non-compliance with the REIT Maintenance Covenant by the Company shall not constitute a breach by the Company or an "Event of Default" under the Indenture (collectively, the "**Waiver**"), in each case of the foregoing, effective upon payment in full of the Aggregate Repurchase Price and the Accrued Interest and continuing until the satisfaction and discharge of the Indenture. The Investor shall, and shall cause the Repurchase Investors and the Holder of the Subject Trust Preferred Securities to, execute and deliver all documents and take all actions necessary to effect the Waiver.

(c) *Fee*. On the date of this Agreement, the Company shall pay the CDO investor listed on Exhibit B hereto additional interest on the Trust Preferred Securities owned by it in cash in an amount equal to $500,000.

2. *Representations and Warranties.*

(a) The Company hereby represents and warrants to the Investor and each Repurchase Investor that, as of the date hereof, as of each Deposit Payment Date and as of the Repurchase Settlement Date:

(i) The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Maryland. The Company has the necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and (assuming due authorization, execution and delivery by the other parties hereto) constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(ii) No material consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any person or entity is required on the part of the Company in connection with the execution and delivery of this Agreement or the consummation of the Repurchase (other than consents obtained on or before the Repurchase Settlement Date).

(iii) Neither the execution and delivery of this Agreement nor compliance with the terms and provisions hereof on the part of the Company will breach any statutes or regulations of any governmental authority, domestic or foreign, or will conflict with or result in a breach of the Company's organizational documents or of any of the terms, conditions or provisions of any judgment, order, injunction, decree, agreement or instrument to which the Company is a party or by which the Company or its assets may be bound, or constitute a default thereunder or an event which with the giving of notice or passage of time or both would constitute a default thereunder, which, in each of the foregoing cases, would have any material adverse impact on the Company's ability to perform its obligations hereunder.

(iv) There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any agreement made by or on behalf of the Company.

(b) The Investor hereby, for itself and on behalf of the Repurchase Investors, represents and warrants to the Company that, as of the date hereof, as of each Deposit Payment Date and as of the Repurchase Settlement Date (except as specified otherwise):

(i) Each Repurchase Investor (a) is the beneficial owner of, and owns all right, title and interest in and to, the Subject Trust Preferred Securities set forth opposite its name on Exhibit A, free and clear of all liens, including, but not limited to, any lien, pledge, claim, security interest, encumbrance, mortgage, assessment, charge, restriction or limitation of any kind, whether arising by agreement, operation of law or otherwise, except for those imposed by applicable federal and state securities laws or those that will be released on or prior to the Repurchase Settlement Date; (b) has good and marketable title to the Subject Trust Preferred Securities; and (c) has the full power and authority to sell, transfer, convey, assign and deliver to the Company such Subject Trust Preferred Securities. Upon payment of all three Installment Deposit Prices and delivery of the Subject Trust Preferred Securities on the Repurchase Settlement Date, the Company shall acquire valid and unencumbered title to the Subject Trust Preferred Securities.

(ii) The Repurchase Investors collectively hold a majority of the outstanding Trust Preferred Securities, and the Investor has full power and authority to grant the Waiver on behalf of the Repurchase Investors.

(iii) Each of the Investor and the Repurchase Investors is a corporation, limited partnership, limited liability company or other entity, as the case may be, duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation. The Investor has the necessary corporate (or equivalent) power and authority to enter into this Agreement for itself and on behalf of the Repurchase Investors, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the Investor of this Agreement, the performance by the Investor of its obligations hereunder and the consummation by the Investor and each Repurchase Investor of the transactions contemplated hereby have been duly authorized by all requisite action on the part of the Investor and each Repurchase Investor. This Agreement has been duly executed and delivered by the Investor and (assuming due authorization, execution and delivery by the Company) constitutes a legal, valid and binding obligation of the Investor and each Repurchase Investor, enforceable against the Investor and each Repurchase Investor in accordance with its terms, subject to the effect of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally and subject to the effect of general principles of equity (regardless of whether considered in a proceeding at law or in equity). The Investor (i) has all requisite discretionary and contractual authority to enter into this Agreement on behalf of, and bind, each Repurchase Investor with respect to the matters contained in this Agreement and (ii) Exhibit A attached to this Agreement contains a true, correct and complete list of the name of each Repurchase Investor and the Liquidation Amount of Subject Trust Preferred Securities held by it.

(iv) No material consent, waiver, approval, order, permit or authorization of, or declaration or filing with, or notification to, any person or entity is required on the part of the Investor or any Repurchase Investor in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby, including the Repurchase and the Waiver.

(v) Neither (A) the execution, delivery and performance by the Investor of this Agreement and compliance by each Repurchase Investor with all provisions hereof nor (B) the consummation of the Repurchase and the Waiver, will (x) violate any provision of the organizational documents of the Investor or any Repurchase Investor; (y) violate any law or governmental order applicable to the Investor or any Repurchase Investor; or (z) result in any breach or violation of, or constitute a default under, any indenture, mortgage, deed of trust or other material agreement or instrument to which the Investor or any Repurchase Investor is a party or by which it is bound or to which any material property, right or asset of any of them is subject, except, in the case of clauses (y) and (z), as would not, individually or in the aggregate, have a material adverse effect on the performance by the Investor of its obligations under this Agreement or the compliance by each Repurchase Investor with all provisions hereof.

(vi) Each of the Investor and the Repurchase Investors: (a) is a sophisticated investor familiar with transactions similar to those contemplated by this Agreement; (b) has adequate information concerning the business and financial condition of the Company, including the Company's intention to revoke its election to be taxed as a real estate investment trust, to make an informed decision regarding the Repurchase and the Waiver; and (c) has independently and without reliance upon the Company or any of its officers, directors or other affiliates, and based on such information and the advice of such advisors as it has deemed appropriate, made its own analysis and decision to enter into this Agreement. The Investor acknowledges that neither the Company nor any of its affiliates is acting as a fiduciary or financial or investment adviser to the Investor or any Repurchase Investor, and has not given the Investor or any Repurchase Investor any investment advice, opinion or other information on whether the Repurchase or the Waiver is prudent. The Investor understands that the Company will rely on the accuracy and truth of the foregoing representations, and hereby consents to such reliance. The Investor has, for itself and on behalf of the Repurchase Investor, sought such accounting, legal and tax advice as they have considered necessary to make an informed decision with respect to the Repurchase and the Waiver.

(vii) There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any agreement made by or on behalf of the Investor or any Repurchase Investor.

3. *Conditions.*

(a) The obligation of the Company to pay each Installment Deposit Price and to consummate the Repurchase shall be subject to the fulfillment or waiver at or prior to the respective Deposit Payment Date or the Repurchase Settlement Date, as the case may be, of the following conditions:

(i) Each representation and warranty made by the Investor, either for itself or on behalf of the Repurchase Investors, in Section 2(b) shall be true and correct on and as of the respective Deposit Payment Date or the Repurchase Settlement Date, as the case may be, as though made as of such date;

(ii) The Investor and the Repurchase Investors shall have performed in all material respects their obligations under this Agreement required to be performed at or prior to the respective Deposit Payment Date or the Repurchase Settlement Date, as the case may be, including, as a condition to the payment of the last Installment Deposit Price, the execution and delivery by the Investor and the Repurchase Investors of all documents necessary to effect the Waiver; and

(iii) Neither the Investor nor any Repurchase Investor shall have notified the Company, at any time on or prior to the respective Deposit Payment Date, that the Investor or any Repurchase Investor will be unable to, or expects that it will be unable to, effect the Waiver in accordance with this Agreement.

(b) The obligation of the Investor to, or to cause the Repurchase Investors to, effect the Waiver on the last Deposit Payment Date and consummate the Repurchase on the Repurchase Settlement Date shall be subject to the fulfillment or waiver at or prior to the last Deposit Payment Date or the Repurchase Settlement Date, as the case may be, of the following conditions:

(i) Each representation and warranty made by the Company in Section 2(a) shall be true and correct on and as of the last Deposit Payment Date or the Repurchase Settlement Date, as the case may be, as though made as of such date; and

(ii) The Company shall have performed in all material respects its obligations under this Agreement required to be performed at or prior to the last Deposit Payment Date or the Repurchase Settlement Date, as the case may be.

4. Survival of Representations and Warranties. The representations, warranties and covenants made by the *Investor* and the Company shall survive the Repurchase Settlement *Date and the effectiveness of the Waiver*.

5. Entire Agreement. This Agreement constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter.

6. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of *this* Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

7. *Fees and Expenses.* Each party hereto shall pay all of its own fees and expenses (including attorneys' fees) incurred in connection with this Agreement and the transactions contemplated hereby.

8. *Further Assurances.* At any time or from time to time after the date hereof and prior to the date on which this Agreement is terminated in accordance herewith, the parties hereto agree to cooperate with each other, and at the request of any other party hereto, to execute and deliver any further instruments or documents (including any Act of Holders, consent or direction to the Trustee or the Property Trustee), or to take all such further action as any other party hereto may reasonably request in order to evidence or effectuate the consummation of the Repurchase and the Waiver and to otherwise carry out the intent of the parties.

9. *Specific Performance.* The Investor acknowledges that the Company would be irreparably harmed, and that monetary damages would not be an adequate remedy, if the Investor or any Repurchase Investor fails to effect the Waiver in accordance with this Agreement. Accordingly, the Company shall be entitled to an injunction or injunctions, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms hereof, without proof of actual damages and without any requirement to post a bond or other security, in addition to any other remedy to which it is entitled at law or in equity.

10. *Public Disclosure*. Nothing in this Agreement shall restrict the Company from making any filing with the Securities and Exchange Commission, public announcement or other disclosure regarding this Agreement or the transactions contemplated hereby that the Company determines in good faith is required by applicable law or stock exchange rules or is otherwise advisable. The Investor shall not, and shall not cause anyone (including the Repurchase Investors) to, make any public announcement regarding this Agreement or the transactions contemplated hereby without the prior written consent of the Company, except as required by applicable law.

11. *Notices*. All notices or other communications under this Agreement shall be in writing and shall be deemed to be duly given as of the date delivered, mailed or transmitted, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) or delivered by a nationally recognized courier service to the parties at the following address or sent by electronic transmission to the email addresses specified below:

If to the Investor, to:

Hildene Capital Management, LLC
333 Ludlow Street
South Tower, 5th Floor
Stamford, CT 06902
Email: legal@hildenecap.com
Attention: General Counsel

If to the Company, to:

Redwood Trust, Inc.
One Belvedere Place, Suite 300
Mill Valley, CA 94941
Email: notices@redwoodtrust.com
Attention: General Counsel

with copies to (which shall not constitute notice):

Skadden, Arps, Slate, Meagher & Flom LLP
525 University Ave.
Palo Alto, CA 94301
Email: Brian.Paulson@skadden.com
Gregg.Noel@skadden.com
Attention: Brian D. Paulson, Gregg A. Noel

12. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and no other person will have any right or obligation hereunder. This Agreement may not be assigned by any party hereto without the prior written consent of each other party hereto and any purported assignment entered into without such consent shall be void *ab initio*.

13. *Governing Law.* This Agreement and the rights and obligations of each Party shall be construed and enforced in accordance with and governed by the laws of the State of New York without reference to its conflict of laws provisions (other than section 5-1401 of the General Obligations Law).

14. *Waiver of Jury Trial.* EACH OF THE COMPANY AND THE INVESTOR (FOR ITSELF AND ON BEHALF OF THE REPURCHASE INVESTORS) HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION OR LIABILITY, DIRECTLY OR INDIRECTLY, ARISING OUT OF, RELATING TO, OR IN CONNECTION WITH, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF THE PARTIES HERETO HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE OF THE OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTIES WOULD NOT, IN THE EVENT OF ANY SUCH ACTION OR LIABILITY, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 14.

15. *Counterparts.* This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

16. *Amendments. This Agreement may be amended, modified or supplemented and waivers or consents to departures from the provisions hereof may be given, so long as the same are in writing and signed by all of the parties hereto.*

17. *Termination*. This Agreement may be terminated at any time prior to the Repurchase Settlement Date (i) by the mutual written consent of the parties hereto; (ii) by the Company if there has been a material misrepresentation or a material breach of warranty by the Investor in the representations and warranties set forth in this Agreement or the Exhibits attached hereto; and (iii) by the Investor if there has been a material misrepresentation or a material breach of warranty by the Company in the representations and warranties set forth in this Agreement or the Exhibits attached hereto; *provided* that no termination shall affect the effectiveness of the Waiver once effective pursuant to Section 1(b), or following such effectiveness, the Investor's obligation to, or to cause the Repurchase Investors to, execute and deliver all documents and take all actions necessary to effect the Waiver in accordance with Section 1(b).

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

REDWOOD TRUST, INC.

By: /s/ Brooke E. Carillo
Name: Brooke E. Carillo
Title: Executive Vice President and Chief Financial Officer

[Signature Page to Waiver and Repurchase Agreement]

HILDENE CAPITAL MANAGEMENT, LLC
(in its capacities described in the first paragraph above)

By: /s/ Dushyant Mehra
Name: Dushyant Mehra
Title: Co-CIO

[Signature Page to Waiver and Repurchase Agreement]

Exhibit A

Repurchase Investor Information

Repurchase Investor	Liquidation Amount of Subject Trust Preferred Securities
SILAC Insurance Company	$22,675,000
Farmers Life Insurance Company	$1,950,000
Jazz Reinsurance Company	$10,000,000
Farmers Life Insurance Company	$7,100,000
SILAC Insurance Company	$11,400,000

Exhibit B

CDO Investor Information

CDO Investor	Liquidation Amount of Trust Preferred Securities
Taberna Preferred Funding VIII, Ltd.	$25,000,000

Exhibit 3.1

REDWOOD TRUST, INC.

ARTICLES SUPPLEMENTARY

SERIES X JUNIOR PARTICIPATING PREFERRED STOCK

NOVEMBER 3, 2026

Redwood Trust, Inc., a Maryland corporation (the "Corporation"), certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Section 2-208 of the Maryland General Corporation Law and Article VI of the Corporation's charter (as the same may be further amended or supplemented, the "Charter"), the Board of Directors of the Corporation (the "Board") classified and designated 395,000 shares of authorized but unissued Common Stock (as defined in the Charter) as Series X Junior Participating Preferred Stock, par value $0.01 per share (hereinafter referred to as the "Series X Preferred Stock"), initially consisting of 395,000 shares, with the following preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, or terms or conditions of redemption, which, upon any restatement of the Charter, shall become part of Article VI of the Charter, with any necessary or appropriate renumbering or relettering of the sections or subsections hereof:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series X Junior Participating Preferred Stock," and the number of shares constituting such series shall be 395,000. Such number of shares may be increased or decreased by resolution of the Board; provided, however, that no decrease shall reduce the number of shares of Series X Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series X Preferred Stock.

Section 2. Dividends and Distributions.

(a) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock (as defined in the Charter) ranking prior and superior to the shares of Series X Preferred Stock with respect to dividends, the holders of shares of Series X Preferred Stock, in preference to the holders of Common Stock, shall be entitled to receive, when, as and if authorized by the Board and declared by the Corporation out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth (15th) day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series X Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $1.00 and (ii) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, plus 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series X Preferred Stock. In the event the Corporation, at any time after November 3, 2026 (the "Rights Declaration Date"), (x) declares any dividend on Common Stock payable in shares of Common Stock, (y) subdivides the outstanding Common Stock or (z) combines the outstanding Common Stock into a smaller number of shares, then in each case the amount to which holders of shares of Series X Preferred Stock were entitled immediately prior to such event under clause (ii) of the immediately preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series X Preferred Stock as provided in Section 2(a) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided, however, that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior to and superior to the shares of Series X Preferred Stock with respect to dividends, a dividend of $1.00 per share on the Series X Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series X Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series X Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series X Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series X Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series X Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than sixty (60) days prior to the date fixed for the payment thereof. If no record date is set by the Board, the record date shall be the first day of the calendar month, whether or not a business day, in which the applicable Quarterly Dividend Payment Date falls.

Section 3. **Voting Rights.** The holders of shares of Series X Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series X Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation at any time after the Rights Declaration Date (i) declares any dividend on Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding Common Stock or (iii) combines the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series X Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or by law, the holders of shares of Series X Preferred Stock and the holders of shares of Common Stock shall vote collectively as one class on all matters submitted to a vote of stockholders of the Corporation.

(c)

(i) If at any time dividends on any Series X Preferred Stock shall be in arrears in an amount equal to or greater than six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series X Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, the number of directors constituting the Board will be automatically increased by two (2) (if not already increased by two (2) by reason of the election of directors by the holders of any other class or series of preferred stock that the Corporation may issue upon which like voting rights have been conferred and are exercisable and with which the Series X Preferred Stock is entitled to vote as a class with respect to the election of those two (2) directors) and the holders of shares of Series X Preferred Stock (voting together as a single class with all other classes or series of preferred stock that the Corporation may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series X Preferred Stock in the election of those two (2) directors) will be entitled to vote for the election of those two (2) additional directors at a special meeting called by the Corporation at the request of the holders of record of at least twenty-five percent (25%) of the outstanding shares of Series X Preferred Stock or by the holders of any other class or series of preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series X Preferred Stock in the election of those two (2) directors (unless the request is received less than ninety (90) days before the date fixed for the next annual or special meeting of stockholders of the Corporation, in which case, such vote will be held at the earlier of the next annual or special meeting of stockholders, to the extent permitted by applicable law, of the Corporation), and at each subsequent annual meeting until the Corporation is no longer in a default period.

(ii) In no event shall the holders of Series X Preferred Stock be entitled under the voting rights under this Section 3 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange or quotation system on which any class or series of the stock of the Corporation is listed or quoted.

(iii) If at any time when the voting rights conferred upon the Series X Preferred Stock pursuant to this Section 3 are exercisable, any vacancy in the office of a director elected pursuant to this Section 3 shall occur, then such vacancy may be filled only by the remaining such director or by vote of the holders of record of the outstanding Series X Preferred Stock and any other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series X Preferred Stock in the election of directors pursuant to this Section 3. Any director elected or appointed pursuant to this Section 3 may be removed only by the affirmative vote of holders of the outstanding Series X Preferred Stock and any other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable and which classes or series of preferred stock are entitled to vote as a class with the Series X Preferred Stock in the election of directors pursuant to this Section 3, such removal to be effected by the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding Series X Preferred Stock and any such other classes or series of preferred stock, and may not be removed by the holders of the Common Stock.

(iv) If a special meeting is not called by the Corporation within thirty (30) days after request from the holders of Series X Preferred Stock as described in this Section 3, then the holders of record of at least twenty-five percent (25%) of the outstanding Series X Preferred Stock may designate a holder to call the meeting at the expense of the Corporation and such meeting may be called by the holder so designated in accordance with the procedures required for calling a special meeting of stockholders, and shall be held at the place designated by the holder calling such meeting.

(v) Immediately upon the expiration of a default period, (A) the right of the holders of Series X Preferred Stock as a class to elect directors shall cease, (B) the term of any directors elected by the holders of Series X Preferred Stock as a class shall terminate (unless there are other classes or series of preferred stock upon which like voting rights have been conferred and are still exercisable) and (C) the number of directors shall be reduced accordingly to the number previously set pursuant to the Charter or the Corporation's Bylaws (as the same may be amended or amended and restated from time to time, the "***Bylaws***") irrespective of the increase made pursuant to the provisions of Section 3(c)(i) above (unless there are other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable).

(d) Except as set forth herein or as otherwise provided by law, holders of shares of Series X Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of shares of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the shares of Series X Preferred Stock as provided in Section 2 above are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series X Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of capital stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series X Preferred Stock other than (A) such redemptions or purchases that may be deemed to occur upon the exercise of stock options, warrants or similar rights or grant, vesting or lapse of restrictions on the grant of any performance shares, restricted stock, restricted stock units or other equity awards to the extent that such shares represent all or a portion of (1) the exercise or purchase price of such options, warrants or similar rights or other equity awards or (2) the amount of withholding taxes owed by the holder of such award in respect of such grant, exercise, vesting or lapse of restrictions; (B) such purchases necessary to satisfy the issuance of any shares upon the exercise or to satisfy the vesting and settlement of any options, warrants or similar rights or other equity awards pursuant to the terms of the Corporation's equity plans maintained for the benefit of its employees, directors and other service providers; or (C) the repurchase, redemption or other acquisition or retirement for value of any such shares from employees, directors, former directors, consultants or former consultants of the Corporation or their respective estate, spouse, former spouse or family member, pursuant to the terms of the agreement pursuant to which such shares were acquired;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series X Preferred Stock, except dividends paid ratably on the Series X Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any capital stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series X Preferred Stock; provided, however, that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any capital stock of the Corporation ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series X Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series X Preferred Stock, or any shares of capital stock ranking on a parity with the Series X Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board) to all holders of such shares upon such terms as the Board, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Section 4(a) above, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series X Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall return to the status of authorized but unissued shares of Common Stock.

Section 6. Liquidation, Dissolution or Winding Up.

(a) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of capital stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series X Preferred Stock unless, prior thereto, the holders of shares of Series X Preferred Stock shall have received $1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series X Liquidation Preference"). Following the payment of the full amount of the Series X Liquidation Preference, no additional distributions shall be made to the holders of shares of Series X Preferred Stock unless, prior thereto, the holders of shares of Common Stock have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series X Liquidation Preference by (ii) 1,000 (as appropriately adjusted as set forth in Section 6(c) below to reflect such events as stock splits, reverse stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series X Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series X Preferred Stock and Common Stock, respectively, and the payment of liquidation preferences of all other shares of capital stock that rank prior to or on a parity with Series X Preferred Stock, holders of Series X Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series X Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, that rank on a parity with the Series X Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. Further, in the event that there are not sufficient assets available to permit payment in full of the Common Adjustment (following the payment in full of the Series X Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, that rank on a parity with the Series X Preferred Stock), then such remaining assets shall be distributed ratably to the holders of Common Stock.

(c) In the event the Corporation at any time after the Rights Declaration Date (i) declares any dividend on Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding Common Stock or (iii) combines the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, Etc. In case the Corporation enters into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series X Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, for which or into which each share of Common Stock is exchanged or changed. In the event the Corporation at any time after the Rights Declaration Date (a) declares any dividend on Common Stock payable in shares of Common Stock, (b) subdivides the outstanding Common Stock or (c) combines the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series X Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. **No Redemption.** The shares of Series X Preferred Stock shall not be redeemable.

Section 9. **Ranking.** The Series X Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock (including the Corporation's 10.00% Series A Fixed-Rate Reset Cumulative Redeemable Preferred Stock, $0.01 par value per share) as to the payment of dividends and the distribution of assets, whether or not upon the dissolution, liquidation or winding up of the Corporation, unless the terms of any such series provide otherwise.

Section 10. **Amendment.** The Charter shall not be amended in any manner that would materially alter or change the powers, preferences or special rights of the Series X Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds of the outstanding shares of Series X Preferred Stock, voting separately as a class.

Section 11. **Fractional Shares.** Series X Preferred Stock may be issued in fractions of a share that entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of holders of Series X Preferred Stock.

SECOND: The Series X Preferred Stock has been classified and designated by the Board under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

FOURTH: The undersigned officer of the Corporation acknowledges these Articles Supplementary to be the act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of his or her knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[Signature Page Follows; Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed in its name and on its behalf by its President and attested to by its Chief Legal Officer as of the date first written above.

REDWOOD TRUST, INC.

By: /s/ Dashiell I. Robinson
Dashiell I. Robinson
President

ATTEST:

By: /s/ Andrew P. Stone
Andrew P. Stone
Executive Vice President, Chief Legal Officer, and Secretary

[Signature Page to Articles Supplementary]

Exhibit 3.2

REDWOOD TRUST, INC.

AMENDED AND RESTATED BYLAWS

(As adopted November 3, 2026)

ARTICLE I

OFFICES

Section 1. Principal Office. The principal office of the Corporation in the State of Maryland shall be located at such place as the Board of Directors may designate.

Section 2. Additional Offices. The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Place. All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set by the Board of Directors and stated in the notice of the meeting. The Board of Directors is authorized to determine that a meeting not be held at any place, but instead may be held partially or solely by means of remote communication. In accordance with these Bylaws and subject to any guidelines and procedures adopted by the Board of Directors, stockholders and proxy holders may participate in any meeting of stockholders held by means of remote communication and may vote at such meeting as permitted by Maryland law. Participation in a meeting by these means constitutes presence in person at the meeting.

Section 2. Annual Meeting. An annual meeting of the stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on a date and at the time and place set by the Board of Directors.

Section 3. Special Meetings.

(a) General. The Chair of the Board, the Chief Executive Officer, the President, a majority of the Board of Directors or a majority of the Independent Directors (as defined in Section 2 of Article III hereof) may call a special meeting of the stockholders. Subject to subsection (b) of this Section 3, a special meeting of stockholders shall also be called by the Secretary of the Corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

(b) Stockholder Requested Special Meetings. (1) Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice to the Secretary (the "Record Date Request Notice") by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting (the "Request Record Date"). The Record Date Request Notice shall set forth the purpose of the meeting and the matters proposed to be acted on at it, shall be signed by one or more stockholders of record as of the date of signature (or their agent(s) duly authorized in a writing accompanying such Record Date Request Notice), shall bear the date of signature of each such stockholder (or such agent) and shall set forth all information relating to each such stockholder that must be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved), or is otherwise required, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten days after the close of business on the date on which the resolution fixing the Request Record Date is adopted by the Board of Directors. If the Board of Directors, within ten days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth day after the first date on which the Record Date Request Notice is received by the Secretary.

(2) In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a meeting of stockholders, one or more written requests for a special meeting (the "Special Meeting Request") signed by stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than a majority (the "Special Meeting Percentage") of all of the votes entitled to be cast at such meeting shall be delivered to the Secretary. In addition, the Special Meeting Request (i) shall set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the Secretary), (ii) shall bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (iii) shall set forth (A) the name and address, as they appear in the Corporation's books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), (B) the class, series and number of all shares of stock of the Corporation which are owned by each such stockholder, and (C) the nominee holder for, and number of, shares owned by such stockholder beneficially but not of record, (iv) shall be sent to the Secretary by registered mail, return receipt requested, and (v) shall be received by the Secretary within 60 days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation or the Special Meeting Request) may revoke such stockholder's request for a special meeting at any time by written revocation delivered to the Secretary.

(3) The Secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and mailing the notice of meeting (including the Corporation's proxy materials). The Secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by paragraph (2) of this Section 3(b), the Secretary receives payment of such reasonably estimated cost prior to the preparation and mailing of any notice of the meeting.

(4) Except as provided in the next sentence, any special meeting shall be held at such place, date and time as may be designated by the Chair of the Board, the Chief Executive Officer, the President, the Board of Directors or the Independent Directors, whoever has called the meeting. In the case of any special meeting called by the Secretary upon the request of stockholders (a "Stockholder Requested Meeting"), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; provided, however, that the date of any Stockholder Requested Meeting shall be not more than 90 days after the record date for such meeting (the "Meeting Record Date"); and provided further that if the Board of Directors fails to designate, within ten days after the date that a valid Special Meeting Request is actually received by the Secretary (the "Delivery Date"), a date and time for a Stockholder Requested Meeting, then such meeting shall be held at 2:00 p.m. local time on the 90th day after the Meeting Record Date or, if such 90th day is not a Business Day (as defined below), on the first preceding Business Day; and provided further that in the event that the Board of Directors fails to designate a place for a Stockholder Requested Meeting within ten days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for any special meeting, the Chair of the Board, the Chief Executive Officer, the President, the Board of Directors or the Independent Directors may consider such factors as such person(s) deem relevant within the good faith exercise of business judgment, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within 30 days after the Delivery Date, then the close of business on the 30th day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder Requested Meeting in the event that the requesting stockholders fail to comply with the provisions of paragraph (3) of this Section 3(b).

(5) If written revocations of the Special Meeting Request have been delivered to the Secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting to the Secretary, the Secretary shall: (i) if the notice of meeting has not already been mailed, refrain from mailing the notice of the meeting and send to all requesting stockholders who have not revoked such requests written notice of any revocation of a request for the special meeting, or (ii) if the notice of meeting has been mailed and if the Secretary first sends to all requesting stockholders who have not revoked requests for a special meeting written notice of any revocation of a request for the special meeting and written notice of the Secretary's intention to revoke the notice of the meeting, revoke the notice of the meeting at any time before ten days before the commencement of the meeting. Any request for a special meeting received after a revocation by the Secretary of a notice of a meeting shall be considered a request for a new special meeting.

(6) The Chair of the Board, the Chief Executive Officer, the President, the Board of Directors or the Independent Directors may appoint regionally or nationally recognized independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the Secretary. For the purpose of permitting the inspectors to perform such review, no such purported request shall be deemed to have been delivered to the Secretary until the earlier of (i) five Business Days after receipt by the Secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the Secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than a majority of the votes that would be entitled to be cast at such meeting. Nothing contained in this paragraph (6) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(7) For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to close.

Section 4. Notice. Not less than ten nor more than 90 days before each meeting of stockholders, the Secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by applicable law, the purpose for which the meeting is called, either by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business, by electronic transmission (except to any stockholder who has requested notice not be sent by electronic transmission) or by any other means permitted by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II, or the validity of any proceedings at any such meeting. A single notice shall be effective as to all stockholders who share an address, except to the extent that a stockholder at such address objects to such single notice.

Subject to Section 11(a) of this Article II, any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by applicable law to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice. The Corporation may postpone or cancel a meeting of stockholders by making a "public announcement" (as defined in Section 11(c)(3) of this Article II) of such postponement or cancellation prior to the meeting.

Section 5. Organization and Conduct. Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chair of the meeting or, in the absence of such appointment, by the Chair of the Board or, in the case of a vacancy in the office or absence of the Chair of the Board, by one of the following officers present at the meeting: the Chief Executive Officer, the President, the Chief Financial Officer, the Vice Presidents in their order of rank and seniority, or, in the absence of such officers, a chair chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The Secretary, or, in the Secretary's absence, an Assistant Secretary, or in the absence of both the Secretary and Assistant Secretaries, a person appointed by the Board of Directors or, in the absence of such appointment, a person appointed by the chair of the meeting, shall act as Secretary.

In the event that the Secretary presides at a meeting of the stockholders, an Assistant Secretary, or in the absence of Assistant Secretaries, an individual appointed by the Board of Directors or the chair of the meeting, shall record the minutes of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chair of the meeting. The chair of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of such chair and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance at the meeting to stockholders of record of the Corporation, their duly authorized proxies and other such individuals as the chair of the meeting may determine; (c) limiting participation at the meeting on any matter to stockholders of record of the Corporation entitled to vote on such matter, their duly authorized proxies and other such individuals as the chair of the meeting may determine; (d) limiting the time allotted for questions or comments by participants; (e) determining when the polls should be opened and closed; (f) maintaining order and security at the meeting; (g) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chair of the meeting; (h) concluding a meeting or recessing or adjourning the meeting (whether or not a quorum is present) to a later date and time and at a place announced at the meeting and (i) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 6. Quorum. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under applicable law or the charter of the Corporation (the "Charter") for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at any meeting of the stockholders, as provided in Section 5 of this Article II, the chair of the meeting shall have the power to adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. The date, time and place of the meeting, as reconvened, shall be either (a) announced at the meeting or (b) provided at a future time through means announced at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

At a meeting which has been duly called and convened, the stockholders present either in person or by proxy may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 7. Voting. A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any matter which may properly come before the meeting, unless more than a majority of the votes cast is required by applicable law or by the Charter; provided, however, that directors shall be elected in the manner set forth in the following paragraphs (a) through (e):

(a) Each nominee for election as a director by the stockholders of the Corporation shall be elected by a majority of the votes cast with respect to such nominee at a meeting of the stockholders for the election of directors at which a quorum is present (an "Election Meeting"); provided, however, that if the Board of Directors determines that the number of nominees for election as a director exceeds the number of directors to be elected at an Election Meeting (a "Contested Election"), whether or not the election ceases to be a Contested Election after such determination, each nominee for election as a director at such Election Meeting shall be elected by a plurality of the votes cast at such Election Meeting.

(b) For purposes of this Section 7, a "majority of the votes cast" means that the number of votes cast "for" a nominee for election as a director exceeds the number of votes cast "against" that nominee (with "abstentions" and "broker non-votes" not counted as votes cast either "for" or "against" such director's election).

(c) In an election other than a Contested Election, stockholders will be given the choice to cast votes "for" or "against" the election of each nominee or to "abstain" from such vote. In a Contested Election, stockholders will be given the choice to cast votes "for" the election of each nominee or to "withhold" votes with respect to each nominee.

(d) In the event an Election Meeting involves the election of directors by separate votes by class or classes or series, the determination as to whether an election constitutes a Contested Election shall be made on a class by class or series by series basis, as applicable.

(e) The Board of Directors has established procedures under which any incumbent director who is nominated for election but not elected shall tender such director's resignation to the Board of Directors.

Unless otherwise provided by applicable law or by the Charter, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders. Each share may be voted for as many individuals as there are directors to be elected and for whose election the share is entitled to be voted. There shall be no cumulative voting. Voting on any question or in any election may be viva voce unless the chair of the meeting shall order that voting be by ballot or otherwise.

Section 8. Proxies. A stockholder may cast the votes entitled to be cast by the holder of the shares of stock owned of record by the stockholder in person or by proxy that is (a) executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by law, (b) compliant with Maryland law and these Bylaws and (c) filed in accordance with the procedures established by the Corporation. Such proxy or evidence of authorization of such proxy shall be filed with the Secretary of the Corporation before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy.

Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board of Directors.

Section 9. Voting of Stock by Certain Holders. Stock of the Corporation registered in the name of a corporation, partnership, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, a general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any director or other fiduciary may vote stock registered in such director's or other fiduciary's name in their capacity as such fiduciary, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification; the purpose for which the certification may be made; the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the stock transfer books, the time after the record date or closing of the stock transfer books within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or desirable. On receipt of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the stockholder of record of the specified stock in place of the stockholder who makes the certification.

Section 10. Inspectors. The Board of Directors or the chair of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor thereto. The inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chair of the meeting, (iv) hear and determine all challenges and questions arising in connection with the right to vote, and (v) do such acts as are proper to conduct the election or vote with fairness to all stockholders. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

Section 11. Advance Notice of Stockholder Nominees for Director and Other Stockholder Proposals.

(a) Annual Meetings of Stockholders. (1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record at the record date set by the Board of Directors for the purpose of determining stockholders entitled to vote at the annual meeting, at the time of giving of notice by the stockholder as provided for in this Section 11(a) and at the time of the annual meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 11(a).

(2) For any nomination or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 11, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information and certifications required under this Section 11 and shall be delivered to the Secretary at the principal executive office of the Corporation not earlier than the 150th day nor later than 5:00 p.m., Pacific Time, on the 120th day prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(4) of this Article II) for the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, in order for notice by the stockholder to be timely, such notice must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Pacific Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(3) Such stockholder's notice shall set forth:

(i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act;

(ii) as to any other business that the stockholder proposes to bring before the meeting, (A) a description of such business (including the text of any proposal), the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom and (B) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Regulation 14A (or any successor provision) of the Exchange Act;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person,

(A) the name, age, business address and residential address of such stockholder, Proposed Nominee or Stockholder Associated Person,

(B) the class, series and number of all shares of stock or other securities of the Corporation or any affiliate thereof (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Company Securities of any such person,

(C) the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person,

(D) whether and the extent to which such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of (x) Company Securities or (y) any security of any entity that was a component company of the National Association of Real Estate Investment Trusts, Inc. Mortgage REIT index (a "NAREIT Company") for such stockholder, Proposed Nominee or Stockholder Associated Person or (II) increase or decrease the voting power of such stockholder, Proposed Nominee or Stockholder Associated Person in the Corporation or any affiliate thereof (or, as applicable, in any NAREIT Company) disproportionately to such person's economic interest in the Company Securities (or, as applicable, in any NAREIT Company),

(E) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(iv) as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this paragraph (3) of this Section 11(a) and any Proposed Nominee,

(A) the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and address, if different, of each such Stockholder Associated Person and any Proposed Nominee and

(B) the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person;

(v) the name and address of any person who contacted or was contacted by the stockholder giving the notice or any Stockholder Associated Person about the Proposed Nominee or other business proposal;

(vi) to the extent known by the stockholder giving the notice, the name and address of any other person supporting the nominee for election or reelection as a director or the proposal of other business;

(vii) if the stockholder is proposing one or more Proposed Nominees, a representation that such stockholder, Proposed Nominee or Stockholder Associated Person intends or is part of a group which intends to solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors in support of Proposed Nominees in accordance with Rule 14a-19 of the Exchange Act; and

(viii) all other information regarding the stockholder giving the notice and each Stockholder Associated Person that would be required to be disclosed by the stockholder in connection with the solicitation of proxies for the election of directors in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act.

(4) Such stockholder's notice shall, with respect to any Proposed Nominee, be accompanied by a:

(i) written undertaking executed by the Proposed Nominee:

(A) that such Proposed Nominee (I) is not, and will not become, a party to any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director that has not been disclosed to the Corporation, (II) will serve as a director of the Corporation if elected and will notify the Corporation simultaneously with the notification to the stockholder of the Proposed Nominee's actual or potential unwillingness or inability to serve as a director and (III) does not need any permission or consent from any third party to serve as a director of the Corporation, if elected, that has not been obtained, including any employer or any other board or governing body on which such Proposed Nominee serves;

(B) attaching copies of any and all requisite permissions or consents; and

(C) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Corporation, upon request, to the stockholder providing the notice and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded); and

(ii) certificate executed by the stockholder certifying that such stockholder will:

(A) comply with Rule 14a-19 promulgated under the Exchange Act in connection with such stockholder's solicitation of proxies in support of any Proposed Nominee;

(B) notify the Corporation as promptly as practicable of any determination by the stockholder to no longer solicit proxies for the election of any Proposed Nominee as a director at the annual meeting;

(C) furnish such other or additional information as the Corporation may request for the purpose of determining whether the requirements of this Section 11 have been complied with and of evaluating any nomination or other business described in the stockholder's notice; and

(D) appear in person or by proxy at the meeting to nominate any Proposed Nominees to bring such business before the meeting, as applicable, and acknowledges that if the stockholder does not so appear in person or by proxy at the meeting to nominate such Proposed Nominees or bring such business before the meeting, as applicable, the Corporation need not bring such Proposed Nominee or such business for a vote at such meeting and any proxies or votes cast in favor of the election of any such Proposed Nominee or of any proposal related to such other business need not be counted or considered.

(5) Notwithstanding anything in this subsection (a) of this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(4) of this Article II) for the preceding year's annual meeting, a stockholder's notice required by clause (iii) of paragraph (a)(1) of this Section 11 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than 5:00 p.m., Pacific Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(6) For purposes of this Section 11, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder or another Stockholder Associated Person or who is otherwise a participant (as defined in Instruction 3 to Item 4 of Schedule 14A under the Exchange Act) in the solicitation, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depositary) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting and, except as contemplated by and in accordance with the next two sentences of this Section 11(b), no stockholder may nominate an individual for election to the Board of Directors or make a proposal of other business to be considered at a special meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only by or at the direction of the Board of Directors or, provided that the special meeting has been called in accordance with Section 3(a) of this Article II for the purpose of electing directors, by any stockholder of the Corporation who is a stockholder of record at the record date set by the Board of Directors for the purpose of determining stockholders entitled to vote at the special meeting, at the time of giving of notice provided for in this Section 11 and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 11. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice, containing the information and certifications required by paragraphs (a)(3) and (4) of this Section 11, is delivered to the Secretary at the principal executive office of the Corporation not earlier than the 150th day prior to such special meeting and not later than 5:00 p.m., Pacific Time**,** on the later of the 120th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(c) General. (1) If any information or certification submitted pursuant to this Section 11 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders, including any certification from a Proposed Nominee, shall be inaccurate in any material respect, such information or certification may be deemed not to have been provided in accordance with this Section 11. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two Business Days of becoming aware of such inaccuracy or change) in any such information or certification. Upon written request by the Secretary or the Board of Directors, any such stockholder or Proposed Nominee shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (i) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 11, (ii) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting and, if applicable, satisfy the requirements of Rule 14a-19(a)(3)) submitted by the stockholder pursuant to this Section 11 as of an earlier date and (iii) an updated certification by each Proposed Nominee that such individual will serve as a director of the Corporation if elected. If a stockholder or Proposed Nominee fails to provide such written verification, update or certification within such period, the information as to which such written verification, update or certification was requested may be deemed not to have been provided in accordance with this Section 11.

(2) Only such individuals who are nominated in accordance with this Section 11 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 11. A stockholder proposing a Proposed Nominee shall have no right to (i) nominate a number of Proposed Nominees that exceed the number of directors to be elected at the meeting or (ii) substitute or replace any Proposed Nominee unless such substitute or replacement is nominated in accordance with this Section 11 (including the timely provision of all information and certifications with respect to such substitute or replacement Proposed Nominee in accordance with the deadlines set forth in this Section 11). If the Corporation provides notice to a stockholder that the number of Proposed Nominees proposed by such stockholder exceeds the number of directors to be elected at a meeting, the stockholder must provide written notice to the Corporation within five Business Days stating the names of the Proposed Nominees that have been withdrawn so that the number of Proposed Nominees proposed by such stockholder no longer exceeds the number of directors to be elected at a meeting. If any individual who is nominated in accordance with this Section 11 becomes unwilling or unable to serve on the Board of Directors, then the nomination with respect to such individual shall no longer be valid and no votes may validly be cast for such individual. The chair of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 11.

(3) Notwithstanding the foregoing provisions of this Section 11, the Corporation shall disregard any proxy authority granted in favor of, or votes for, director nominees other than the Corporation's nominees if the stockholder or Stockholder Associated Person (each, a "Soliciting Stockholder") soliciting proxies in support of such director nominees abandons the solicitation or does not (i) comply with Rule 14a-19 promulgated under the Exchange Act, including any failure by the Soliciting Stockholder to (A) provide the Corporation with any notices required thereunder in a timely manner or (B) comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act or (ii) timely provide sufficient evidence in the determination of the Board of Directors sufficient to satisfy the Corporation that such Soliciting Stockholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence. Upon request by the Corporation, if any Soliciting Stockholder provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act (or is not required to provide notice because the information required by Rule 14a-19(b) has been provided in a preliminary or definitive proxy statement previously filed by such Soliciting Stockholder), such Soliciting Stockholder shall deliver to the Corporation, no later than five Business Days prior to the applicable meeting, sufficient evidence in the judgment of the Board of Directors that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(4) For purposes of this Section 11, "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the Securities and Exchange Commission from time to time. "Public announcement" shall mean disclosure (A) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (B) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act.

(5) Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the Corporation to omit a proposal from, any proxy statement filed by the Corporation with the Securities and Exchange Commission pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 11 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

(6) Notwithstanding anything in these Bylaws to the contrary, except as otherwise determined by the chair of the meeting, if the stockholder giving notice as provided for in this Section 11 does not appear in person or by proxy at such annual or special meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

ARTICLE III

DIRECTORS

Section 1. General Powers. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. All the powers of the Corporation are vested in and shall be exercised by or under the authority of the Board of Directors except as otherwise prescribed by applicable law, by the Charter or by these Bylaws.

Section 2. Number, Election and Term. At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than the minimum number required by the Maryland General Corporation Law (the "MGCL"), nor more than 15, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors.

At all times, except in the case of a vacancy, a majority of the Board of Directors shall be Independent Directors (as hereinafter defined). For the purposes of these Bylaws, "Independent Director" shall mean a director of the Corporation who is not an officer or employee of the Corporation or any subsidiary of the Corporation. Directors need not be stockholders in the Corporation.

Section 3. Vacancies. If for any reason any or all the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder. Pursuant to the Corporation's election to be subject to Section 3-804(c) of the MGCL, except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum; provided, however, that Independent Directors shall nominate replacements for vacancies among the Independent Directors, which replacements must be elected by a majority of the directors, including a majority of the Independent Directors. Any director elected to fill a vacancy shall serve for the remainder of the full term in which the vacancy occurred and until a successor is elected and qualifies.

Section 4. Resignations. Any director or member of a committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time of receipt by the Chair of the Board, the Chief Executive Officer, the President or the Secretary or at such later time specified therein. Acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 5. Committees of the Board of Directors. The Board of Directors may appoint from among its members an Executive Committee, an Audit Committee, a Governance and Nominating Committee, a Compensation Committee and other committees composed of one or more directors and delegate to these committees any of the powers of the Board of Directors, except as prohibited by law.

Unless provided otherwise by the Board of Directors, each committee may fix rules of procedure for its business. A majority of the members of a committee shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the committee. The members of a committee present at any meeting, whether or not they constitute a quorum, may appoint a director to act in the place of an absent member; provided, however, that in the event of the absence or disqualification of any Independent Director, such appointee shall be an Independent Director. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee. The members of a committee may conduct any meeting thereof by telephone or video conference in accordance with the provisions of Section 6 of this Article.

Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to fill all vacancies, to designate alternative members to replace any absent or disqualified member, or to dissolve any such committee.

Section 6. Meetings of the Board of Directors. Meetings of the Board of Directors, regular or special, may be held at any place in or out of the State of Maryland as the Board of Directors may from time to time determine or as shall be specified in the notice of such meeting.

Members of the Board of Directors may participate in a meeting by means of a telephone or video conference or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by such means constitutes presence in person at a meeting.

The first meeting of each newly elected Board of Directors shall be held as soon as practicable after the annual meeting of the stockholders at which the directors were elected. The meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, except that no notice shall be necessary if such meeting is held immediately after the adjournment, and at the site, of the annual meeting of stockholders.

Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called at any time by two (2) or more directors or by a majority of the members of the executive committee, if one be constituted, in writing with or without a meeting of such committee, or by the Chair of the Board, the Chief Executive Officer or the President.

Special meetings may be held at such place or places in or out of the State of Maryland as may be designated from time to time by the Board of Directors; in the absence of such designation, such meetings shall be held at such places as may be designated in the notice of meeting.

Any meeting of the Board of Directors, regular or special, may adjourn from time to time to reconvene at the same or some other place, and no notice need be given of any such adjourned meeting other than by announcement at the meeting.

Section 7. Notice. Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, United States mail or courier to each director at such director's business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or such director's agent is personally given such notice in a telephone call to which the director or such director's agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by applicable law or these Bylaws.

Section 8. Consent by Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 9. Quorum and Voting. At all meetings of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business, and the action of a majority of the directors present at any meeting at which a quorum is present shall be the action of the Board of Directors unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If, pursuant to applicable law, the Charter or these Bylaws, the vote of a majority of a particular group of directors is required for action, a quorum must also include a majority of such group. The directors present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum. If enough directors have withdrawn from a meeting to leave less than a quorum but the meeting is not adjourned, the action of the majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may, by a majority vote, adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 10. Organization. The Chair of the Board shall preside at each meeting of the Board of Directors. In the absence or inability of the Chair of the Board to preside at a meeting, the Chief Executive Officer or, in the Chief Executive Officer's absence or inability to act, another director chosen by a majority of the directors present shall act as chair of the meeting and preside thereat. The Secretary (or, in the Secretary's absence or inability to act, any person appointed by the chair of the meeting) shall act as Secretary of the meeting and keep the minutes thereof.

Section 11. Compensation of Directors. Independent Directors shall receive compensation for their services, and expenses of attendance for attendance at each regular or special meeting of the Board of Directors, or of any committee thereof or both, as may be determined from time to time by the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 12. Investment Policies and Restrictions. The Board of Directors, including a majority of the Independent Directors, shall approve the investment policies of the Corporation. The investment policies and compliance therewith shall be reviewed by the Independent Directors to determine whether any changes or updates are appropriate in light of the business and affairs of the Corporation.

Section 13. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such director's dissent or abstention shall be entered in the minutes of the meeting or unless such director shall file the director's written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any director who votes in favor of such action.

Section 14. Advisory Directors. The Board of Directors may by resolution appoint advisory directors to the Board, who may also serve as directors emeriti, and shall have such authority and receive such compensation and reimbursement as the Board of Directors shall provide. Advisory directors or directors emeriti shall not have the authority to participate by vote in the transaction of business.

Section 15. Ratification. The Board of Directors or the stockholders may ratify any act, omission, failure to act or determination made not to act (an "Act") by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the Act and, if so ratified, such Act shall have the same force and effect as if originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders. Any Act questioned in any proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and such ratification shall constitute a bar to any claim or execution of any judgment in respect of such questioned Act.

Section 16. Emergency Provisions. Notwithstanding any other provision in the charter or these Bylaws, this Section 16 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as it may be feasible at the time, including publication, television or radio, and (iii) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Corporation shall be the Chair of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, one or more Vice Presidents, the Treasurer, the Secretary, and such other individuals holding such other titles, as the Board of Directors from time to time shall expressly designate as officers of the Corporation. Officers shall be elected by the Board of Directors to serve during the pleasure of the Board and until their respective successors are elected and qualified, except as otherwise provided in any employment agreement between the Corporation and any officer. The Chair of the Board shall always be a member of the Board of Directors.

Section 2. Subordinate Officers, Committees and Agents. The Board of Directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the Corporation may require, including one or more Assistant Secretaries, and one or more Assistant Treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws, or as the Board of Directors may from time to time determine. The Board of Directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents.

Section 3. Chair of the Board. The Board of Directors may designate from among its members a Chair of the Board, who shall not, solely by reason of these Bylaws, be an officer of the Corporation. The Board of Directors may designate the Chair of the Board as an executive or non-executive chair. The Chair of the Board shall preside at all meetings of the Board of Directors at which the Chair of the Board is present. The Chair of Board shall perform such other duties as may be assigned to the Chair of the Board by these Bylaws or the Board of Directors.

Section 4. Chief Executive Officer. The Board of Directors shall designate a Chief Executive Officer. The Chief Executive Officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. The Chief Executive Officer may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. President. The Board of Directors shall designate a President. In the absence of a Chief Executive Officer, the President shall in general supervise and control all of the business and affairs of the Corporation. In the absence of a designation of a Chief Operating Officer by the Board of Directors, the President shall be the chief operating officer. The President may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Chief Financial Officer. The Board of Directors shall designate a Chief Financial Officer. The Chief Financial Officer shall perform all duties incident to the office of Chief Financial Officer and shall perform such other duties as from time to time may be assigned to the Chief Financial Officer by the Chief Executive Officer, the President, or the Board of Directors.

Section 7. Vice Presidents. The Board of Directors shall designate one or more Vice President(s). The Vice President or Vice Presidents, in order of their seniority or in any other order determined by the Board of Directors, shall perform such duties as from time to time may be assigned to such person(s) by the Chief Executive Officer, the President, or the Board of Directors.

Section 8. Secretary. The Board of Directors shall designate a Secretary. The Secretary shall keep the minutes of the stockholders' and of the Board of Directors' meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, be custodian of the corporate records and of the seal of the Corporation and keep a register of the post office address of each stockholder which shall be furnished to the Secretary by such stockholder, have general charge of the stock transfer books of the Corporation and, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chief Executive Officer, the President, or the Board of Directors.

Section 9. Treasurer. The Board of Directors shall designate a Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation, receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Chief Executive Officer, the President, the Chief Financial Officer, or the Board of Directors.

Section 10. Other Officers. The other officers of the Corporation shall perform such duties as the Chief Executive Officer may from time to time assign to them.

Section 11. Removal. Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby. Any other employee of the Corporation may be removed or dismissed at any time by the Chief Executive Officer. The removal of an officer does not prejudice any of such officer's contract rights.

Section 12. Resignation. Any officer or agent may resign at any time by giving written notice to the Board of Directors, or to the Chief Executive Officer or Secretary of the Corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 13. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board of Directors or by the officer or remaining members of the committee to which the power to fill such office has been delegated pursuant to Section 2 of this Article, as the case may be, and if the office is one for which these Bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 14. Compensation. The salaries or other compensation, if any, of the officers elected by the Board of Directors shall be fixed from time to time by the Board of Directors or by such officer as may be designated by resolution of the Board of Directors or a duly authorized committee thereof. The salaries or other compensation of any other officers, employees and other agents shall be fixed from time to time by the Board of Directors, or by the officer or committee to which such matters have been delegated pursuant to Section 2 of this Article. No officer shall be prevented from receiving such salary or other compensation by reason of the fact that such officer is also a director of the Corporation.

ARTICLE V

STOCK

Section 1. Certificates; Required Information. Except as may be otherwise provided by the Board of Directors, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain the statements and information required by the MGCL and shall be signed by the officers of the Corporation in the manner permitted by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by the MGCL, the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. There shall be no differences in the rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 2. Lost Certificates. Any officer of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such stockholder and the Board of Directors has determined such certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or such owner's legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the Corporation.

Section 3. Transfer Agents and Registrars. At such time as the Corporation lists its securities on a national securities exchange or the Nasdaq National Market, or such earlier time as the Board of Directors may elect, the Board of Directors shall appoint one or more banks or trust companies in such city or cities as the Board of Directors may deem advisable, from time to time, to act as transfer agents and/or registrars of the shares of stock of the Corporation; and, upon such appointments being made, no certificate representing shares shall be valid until countersigned by one of such transfer agents and registered by one of such registrars.

Section 4. Transfer of Stock. No transfers of shares of stock of the Corporation shall be made if (i) void ab initio pursuant to the Charter, or (ii) the Board of Directors, pursuant to the Charter, shall have refused to transfer such shares; provided, however, that nothing contained in these Bylaws shall impair the settlement of transactions entered into on the facilities of the New York Stock Exchange or any other national securities exchange or automated inter-dealer quotation system. Permitted transfers of shares of stock of the Corporation shall be made on the stock records of the Corporation only upon the instruction of the registered holder thereof, or by such holder's attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent or transfer clerk, and upon surrender of the certificate or certificates, if issued, for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, as to any transfers not prohibited by the Charter or by action of the Board of Directors thereunder, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 5. Fixing of Record Dates. The Board of Directors may fix, in advance, a date as the record date for the purpose of determining stockholders entitled to notice of, or to vote at, any meeting of stockholders, or stockholders entitled to receive payment of any dividend or the allotment of any rights, or in order to make a determination of stockholders for any other proper purpose. Such date, in any case, may not be prior to the close of business on the day the record date is fixed nor more than 90 days, or in case of a meeting of stockholders, less than ten days, prior to the date on which the particular action requiring such determination of stockholders is to be taken.

When a record date for the determination of stockholders entitled to notice of or to vote at any meeting of stockholders has been set as provided in this section, such record date shall continue to apply to the meeting if postponed or adjourned, except if the meeting is postponed or adjourned to a date more than 120 days after the record date originally fixed for the meeting, in which case a new record date for such meeting shall be determined as set forth herein.

Section 6. Registered Stockholders. The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland.

Section 7. Regulations; Book-Entry System. The Board of Directors may make such additional rules and regulations, not inconsistent with the Bylaws or the Charter, as it may deem expedient concerning the issue, transfer and registration of certificates for shares of stock of the Corporation. The Corporation may participate in one or more systems under which certificates for shares of stock are replaced by electronic book-entry pursuant to such rules, terms and conditions as the Board of Directors may approve and subject to applicable law, notwithstanding any provisions to the contrary set forth in this Article.

ARTICLE VI

SEAL

The Board of Directors may provide a suitable seal for the Corporation, which may be either facsimile or any other form of seal and shall remain in the custody of the Secretary. If the Board of Directors so provides, it shall be affixed to all certificates of the Corporation's stock and to other instruments requiring a seal. If the Corporation is required to place its corporate seal to a document, it is sufficient to meet the requirement of any law, rule, or regulation relating to a corporate seal to place the word "(seal)" adjacent to the signature of the person authorized to sign the document on behalf of the Corporation.

ARTICLE VII

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 2. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the Corporation shall be the twelve calendar months period ending December 31 in each year, unless otherwise provided by the Board of Directors.

ARTICLE IX

INDEMNIFICATION AND ADVANCE OF EXPENSES

Section 1. General. To the maximum extent permitted by Maryland law in effect from time to time, the Corporation shall indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Corporation and who is made, or threatened to be made, a party to the proceeding by reason of such individual's service in that capacity or (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of any other corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise and who is made, or threatened to be made, a party to the proceeding by reason of such individual's service in such capacity. The Corporation may, with the approval of its Board of Directors, provide such indemnification and advance for expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

Section 2. Procedure. Any indemnification, or payment of expenses in advance of the final disposition of any proceeding, to which a director or officer may be entitled pursuant to applicable law or the Charter or this Bylaw (as defined in Section 4 of this Article IX) shall be made promptly, and in any event within 60 days, upon the written request of the director or officer entitled to seek indemnification or advance of expenses (the "Indemnified Party"). The right to indemnification and advance of expenses hereunder shall be enforceable by the Indemnified Party in any court of competent jurisdiction, if (i) the Corporation denies such request, in whole or in part, or (ii) no disposition thereof is made within 60 days. The Indemnified Party's costs and expenses incurred in connection with successfully establishing the right to indemnification, in whole or in part, in any such action shall be reimbursed by the Corporation. It shall be a defense to any action for advance for expenses that the Corporation has not received either (i) an undertaking as required by law to repay such advances in the event it shall ultimately be determined that the standard of conduct has not been met or (ii) a written affirmation by the Indemnified Party of such Indemnified Party's good faith belief that the standard of conduct necessary for indemnification by the Corporation has been met.

Section 3. Exclusivity, Etc. The indemnification and advance of expenses provided by the Charter and this Bylaw shall not be deemed exclusive of any other rights to which a person seeking indemnification or advance of expenses may be entitled under any law, or any agreement, vote of stockholders or disinterested directors or other provision that is consistent with law, both as to action in such person's official capacity and as to action in another capacity while holding office or while employed by or acting as agent for the Corporation, shall continue in respect of all events occurring while a person was a director or officer after such person has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. All rights to indemnification and advance of expenses under the Charter and this Bylaw shall be deemed to be a contract between the Corporation and each director or officer of the Corporation who serves or served in such capacity at any time while this Bylaw is in effect. Nothing herein shall prevent the amendment of this Bylaw, provided that no such amendment shall diminish the rights of any person hereunder with respect to events occurring or claims made before its adoption or as to claims made after its adoption in respect of events occurring before its adoption. Any repeal or modification of this Bylaw shall not in any way diminish any rights to indemnification or advance of expenses of such director or officer or the obligations of the Corporation arising hereunder with respect to events occurring, or claims made, while this Bylaw or any provision hereof is in force. The Corporation shall not be liable for any payment under this Bylaw in connection with a claim made by a director or officer to the extent such director or officer has otherwise actually received payment under insurance policy, agreement, vote or otherwise, of the amounts otherwise indemnifiable hereunder.

Section 4. Severability; Definitions. The invalidity or unenforceability of any provision of this Article IX shall not affect the validity or enforceability of any other provision hereof. The phrase "this Bylaw" in this Article IX means this Article IX in its entirety.

ARTICLE X

SUNDRY PROVISIONS

Section 1. Books and Records. The Corporation shall keep correct and complete books and records of its accounts and transactions and minutes of the proceedings of its stockholders and Board of Directors and of any executive or other committee when exercising any of the powers of the Board of Directors. The books and records of the Corporation may be in written form or in any other form which can be converted within a reasonable time into written form for visual inspection. Minutes shall be recorded in written form but may be maintained in the form of a reproduction. The original or a certified copy of the Bylaws shall be kept at the principal office of the Corporation.

Section 2. Voting Upon Shares in Other Corporations. Stock of other corporations or associations, registered in the name of the Corporation, may be voted by the Chief Executive Officer, the President or a proxy appointed by either of them. The Board of Directors, however, may by resolution appoint some other person to vote such shares, in which case such person shall be entitled to vote such shares upon the production of a certified copy of such resolution.

Section 3. Annual Statement of Affairs. The Chief Executive Officer, President, Chief Financial Officer, or principal accounting officer shall prepare annually a full and correct statement of the affairs of the Corporation, to include a balance sheet and a financial statement of operations for the preceding fiscal year. The statement of affairs shall be submitted at the annual meeting of the stockholders and, within 20 days after the meeting, placed on file at the Corporation's principal office.

Section 4. Mail. Except as herein expressly provided, any notice or other document which is required by these Bylaws to be mailed shall be deposited in the United States mails, postage prepaid.

Section 5. Reliance. Each director and officer of the Corporation shall, in the performance of such person's duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit confidence.

Section 6. Certain Rights of Directors, Officers, Employees and Agents. The directors shall have no responsibility to devote their full time to the affairs of the Corporation. Any director or officer, employee or agent of the Corporation, in their personal capacity or in a capacity as an affiliate, employee or agent of any other person, or otherwise, may have business interests and engage in business activities similar to or in addition to those of or relating to the Corporation.

Section 7. Loss of Deposits. No director shall be liable for any loss which may occur by reason of the failure of any bank, trust company, savings and loan association or other institution with whom moneys or stock of the Corporation have been deposited.

Section 8. Maryland Control Share Acquisition Act. Notwithstanding any other provision of the Charter or these Bylaws, Title 3, Subtitle 7 of the MGCL, or any successor statute, shall not apply to the voting rights of any shares of stock of the Corporation acquired and held by any person pursuant to a grant by the Board of Directors of a waiver to such person of (i) the stock ownership limitation contained in the Charter or (ii) the stock ownership limitation contained in any tax benefit preservation plan adopted by the Corporation, but only to the extent that a waiver pursuant to such plan applies to ownership of shares of stock representing ten percent or more of the voting power of the Corporation's outstanding shares of stock. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

Section 9. Waiver of Notice. Whenever any notice is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XI

AMENDMENTS

These Bylaws may be amended or replaced, or new Bylaws may be adopted, either (1) by the vote of the stockholders entitled to cast at least a majority of the votes which all stockholders are entitled to cast thereon at any duly organized annual or special meeting of stockholders, or (2), with respect to those matters which are not by statute reserved exclusively to the stockholders, by vote of a majority of the Board of Directors, including a majority of the Independent Directors of the Corporation, in office at any regular or special meeting of the Board of Directors. It shall not be necessary to set forth such proposed amendment, repeal or new Bylaws, or a summary thereof, in any notice of such meeting, whether annual, regular or special.

ARTICLE XII

EXCLUSIVE FORUM FOR CERTAIN LITIGATION

Unless the Corporation consents in writing to the selection of an alternative forum, the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Baltimore Division, shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any Internal Corporate Claim, as such term is defined in Section 1-101(p) of the MGCL, or any successor provision thereof, (b) any derivative action or proceeding brought on behalf of the Corporation, (c) any action asserting a claim of breach of any duty owed by any director, officer or employee of the Corporation to the Corporation or to the stockholders of the Corporation, (d) any action asserting a claim against the Corporation or any director, officer or employee of the Corporation arising pursuant to any provision of the MGCL or the Charter or these Bylaws, or (e) any other action asserting a claim against the Corporation or any director, officer or employee of the Corporation that is governed by the internal affairs doctrine. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Maryland (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (a) the personal jurisdiction of the state and federal courts located within the State of Maryland in connection with any action brought in any such court to enforce the preceding sentence and (b) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. None of the foregoing actions, claims or proceedings may be brought in any court sitting outside the State of Maryland, unless the Corporation consents in writing to such court.

Exhibit 4.1

TAX BENEFITS PRESERVATION PLAN

Redwood Trust, Inc.

and

Computershare Trust Company, N.A.,
as Rights Agent

Dated as of November 3, 2026

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TAX BENEFITS PRESERVATION PLAN

This TAX BENEFITS PRESERVATION PLAN, dated as of November 3, 2026 (this "Agreement"), is by and between Redwood Trust, Inc., a Maryland corporation (the "Company"), and Computershare Trust Company, N.A., a federally chartered trust company, as rights agent (the "Rights Agent").

W I T N E S S E T H:

WHEREAS, the Company has generated net operating losses for United States federal income tax purposes ("NOLs") and certain other Tax Attributes (as defined below) that may potentially provide valuable tax benefits to the Company, the Company desires to avoid an "ownership change" within the meaning of Section 382 (as defined below) and thereby preserve the ability to utilize fully such NOLs and other Tax Attributes and, in furtherance of such objective, the Company desires to enter into this Agreement; and

WHEREAS, on November 3, 2026 (the "Rights Dividend Declaration Date"), the board of directors of the Company (the "Board") authorized and the Company declared a dividend distribution of one Right (as defined below) for each share of Common Stock (as defined below) outstanding at the Close of Business (as defined below) on November 16, 2026 (the "Record Date"), and has further authorized the issuance of one Right (as such number may hereinafter be adjusted pursuant to Section 11) for each share of Common Stock that shall become issued and outstanding between the Record Date and the earlier of the Distribution Time and the Expiration Time (as such terms are defined below) or, in certain circumstances provided in Section 22, after the Distribution Time.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereby agree as follows:

Section 1. **Certain Definitions**. For purposes of this Agreement, the following terms have the respective meanings indicated:

"Acquiring Person" shall mean any Person that, together with all of its Related Persons, is the Beneficial Owner of at least the Specified Percentage, but shall exclude (x) Exempt Persons and (y) Grandfathered Persons. Notwithstanding anything in this Agreement to the contrary, no Person shall become an "Acquiring Person:"

(i) as the result of an acquisition of securities of the Company by the Company that, by reducing the number of securities of the Company outstanding, increases the percentage of the securities of the Company Beneficially Owned by such Person, together with all of its Related Persons, to at least the Specified Percentage; provided, however, that if a Person (other than an Exempt Person or Grandfathered Person), together with all of its Related Persons, becomes the Beneficial Owner of at least the Specified Percentage by reason of such acquisitions by the Company and, after such acquisitions by the Company, becomes the Beneficial Owner of any additional securities of the Company (other than pursuant to a dividend or distribution paid or made by the Company on the outstanding securities of the Company or pursuant to a split or subdivision of the outstanding securities of the Company), then such Person shall be deemed to be an "Acquiring Person" unless, upon becoming the Beneficial Owner of such additional securities of the Company, such Person, together with all of its Related Persons, does not Beneficially Own at least the Specified Percentage;

(ii) if (A) the Board determines in its sole discretion that such Person has become an "Acquiring Person" inadvertently (including because (1) such Person was unaware that the extent of its Beneficial Ownership would cause such Person to be an "Acquiring Person" or (2) such Person was aware of the extent of its Beneficial Ownership but did not understand the consequences of such Beneficial Ownership under this Agreement) and (B) such Person has already divested or, if requested by the Company, divests as promptly as practicable (as determined by the Board) a sufficient number of securities of the Company so that such Person would no longer be an "Acquiring Person"; provided, however, that the Board shall in no case be required to except a Person from the definition of "Acquiring Person" due to inadvertence;

(iii) solely as a result of any unilateral grant of any security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers or employees; provided, however, that if a Person (other than an Exempt Person or Grandfathered Person), together with all of its Related Persons, becomes the Beneficial Owner of at least the Specified Percentage by reason of a unilateral grant of a security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers or employees, then such Person shall nevertheless be deemed to be an "Acquiring Person" if, subject to clause (ii) above, such Person, together with all of its Related Persons, thereafter becomes the Beneficial Owner of any additional securities of the Company (unless upon becoming the Beneficial Owner of additional securities of the Company, such Person, together with all of its Related Persons, does not Beneficially Own at least the Specified Percentage), except as a result of (A) a dividend or distribution paid or made by the Company on the outstanding securities of the Company or a split or subdivision of the outstanding securities of the Company; or (B) the unilateral grant of a security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers or employees; and

(iv) if such Person is a bona fide swaps dealer who has become an "Acquiring Person" as a result of its actions in the ordinary course of its business that the Board determines, in its sole discretion, were taken without the intent or effect of evading or assisting any other Person to evade the purposes and intent of this Agreement, or otherwise seeking to control or influence the management or policies of the Company; provided that this exemption shall apply only for so long as such Person's actions continue to have neither the purpose nor the effect of evading, or assisting any other Person to evade, the purposes and intent of this Agreement; and provided, further, that the Board may revoke this exemption at any time in its sole discretion.

Notwithstanding the foregoing definition of "Acquiring Person," no Person who is an "investment advisor" to mutual funds or a trustee of trusts qualified under Section 401(a) of the Code sponsored by unrelated corporations shall be deemed to be an Acquiring Person if, immediately after any increase in Beneficial Ownership of securities of the Company by such Person, (A) no single mutual fund or trust advised by such investment advisor or such trustee, respectively, actually owns or beneficially owns, pursuant to the definition of "Beneficial Owner," at least the Specified Percentage and (B) such investment advisor or trustee beneficially owns (other than with respect to such mutual funds or such trusts, as applicable) less than the Specified Percentage of the securities of the Company then outstanding, unless the Board determines, in its reasonable discretion, that such investment advisor or trustee is deemed to Beneficially Own at least the Specified Percentage under the applicable standards of Treasury Regulation 1.382-3. In determining whether any such investment advisor or trustee is an Acquiring Person, the filing of a statement under Section 13 of the Exchange Act with respect to such investment advisor or trustee shall not be deemed to establish that such investment advisor or trustee has acquired Beneficial Ownership of at least the Specified Percentage; provided, that the Board shall be entitled to rely upon any such filing unless such investment advisor or trustee provides information and diligence that permits the Board to conclude, in its reasonable discretion, that such investment advisor or trustee has not acquired Beneficial Ownership of at least the Specified Percentage.

"Adjustment Shares" shall have the meaning set forth in Section 11(a)(ii).

"Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 of the Exchange Act Regulations as in effect on the date of this Agreement and, to the extent not included within the foregoing, shall also include, with respect to any Person, any other Person (other than an Exempt Person or a Grandfathered Person) whose securities of the Company would be deemed constructively owned by such first Person, or otherwise aggregated with securities of the Company owned by such first Person, pursuant to the provisions of Section 382 and the Treasury Regulations promulgated thereunder; provided, however, that a Person will not be deemed to be an Affiliate of another Person solely because either or both Persons are or were directors or officers of the Company.

"Agreement" shall have the meaning set forth in the preamble to this Agreement.

"Associate" shall have the meaning ascribed to such term in Rule 12b-2 of the Exchange Act Regulations as in effect on the date of this Agreement and, to the extent not included within the foregoing, shall also include, with respect to any Person, any other Person (other than an Exempt Person or a Grandfathered Person) whose securities of the Company would be deemed constructively owned by such first Person, or otherwise aggregated with securities of the Company owned by such first Person, pursuant to the provisions of Section 382 and the Treasury Regulations promulgated thereunder; provided, however, that a Person will not be deemed to be an Associate of another Person solely because either or both Persons are or were directors or officers of the Company.

A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "Beneficially Own" and have "Beneficial Ownership":

(i) of Company Securities, that such Person would be deemed to directly, indirectly or constructively own (as determined for purposes of Section 382 or the Treasury Regulations promulgated thereunder), including any coordinated acquisition of securities by any Persons who have a formal or informal understanding with respect to such acquisition (to the extent ownership of such securities would be attributed to such Persons under Section 382 and the Treasury Regulations promulgated thereunder);

(ii) of Common Stock, (w) that such Person or any of such Person's Related Persons beneficially owns, directly or indirectly, as determined pursuant to Rule 13d-3 of the Exchange Act Regulations as in effect on the date of this Agreement; (x) that such Person or any of such Person's Related Persons, directly or indirectly, has the right or obligation to acquire (whether such right is exercisable, or such obligation is required to be performed, immediately or only after the passage of time or the satisfaction of other conditions and, for the avoidance of doubt, without regard to any limitations on exercise thereof, including any beneficial ownership limitation that would prevent the acquisition of more than a specified percentage of outstanding shares) pursuant to any agreement, arrangement or understanding (whether or not in writing and other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities) or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "Beneficially Own," (A) securities tendered pursuant to a tender or exchange offer made in accordance with the Exchange Act Regulations by or on behalf of such Person or any of such Person's Related Persons until such tendered securities are accepted for purchase or exchange, (B) securities issuable upon exercise of Rights at any time prior to the occurrence of a Triggering Event, (C) securities issuable upon exercise of Rights from and after the occurrence of a Triggering Event which Rights were acquired by such Person or any of such Person's Related Persons prior to the Distribution Time or pursuant to Section 22 (the "Original Rights") or pursuant to Section 11(i) in connection with an adjustment made with respect to any Original Rights or (D) securities that such Person or any of such Person's Related Persons may acquire, does or do acquire or may be deemed to have the right to acquire, pursuant to any merger or other acquisition agreement between the Company and such Person (or one or more of such Person's Related Persons), if such agreement has been approved by the Board prior to such Person's becoming an Acquiring Person; (y) that are Beneficially Owned, directly or indirectly, (as defined in clause (w), (x) or (z) of this definition) by any other Person with which such first Person (or any of such first Person's Related Persons) has any agreement, arrangement or understanding with respect to acquiring, holding, voting or disposing of shares of Common Stock (whether or not in writing and other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities); provided, however, that a Person shall not be deemed the "Beneficial Owner" of, or to "Beneficially Own," any security if such agreement, arrangement or understanding (1) arises solely from a revocable proxy or consent given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the Exchange Act Regulations and (2) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or (z) that are Beneficially Owned, directly or indirectly, (as defined in clause (w) or (x) of this definition) by a Counterparty (or any of such Counterparty's Related Persons) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such Person or any of such Person's Related Persons is a Receiving Party; provided, however, that the number of shares of Common Stock that a Person is deemed to Beneficially Own pursuant to this clause (z) in connection with a particular Derivatives Contract shall not exceed the number of Notional Common Shares with respect to such Derivatives Contract; provided, further, that the number of securities Beneficially Owned by each Counterparty (including its Related Persons) under a Derivatives Contract shall, for purposes of this clause (z) include all securities that are Beneficially Owned, directly or indirectly, (as defined in clause (w) or (x) of this definition) by any other Counterparty (or any of such other Counterparty's Related Persons) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Related Persons) is a Receiving Party, with this proviso being applied to successive Counterparties as appropriate;

provided, however, that (a) nothing in this definition shall cause a Person engaged in business as an underwriter of securities to be the "Beneficial Owner" of, or to "Beneficially Own," any securities acquired through such Person's participation in good faith in a firm commitment underwriting until the expiration of forty (40) days after the date of such acquisition; (b) no Person shall be deemed to Beneficially Own any securities of the Company Beneficially Owned by any other Person solely because either or both such Persons are or were directors or officers of the Company; and (c) no Person shall be deemed to Beneficially Own any securities of the Company issuable upon the exercise of Rights until such Rights have been exercised.

"Board" shall have the meaning set forth in the recitals to this Agreement.

"Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"Charter" shall mean the Company's Articles of Amendment and Restatement, as amended and supplemented, as the same may be further amended, supplemented or amended and restated from time to time.

"Close of Business" on any given date shall mean 5:00 P.M., New York City time, on such date; provided, however, that if such date is not a Business Day, "Close of Business" shall mean 5:00 P.M., New York City time, on the next succeeding Business Day.

"Closing Price" in respect of any security for any day shall mean the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on Nasdaq or the NYSE or, if such shares of common stock (or other security) are not listed or admitted to trading on Nasdaq or the NYSE, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such shares of common stock (or other security) are listed or admitted to trading or, if such shares of common stock (or other security) are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the OTC Bulletin Board service or such other quotation system then in use, or, if on any such date such shares of common stock (or other security) are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such common stock (or other security) selected by the Board. If on any such date no such market maker is making a market in such common stock (or other security), the fair value of such common stock (or other security) on such date as determined in good faith by the Board shall be used.

"Code" shall mean the Internal Revenue Code of 1986, as amended or any successor statute.

"Common Stock" shall mean the common stock, par value $0.01 per share, of the Company or any other shares of capital stock of the Company into which such stock shall be reclassified or changed.

"Common Stock Equivalents" shall have the meaning set forth in Section 11(a)(iii).

"Company" shall have the meaning set forth in the preamble to this Agreement.

"Company Securities" shall mean (A) shares of Common Stock, (B) shares of preferred stock (other than preferred stock described in Section 1504(a)(4) of the Code) of the Company, (C) warrants, rights, convertible debt or options (including options within the meaning of Section 1.382-4(d)(9) of the Treasury Regulations) to purchase stock (other than preferred stock described in Section 1504(a)(4) of the Code) of the Company, and (D) any other interest that would be treated as "stock" of the Company pursuant to Section 1.382-2T(f)(18) of the Treasury Regulations. References to the Code and Treasury Regulations in clauses (B), (C) and (D) of the preceding sentence shall include any successor provisions or replacement provisions under Section 1504 or Section 382 of the Code and the Treasury Regulations promulgated thereunder.

"Counterparty" shall have the meaning set forth in the definition of "Derivatives Contract."

"Current Market Price" shall have the meaning set forth in Section 11(d).

"Current Value" shall have the meaning set forth in Section 11(a)(iii).

"Derivatives Contract" shall mean a contract, including all related documentation, between two (2) parties (the "Receiving Party" and the "Counterparty") that is designed to produce economic benefits and risks to the Receiving Party that correspond substantially to the ownership by the Receiving Party of a number of shares of Common Stock specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Common Shares"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, securities of the Company or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate federal governmental authority shall not be deemed "Derivatives Contracts."

"Distribution Time" shall mean the earlier of (i) the Close of Business on the tenth (10th) day after the Stock Acquisition Date (or, if the tenth (10th) day after the Stock Acquisition Date occurs before the Record Date, the Close of Business on the Record Date) and (ii) the Close of Business on the tenth (10th) Business Day (or, if such tenth (10th) Business Day occurs before the Record Date, the Close of Business on the Record Date), or such later date as may be determined by action of the Board prior to such time as any Person becomes an Acquiring Person, after the date that a tender or exchange offer by any Person (other than any Exempt Person) is first published or sent or given within the meaning of Rule 14d-2(a) of the Exchange Act Regulations, if upon consummation thereof, such Person would become an Acquiring Person, unless such tender or exchange offer is conditioned on the redemption of the Rights or termination of this Agreement.

"Equivalent Preferred Stock" shall have the meaning set forth in Section 11(b).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Exchange Act Regulations" shall mean the general rules and regulations promulgated under the Exchange Act.

"Exchange Ratio" shall have the meaning set forth in Section 24(a).

"Exempt Person" shall mean (i) the Company or any Subsidiary of the Company, (ii) any officer, director or employee of the Company or of any Subsidiary of the Company solely in respect of such Person's status or authority as such (including any fiduciary capacity), (iii) any employee benefit plan of the Company or of any Subsidiary of the Company or any entity or trustee holding (or acting in a fiduciary capacity in respect of) shares of capital stock of the Company for or pursuant to the terms of any such plan or for the purpose of funding other employee benefits for employees of the Company or any Subsidiary of the Company, (iv) any other Person (together with all of its Related Persons) whose Beneficial Ownership of at least the Specified Percentage will not jeopardize or endanger the availability to the Company of any Tax Attribute, upon a determination by the Board in its sole discretion prior to the time any Person becomes an Acquiring Person, provided, however, that such Person will cease to be an Exempt Person if the Board subsequently makes a contrary determination in its sole discretion, regardless of the reason for such contrary determination or (v) any other Person who is determined by the Board to be deemed an "Exempt Person" in accordance with Section 32.

"Exemption Request" shall have the meaning set forth in Section 32.

"Exercise Price" shall have the meaning set forth in Section 4(a).

"Expiration Time" shall have the meaning set forth in Section 7(a).

"Final Expiration Time" shall mean 5:00 P.M. (New York City time) on November 3, 2027, or 5:00 P.M. (New York City time), on November 3, 2029 if this Agreement is approved by the stockholders of the Company by a vote of the majority of the votes cast by the holders of shares entitled to vote thereon at a meeting of the stockholders of the Company prior to 5:00 P.M. (New York City time), on November 3, 2027.

"Flip-in Event" shall have the meaning set forth in Section 11(a)(ii).

"Flip-in Trigger Date" shall have the meaning set forth in Section 11(a)(iii).

"Flip-over Event" shall have the meaning set forth in Section 13(a).

"Flip-over Party" shall have the meaning set forth in Section 13(b).

"Flip-over Stock" shall mean the capital stock (or similar equity interest) with the greatest voting power in respect of the election of directors (or other Persons similarly responsible for the direction of the business and affairs) of the Flip-over Party.

"Grandfathered Person" shall mean (x) any Person who or that, together with all of such Person's Related Persons, is, as of immediately prior to the first public announcement of the adoption of this Agreement, the Beneficial Owner of at least the Specified Percentage and (y) any Person who or that becomes the Beneficial Owner of at least the Specified Percentage as the result of the acquisition of Beneficial Ownership of securities of the Company from an individual described in the preceding clause (x) if such acquisition occurs upon such individual's death pursuant to such individual's will or pursuant to a charitable trust created by such individual for estate planning purposes. A Person ceases to be a "Grandfathered Person" if and when (i) such Person becomes the Beneficial Owner of less than the Specified Percentage; or (ii) such Person increases such Person's Beneficial Ownership of securities of the Company (excluding as a result of any unilateral grant of any security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers or employees) to an amount equal to or greater than the greater of (A) the Specified Percentage and (B) the sum of (1) the lowest Beneficial Ownership of such Person as a percentage of the securities of the Company outstanding as of any time from and after the first public announcement of the adoption of this Agreement (other than as a result of an acquisition of securities of the Company by the Company) plus (2) (xx) for Persons with Beneficial Ownership of more than 5.0%, 0.5% of the then outstanding shares of Common Stock or (yy) for all other Persons, one share of Common Stock. The foregoing definition shall grandfather the security or instrument underlying such Beneficial Ownership only in the type and form as of the date of this Agreement and shall not grandfather any subsequent change, modification, swap or exchange of such security or instrument underlying such Beneficial Ownership into a different type or form of security or instrument (unless such change, modification, swap or exchange is contemplated explicitly by the terms of such security or instrument (*e.g.*, as would be the case for options to purchase shares of Common Stock, in which case the shares of Common Stock purchased upon the exercise of such options would be grandfathered)). For the avoidance of doubt, cash-settled swap or exchange contracts for differences in the price of securities of the Company shall not be grandfathered under this Agreement.

"Nasdaq" shall mean the Nasdaq Stock Market.

"NOLs" shall have the meaning set forth in the recitals to this Agreement.

"Notional Common Shares" shall have the meaning set forth in the definition of "Derivatives Contract."

"NYSE" shall mean the New York Stock Exchange.

"Original Rights" shall have the meaning set forth in clause (ii) of the definition of "Beneficial Owner."

"Person" shall mean any individual, partnership, firm, corporation, limited liability company, association, trust, limited liability partnership, syndicate or other entity, or a group of Persons making a "coordinated acquisition" of securities or otherwise treated as an entity within the meaning of Section 1.382-3(a)(1) of the Treasury Regulations or otherwise, and shall include any successor (by merger or otherwise) of such individual or entity, but shall not include a "Public Group" (as such term is defined in Section 1.382-2T(f)(13) of the Treasury Regulations).

"Preferred Stock" shall mean the Series X Junior Participating Preferred Stock, par value $0.01 per share, of the Company having the designations, preferences and rights set forth in the Form of Articles Supplementary attached to this Agreement as Exhibit A, and, to the extent that there is not a sufficient number of shares of Series X Junior Participating Preferred Stock authorized to permit the full exercise of the Rights, any other series of preferred stock, par value $0.01 per share, of the Company designated for such purpose containing terms substantially similar to the terms of the Series X Junior Participating Preferred Stock.

"Receiving Party" shall have the meaning set forth in the definition of "Derivatives Contract."

"Record Date" shall have the meaning set forth in the recitals to this Agreement.

"Redemption Period" shall have the meaning set forth in Section 23(a).

"Redemption Price" shall have the meaning set forth in Section 23(a).

"Related Person" shall mean, as to any Person, any Affiliate or Associate of such Person.

"Requesting Person" shall have the meaning set forth in Section 32.

"Right" shall mean a right initially representing the right to purchase one one-thousandth of one share of Series X Junior Participating Preferred Stock of the Company having the rights, powers and preferences set forth in the Form of Articles Supplementary attached hereto as Exhibit A, upon the terms and subject to the conditions set forth in this Agreement.

"Rights Agent" shall have the meaning set forth in the preamble to this Agreement.

"Rights Certificates" shall have the meaning set forth in Section 3(b).

"Rights Dividend Declaration Date" shall have the meaning set forth in the recitals to this Agreement.

"Section 382" shall mean Section 382 of the Code or any successor or replacement provision.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Signature Guarantee" shall have the meaning set forth in Section 6(a).

"Specified Percentage" shall mean four and nine-tenths percent (4.9%) of Company Securities or Common Stock, as applicable, when referring to the Beneficial Ownership of any Person. In determining the percentage Beneficially Owned by a Person for purposes of this Agreement, such percentage shall be the greater of (i) the percentage of Company Securities Beneficially Owned by such Person as of such date or time, as determined in accordance with Sections 1.382-2(a)(3), 1.382-2T(g), (h), (j) and (k), 1.382-3(a), and 1.382-4(d) of the Treasury Regulations (or in accordance with any future Treasury Regulations promulgated under Section 382 (or any successor provisions or replacement provisions)); provided, however, that for the sole purpose of determining the percentage of Company Securities Beneficially Owned by any Person that is an entity (and not for the purpose of determining the percentage of Company Securities Beneficially Owned by any other Person), securities held by such entity shall not be treated as no longer owned by such entity pursuant to Section 1.382-2T(h)(2)(i)(A) of the Treasury Regulations (or in accordance with any future Treasury Regulations promulgated under Section 382 (or any successor provisions or replacement provisions)) and (ii) the percentage of shares of Common Stock Beneficially Owned by such Person as of such date or time.

With respect to any Person, for purposes of clause (ii) of the definition of "Specified Percentage," any calculation of the number of shares of Common Stock outstanding at any particular time, shall include the number of shares of Common Stock not outstanding at the time of such calculation that such Person is otherwise deemed to Beneficially Own for purposes of this Agreement; provided, however, that the number of shares of Common Stock not outstanding that such Person is otherwise deemed to Beneficially Own for purposes of this Agreement shall not be included for the purpose of computing the percentage of the outstanding shares of Common Stock Beneficially Owned by any other Person (unless such other Person is also deemed to Beneficially Own, for purposes of this Agreement, such shares of Common Stock not outstanding).

"Spread" shall have the meaning set forth in Section 11(a)(iii).

"Stock Acquisition Date" shall mean the first date of public announcement (which, for purposes of this definition, shall include a report filed pursuant to Section 13(d) of the Exchange Act) by the Company or an Acquiring Person that an Acquiring Person has become such, or such other date, as determined by the Board, on which a Person has become an Acquiring Person.

"Subsidiary" shall mean, with reference to any Person, any other Person of which (i) a majority of the voting power of the voting securities or equity interests is Beneficially Owned, directly or indirectly, by such first-mentioned Person or otherwise controlled by such first-mentioned Person, (ii) an amount of voting securities or equity interests sufficient to elect at least a majority of the directors (or other Persons similarly responsible for the direction of the business and affairs of such other Person) of such other Person is Beneficially Owned, directly or indirectly, by such first-mentioned Person, or otherwise controlled by such first-mentioned Person or (iii) the first-mentioned Person otherwise has the power to control or direct the management of such other Person.

"Substitution Period" shall have the meaning set forth in Section 11(a)(iii).

"Summary of Rights" shall have the meaning set forth in Section 3(c).

"Tax Attributes" shall mean NOLs, capital loss carryovers, general business credit carryovers, alternative minimum tax credit carryovers, foreign tax credit carryovers, Section 163(j) deferred interest carryovers, and other similar tax carryovers, as well as any loss or deduction (actual or prospective) attributable to a "net unrealized built-in loss" within the meaning of Section 382, and any other attribute the benefit of which is subject to possible limitation under Section 382 or Section 383 of the Code, in each case of the Company or any of its Subsidiaries.

"Trading Day" shall mean a day on which the principal national securities exchange on which shares of an issuer's common stock (or other security) are listed or admitted to trading is open for the transaction of business or, if such shares of common stock (or other security) are not listed or admitted to trading on any national securities exchange, a Business Day.

"Treasury Regulations" shall mean final, temporary and proposed tax regulations promulgated under the Code, including any amendments thereto.

"Triggering Event" shall mean a Flip-in Event or a Flip-over Event.

"Trust" shall have the meaning set forth in Section 24(a).

"Trust Agreement" shall have the meaning set forth in Section 24(a).

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the express terms and conditions of this Agreement (and no implied terms and conditions), and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents as it may deem necessary or desirable (the term "Rights Agent" being used herein to refer, collectively, to the Rights Agent together with any such co-Rights Agents), upon ten (10) days' prior written notice to the Rights Agent. In the event the Company appoints one or more co-Rights Agents, the respective duties of the Rights Agent and any co-Rights Agents shall be as the Company reasonably determines, provided that such duties are consistent with the terms and conditions of this Agreement and that contemporaneously with such appointment the Company shall notify, in writing, the Rights Agent and any co-Rights Agents of any such duties. The Rights Agent shall have no duty to supervise, and shall in no event be liable for, the acts or omissions of any such co-Rights Agents.

Section 3. Issuance of Rights Certificates.

(a) Until the earlier of the Distribution Time and the Expiration Time, (x) with respect to shares of Common Stock outstanding as of the Record Date, or that become outstanding subsequent to the Record Date, the Rights shall be evidenced by the certificates for shares of Common Stock registered in the names of the holders of shares of Common Stock (or, in the case of uncertificated shares of Common Stock, by the book-entry account that evidences record ownership of such shares) (which certificates or book entries for Common Stock shall be deemed also to be certificates or book entries for Rights), and not by separate certificates (or book entries), (y) the surrender for transfer of any certificate representing shares of Common Stock (or, in the case of uncertificated shares of Common Stock, the effectuation of a book-entry transfer of such shares of Common Stock) in respect of which Rights have been issued shall also constitute the transfer of the Rights associated with such shares of Common Stock and (z) the Rights shall be transferable only in connection with the transfer of the underlying shares of Common Stock. As of and after the Distribution Time, the Rights shall be evidenced solely by such Rights Certificates, and the Rights Certificates and the Rights shall be transferable separately from the Common Stock.

(b) The Company shall promptly notify the Rights Agent of a Distribution Time and request its transfer agent (if its transfer agent is not the Rights Agent) to give the Rights Agent a stockholder list together with all other relevant information, in form and substance reasonably satisfactory to the Rights Agent. If such notification is given orally, the Company shall confirm the same in writing (email to be sufficient) within two (2) Business Days. Until such written notice or confirmation in writing (in each case, email to be sufficient) is received by the Rights Agent, the Rights Agent may presume conclusively for all purposes that the Distribution Time has not occurred. As soon as practicable after the Rights Agent is notified of the Distribution Time and receives such information, the Rights Agent shall send by first-class or express United States mail, FedEx or United Parcel Service or any other nationally recognized courier service, postage prepaid and insured, to each record holder of the Common Stock as of the Distribution Time, addressed in accordance with Section 26(c), one or more Rights certificates, in substantially the form of Exhibit B (the "Rights Certificates"), evidencing one Right for each share of Common Stock so held, subject to adjustment as provided herein. To the extent that a Flip-in Event has also occurred, the Company may implement such procedures, as it deems appropriate in its sole discretion (but only if such procedures do not affect the rights, duties, liabilities or responsibilities of the Rights Agent), to minimize the possibility that Rights Certificates are received by Persons whose Rights would be null and void under Section 7(e) and provide reasonably prompt written notice thereof to the Rights Agent. In the event that any adjustment in the number of Rights per share of Common Stock has been made pursuant to Section 11, at the time of distribution of the Rights Certificates, the Company shall make the necessary and appropriate rounding adjustments (in accordance with Section 14(a)) so that Rights Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights.

(c) The Company shall make available, as promptly as practicable, a copy of a Summary of Rights, in substantially the form attached as Exhibit C (the "Summary of Rights"), to any holder of Rights who may so request from time to time prior to the Expiration Time.

(d) Rights shall be issued in respect of all shares of Common Stock that are issued and outstanding after the Record Date but prior to the earlier of (i) the Distribution Time and (ii) the Expiration Time or, in certain circumstances provided in Section 22, after the Distribution Time. Certificates representing such shares of Common Stock shall also be deemed to be certificates for Rights and shall bear a legend substantially in the following form:

> This certificate also evidences and entitles the holder hereof to certain rights (the "Rights") as set forth in the Tax Benefits Preservation Plan, dated as of November 3, 2026 (as the same may be amended from time to time, the "Tax Benefits Preservation Plan"), by and between Redwood Trust, Inc., a Maryland corporation (the "Company"), and Computershare Trust Company, N.A., a federally chartered trust company (or any successor rights agent), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of the Company. Under certain circumstances, as set forth in the Tax Benefits Preservation Plan, the Rights shall be evidenced by separate certificates and will no longer be evidenced by this certificate. The Company will mail to the holder of this certificate a copy of the Tax Benefits Preservation Plan, as in effect on the date of mailing, without charge, promptly after receipt of a written request therefor.

Under certain circumstances set forth in the Tax Benefits Preservation Plan, any Rights that are Beneficially Owned by any Person who is or was an Acquiring Person or a Related Person of an Acquiring Person (as such terms are defined in the Tax Benefits Preservation Plan) or certain transferees of an Acquiring Person or of any such Related Person will become null and void and will no longer be transferable.

With respect to any book-entry shares of Common Stock, such legend in substantially similar form shall be included in a notice to the record holder of such shares to the extent required by applicable law. With respect to certificated shares of Common Stock containing the foregoing legend, or any notice of the foregoing legend delivered to record holders of book-entry shares, until the earlier of (i) the Distribution Time and (ii) the Expiration Time, the Rights associated with such shares of Common Stock represented by certificates or registered in book-entry form shall be evidenced by such certificates alone, or such registration in book-entry form alone, and registered holders of such shares of Common Stock shall also be the registered holders of the associated Rights, and the transfer of any of such shares of Common Stock represented by such certificates or book entries shall also constitute the transfer of the Rights associated with the shares of Common Stock represented by such certificates or book entries. In the event the Company purchases or acquires any shares of Common Stock after the Record Date but prior to the Distribution Time, any Rights associated with such shares shall be deemed canceled and retired so that the Company shall not be entitled to exercise any Rights associated with shares of Common Stock that are no longer outstanding. The omission of any legend or failure to deliver the notice of such legend described in this Section 3 shall not affect the status, validity or enforceability of any part of this Agreement or the rights of any holder of the Rights.

(e) Notwithstanding any other provision hereof, the Company and the Rights Agent may amend this Agreement to provide for uncertificated Rights in addition to or in lieu of Rights evidenced by Rights Certificates, to the extent permitted by applicable law.

Section 4. Form of Rights Certificates.

(a) The Rights Certificates (and the forms of election to purchase and of assignment to be printed on the reverse thereof), when and if issued, shall each be substantially in the form set forth in Exhibit B and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate (but which do not affect the rights, duties, liabilities, protections or responsibilities of the Rights Agent) and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to customary usage. Subject to Section 11 and Section 22, the Rights Certificates, whenever distributed, shall be dated as of the Record Date or, in the case of Rights with respect to shares of Common Stock issued or becoming outstanding after the Record Date, the same date as the date of the stock certificate evidencing such shares (or, with respect to uncertificated shares of Common Stock, the date of the issuance of such shares of Common Stock indicated in the books of the registrar and transfer agent), and on their face shall entitle the holders thereof to purchase such number of one one-thousandths of a share of Preferred Stock as shall be set forth therein at the price set forth therein (such exercise price per one one-thousandth of a share, the "Exercise Price"), but the amount and type of securities purchasable upon the exercise of each Right and the Exercise Price thereof shall be subject to adjustment from time to time as provided in Section 11 and Section 13(a).

(b) Any Rights Certificate issued pursuant to Section 3(b), Section 11(a)(ii) or Section 22 that represents Rights Beneficially Owned by any Person known to be (i) an Acquiring Person or any Related Person of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Related Person) who becomes a transferee after the Acquiring Person becomes such or (iii) a transferee of an Acquiring Person (or of any such Related Person) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person (or any Related Person thereof) to holders of equity interests in such Acquiring Person (or any Related Person thereof) or to any Person with whom such Acquiring Person (or any Related Person thereof) has any continuing agreement, arrangement or understanding, whether or not in writing, regarding the transferred Rights or (B) a transfer that the Board has determined is part of a plan, agreement, arrangement or understanding that has as a primary purpose or effect the avoidance of Section 7(e), and any Rights Certificate issued pursuant to Section 6 or Section 11 upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain (to the extent feasible) the following legend:

> The Rights represented by this Rights Certificate are or were Beneficially Owned by an Acquiring Person or a Related Person of an Acquiring Person (as such terms are defined in the Tax Benefits Preservation Plan, dated as of November 3, 2026 (as the same may be amended or supplemented from time to time, the "Tax Benefits Preservation Plan"), by and between Redwood Trust, Inc. and Computershare Trust Company, N.A. (or any successor rights agent)) or a certain transferee of an Acquiring Person or of any such Related Person. Accordingly, this Rights Certificate and the Rights represented hereby will become null and void in the circumstances specified in Section 7(e) of such Tax Benefits Preservation Plan.

The absence of the foregoing legend on any Rights Certificate shall in no way affect any of the other provisions of this Agreement, including the provisions of Section 7(e). The Company shall instruct the Rights Agent in writing of any Rights Certificates that should be so legended. The Company shall give written notice to the Rights Agent as soon as practicable after it becomes aware of the existence and identity of any Acquiring Person or any Related Person thereof.

Section 5. Countersignature and Registration.

(a) The Rights Certificates shall be executed on behalf of the Company by its Chief Executive Officer, President, Chief Financial Officer, Secretary or Treasurer, or any other authorized officer of the Company, either manually or by facsimile or other electronic signature. The Rights Certificates shall be countersigned manually or by facsimile or other electronic signature by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed or attested any of the Rights Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Rights Certificates, nevertheless, may be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed or attested such Rights Certificates had not ceased to be such officer of the Company; and any Rights Certificates may be signed or attested on behalf of the Company by any person who, at the actual date of the execution of such Rights Certificate, shall be a proper officer of the Company to sign or attest such Rights Certificate, although at the date of the execution of this Agreement any such person was not such an officer. In case any authorized signatory of the Rights Agent who has countersigned any Rights Certificate ceases to be an authorized signatory of the Rights Agent before issuance and delivery by the Company, such Rights Certificate, nevertheless, may be issued and delivered by the Company with the same force and effect as though the person who countersigned such Rights Certificate had not ceased to be an authorized signatory of the Rights Agent; and any Rights Certificate may be countersigned on behalf of the Rights Agent by any person who, at the actual date of the countersignature of such Rights Certificate, is properly authorized to countersign such Rights Certificate, although at the date of the execution of this Agreement any such person was not so authorized.

(b) Following the Distribution Time, and upon receipt by the Rights Agent of notice to that effect and all other relevant information and documents referred to in Section 3(b), the Rights Agent shall keep or cause to be kept at its office or offices designated as the appropriate place for surrender of Rights Certificates upon exercise or transfer, books for registration and transfer of the Rights Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Rights Certificates, the number of Rights evidenced on its face by each of the Rights Certificates and the certificate number and the date of each of the Rights Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Rights Certificates; Mutilated, Destroyed, Lost or Stolen Rights Certificates.

(a) Subject to Section 4(b), Section 7(e) and Section 14, at any time after the Distribution Time, and at or prior to the Expiration Time, any Rights Certificate or Rights Certificates (other than Rights Certificates representing Rights that have become null and void pursuant to Section 7(e), that have been redeemed pursuant to Section 23 or that have been exchanged pursuant to Section 24) may be transferred, split up, combined or exchanged for another Rights Certificate or Rights Certificates, entitling the registered holder to purchase a like number of one one-thousandths of a share of Preferred Stock (or, following a Triggering Event, Common Stock, other securities, cash or other assets, as the case may be) as the Rights Certificate or Rights Certificates surrendered then entitled such holder (or former holder in the case of a transfer) to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Rights Certificate or Rights Certificates shall make such request in writing delivered to the Rights Agent and shall surrender the Rights Certificate to be transferred, split up, combined or exchanged, with the form of assignment and certificate contained therein properly completed and duly executed and with all signatures guaranteed from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association (a "Signature Guarantee"), at the offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer, split up, combination or exchange of any such surrendered Rights Certificate or Rights Certificates until the registered holder has properly completed and duly executed the certificate contained in the form of assignment on the reverse side of such Rights Certificate or Rights Certificates, accompanied by a Signature Guarantee and has provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Related Persons thereof and such other documentation as the Company or the Rights Agent reasonably requests. Thereupon the Rights Agent shall, subject to Section 4(b), Section 7(e), Section 14 and Section 24, countersign and deliver to the Person entitled thereto a Rights Certificate or Rights Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of Rights Certificates. If and to the extent the Company does require payment of any such taxes or charges, the Company shall give the Rights Agent prompt written notice thereof and the Rights Agent shall not be obligated to deliver any Rights Certificate unless and until it is satisfied that all such payments have been made, and the Rights Agent shall forward any such sum collected by it to the Company or to such Persons as the Company specifies by written notice. The Rights Agent shall have no duty or obligation to take any action with respect to a Rights holder under this Agreement that requires the payment by such Rights holder of any tax or governmental charge unless and until the Rights Agent is satisfied that all such taxes and charges have been paid.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a valid Rights Certificate, and, in case of loss, theft or destruction, of indemnity or security satisfactory to them, and reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Rights Certificates if mutilated, the Company shall prepare, execute and deliver a new Rights Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered owner in lieu of the Rights Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Exercise Price; Expiration Time of Rights.

(a) Subject to Section 7(e), the registered holder of any Rights Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein including the restrictions on exercisability set forth in Section 7(c), Section 9(c), Section 11(a)(iii) and Section 23(a)) in whole or in part at any time after the Distribution Time upon surrender of the Rights Certificate, with the form of election to purchase and the certificate on the reverse side thereof properly completed and duly executed, to the Rights Agent at the office or offices of the Rights Agent designated for such purpose, accompanied by a Signature Guarantee and such other documentation as the Rights Agent may reasonably request, together with payment of the aggregate Exercise Price with respect to the total number of one one-thousandths of a share of Preferred Stock (or Common Stock, other securities, cash or other assets, as the case may be) as to which such surrendered Rights are then exercisable, and an amount equal to any applicable transfer tax or charge required to be paid under Section 9(e), at or prior to the earliest of (i) the Final Expiration Time, (ii) the time at which the Rights are redeemed as provided in Section 23, (iii) the time at which such Rights are exchanged pursuant to Section 24, (iv) the closing of any merger or other acquisition transaction involving the Company pursuant to an agreement of the type described in Section 13(f), at which time the Rights are terminated or (v) the time at which the Board determines that the Tax Attributes are utilized in all material respects or that an ownership change under Section 382 would not adversely impact in any material respect the time period in which the Company could use the Tax Attributes, or materially impair the amount of the Tax Attributes that could be used by the Company in any particular time period, for applicable tax purposes (the earliest of clauses (i), (ii), (iii), (iv) and (v) being herein referred to as the "Expiration Time"). Except for those provisions herein that expressly survive the termination of this Agreement, this Agreement shall terminate at such time as the Rights are no longer exercisable hereunder.

(b) The Exercise Price for each one one-thousandth of a share of Preferred Stock pursuant to the exercise of a Right shall initially be $20.00, and shall be subject to adjustment from time to time as provided in Section 11 and Section 13(a). The Exercise Price shall be payable in accordance with Section 7(c).

(c) Except as otherwise provided herein, upon receipt of a Rights Certificate representing exercisable Rights, with the form of election to purchase and the certificate properly completed and duly executed, accompanied by payment, with respect to each Right so exercised, of the Exercise Price per one one-thousandth of a share of Preferred Stock (or other securities, cash or other assets, as the case may be) to be purchased as set forth below and an amount equal to any applicable transfer tax or charge required to be paid by the holder of the Rights Certificate in accordance with Section 9(e), the Rights Agent shall, subject to Section 20(k), thereupon as soon as practicable (i) (A) requisition from any transfer agent of the shares of Preferred Stock (or make available, if the Rights Agent is the transfer agent for such shares) certificates for the total number of one one-thousandths of a share of Preferred Stock (or fractions of shares that are integral multiples of one one-thousandth of a share of Preferred Stock) to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests or (B) if the Company has elected to deposit the total number of shares of Preferred Stock issuable upon exercise of the Rights hereunder with a depositary agent, requisition from the depositary agent depositary receipts representing such number of one one-thousandths of a share of Preferred Stock as are to be purchased (in which case certificates for the shares of Preferred Stock represented by such receipts shall be deposited by the transfer agent with the depositary agent) and the Company shall direct the depositary agent to comply with such request, (ii) when necessary to comply with this Agreement, requisition from the Company the amount of cash, if any, to be paid in lieu of fractional shares in accordance with Section 14, (iii) after receipt of such certificates or depositary receipts, cause the same to be delivered to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder and (iv) when necessary to comply with this Agreement, after receipt thereof, deliver such cash, if any, to or upon the order of the registered holder of such Rights Certificate. The payment of the Exercise Price (as such amount may be reduced pursuant to Section 11(a)(iii)) shall be made in cash or by certified bank check or bank draft payable to the order of the Company. In the event that the Company is obligated to issue other securities (including Common Stock) of the Company, pay cash and/or distribute other property pursuant to Section 11(a), the Company shall make all arrangements necessary so that such other securities, cash and/or other property are available for distribution by the Rights Agent, if and when necessary to comply with the terms of this Agreement, and until so received, the Rights Agent shall have no duties or obligations with respect to such securities, cash and/or other property. The Company reserves the right to require prior to the occurrence of a Triggering Event that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Preferred Stock would be issued.

(d) In case the registered holder of any Rights Certificate properly exercises less than all the Rights evidenced thereby, a new Rights Certificate evidencing Rights equivalent to the Rights remaining unexercised shall be issued by the Rights Agent and delivered to, or upon the order of, the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder, subject to Section 14.

(e) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Flip-in Event, any Rights Beneficially Owned by (i) an Acquiring Person or any Related Person of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Related Person) who becomes a transferee after the Acquiring Person becomes such or (iii) a transferee of an Acquiring Person (or of any such Related Person) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person (or any Related Person thereof) to holders of equity interests in such Acquiring Person (or any Related Person thereof) or to any Person with whom such Acquiring Person (or any Related Person thereof) has any continuing agreement, arrangement or understanding, whether or not in writing, regarding the transferred Rights or (B) a transfer that the Board has determined is part of an agreement, arrangement or understanding that has as a primary purpose or effect the avoidance of this Section 7(e), shall become null and void without any further action and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall notify the Rights Agent in writing when this Section 7(e) applies and shall use commercially reasonable efforts to ensure that the provisions of this Section 7(e) and Section 4(b) are complied with, but neither the Company nor the Rights Agent shall have any liability to any holder of Rights or other Person (without limiting the rights of the Rights Agent under Section 18) as a result of the Company's failure to make any determinations with respect to an Acquiring Person or any of its Related Persons or transferees hereunder.

(f) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder has (i) properly completed and duly executed the certificate contained in the form of election to purchase set forth on the reverse side of the Rights Certificate surrendered for such exercise and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Related Persons thereof as the Company or the Rights Agent reasonably requests.

Section 8. Cancellation and Destruction of Rights Certificates. All Rights Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered to the Rights Agent, shall be canceled by the Rights Agent in accordance with the Rights Agent's procedures, which shall include the removal of the attached rights legend from the shares but would not involve physical destruction or delivery of canceled forms, and no Rights Certificates shall be issued in lieu thereof, except as expressly permitted by this Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, in accordance with the Rights Agent's procedures, which shall include the removal of the attached rights legend from the shares but would not involve physical destruction or delivery of canceled forms, any other Rights Certificates purchased or acquired by the Company otherwise than upon the exercise thereof.

Section 9. Reservation and Availability of Capital Stock.

(a) The Company shall cause to be reserved and kept available out of its authorized and unissued shares of Preferred Stock (and, following the occurrence of a Triggering Event, out of its authorized and unissued shares of Common Stock and/or other securities), the number of shares of Preferred Stock (and, following the occurrence of a Triggering Event, Common Stock and/or other securities, if any) that, as provided in this Agreement, including Section 11(a)(iii), shall be sufficient to permit the exercise in full of all outstanding Rights.

(b) So long as the shares of Preferred Stock (and, following the occurrence of a Triggering Event, Common Stock and/or other securities, if any) issuable and deliverable upon the exercise of the Rights may be listed on any national securities exchange, the Company shall use commercially reasonable efforts to cause, from and after such time as the Rights become exercisable, all shares (and other securities, if any) reserved for such issuance to be listed on such exchange, upon official notice of issuance upon such exercise.

(c) If the Company is required to file a registration statement pursuant to the Securities Act with respect to the securities purchasable upon exercise of the Rights, the Company shall use its reasonable best efforts to (i) prepare and file, as soon as practicable following the earliest date after the first occurrence of a Flip-in Event on which the consideration to be delivered by the Company upon exercise of the Rights has been determined in accordance with Section 11(a)(iii), or as soon as is required by applicable law following the Distribution Time, as the case may be, a registration statement under the Securities Act with respect to the securities purchasable upon exercise of the Rights on an appropriate form, (ii) cause such registration statement to become effective as soon as practicable after such filing and (iii) cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities and (B) the Expiration Time. The Company shall also take such action as may be appropriate under, or to ensure compliance with, the securities or "blue sky" laws of the various states in connection with the exercisability of the Rights. The Company may temporarily suspend (with prompt written notice to the Rights Agent), for a period of time not to exceed ninety (90) days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public announcement (with prompt written notice thereof to the Rights Agent) stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement (with prompt written notice thereof to the Rights Agent) at such time as the suspension is no longer in effect. In addition, if the Company determines that a registration statement is required following the Distribution Time, and a Flip-in Event has not occurred, the Company may temporarily suspend (with prompt written notice thereof to the Rights Agent) the exercisability of Rights until such time as a registration statement has been declared effective. Notwithstanding any provision of this Agreement to the contrary, the Rights shall not be exercisable in any jurisdiction if the requisite qualification or exemption in such jurisdiction shall not have been obtained, the exercise thereof shall not be permitted under applicable law or a registration statement shall not have been declared effective.

(d) The Company shall take all such actions as may be necessary to ensure that all one one-thousandths of a share of Preferred Stock (and, following the occurrence of a Triggering Event, shares of Common Stock and/or other securities, if any) delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares and/or other securities (subject to payment of the Exercise Price), be duly and validly authorized and issued and fully paid and nonassessable.

(e) The Company shall be responsible for the payment of any and all transfer taxes and governmental charges that may be payable in respect of the issuance or delivery of the Rights Certificates and of any certificates for a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities) upon the exercise of Rights. The Company shall not, however, be required to pay any tax or charge that may be payable in respect of any transfer or delivery of Rights Certificates to a Person other than, or the issuance or delivery of a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities) in respect of a name other than that of, the registered holder of the Rights Certificates evidencing Rights surrendered for exercise or to issue or deliver any certificates for a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities) in a name other than that of the registered holder upon the exercise of any Rights until such tax has been paid (any such tax being payable by the holder of such Rights Certificate at the time of surrender) or until it has been established to the Company's satisfaction that no such tax or charge is due.

Section 10. Preferred Stock Record Date. Each Person in whose name any certificate for shares of Preferred Stock (or Common Stock and/or other securities) is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of such shares of Preferred Stock (or Common Stock and/or other securities) represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered and payment of the Exercise Price (and all applicable transfer taxes) was made; provided, however, that if the date of such surrender and payment is a date upon which the applicable transfer books of the Company are closed, such Person shall be deemed to have become the record holder of such securities (fractional or otherwise) on, and such certificate shall be dated, the next succeeding Business Day on which the applicable transfer books of the Company are open; provided, further, that if delivery of a number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities) is delayed pursuant to Section 9(c), such Persons shall be deemed to have become the record holders of such number of one one-thousandths of a share of Preferred Stock (or Common Stock and/or other securities) only when such shares of Preferred Stock (or Common Stock and/or other securities) first become deliverable. Prior to the exercise of the Rights evidenced thereby, the holder of a Rights Certificate shall not be entitled to any rights of a stockholder of the Company with respect to shares or other securities for which the Rights are exercisable, including the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Exercise Price, Number and Kind of Shares or Number of Rights. The Exercise Price, the number and kind of shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) *Stock Dividends, Recapitalizations, Mergers, etc.; Flip-in Events.*

(i) In the event the Company at any time after the date of this Agreement (A) declares a dividend on any outstanding shares of Preferred Stock payable in shares of Preferred Stock, (B) subdivides any outstanding shares of Preferred Stock, (C) combines any outstanding shares of Preferred Stock into a smaller number of shares or (D) issues any shares of its capital stock in a reclassification of the Preferred Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving entity), except as otherwise provided in this Section 11(a) and Section 7(e), the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares (or fractions thereof) of Preferred Stock or capital stock, as the case may be, issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the Exercise Price then in effect, the aggregate number and kind of shares (or fractions thereof) of Preferred Stock or capital stock, as the case may be, that, if such Right had been exercised immediately prior to such date and at a time when the applicable transfer books of the Company were open, such holder would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. If an event occurs that would require an adjustment under both this Section 11(a)(i) and Section 11(a)(ii), the adjustment provided for in this Section 11(a)(i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a)(ii).

(ii) Subject to Section 24, in the event any Person (other than any Exempt Person) becomes an Acquiring Person (such event, a "Flip-in Event"), unless the event causing such Person to become an Acquiring Person is a Flip-over Event, then proper provision shall be made so that promptly following the Redemption Period, each holder of a Right (except as provided below and in Section 7(e)) thereafter has the right to receive, upon exercise thereof at a price equal to the then-current Exercise Price in accordance with the terms of this Agreement, in lieu of a number of one one-thousandths of a share of Preferred Stock, such number of shares of Common Stock as shall be equal to the result obtained by (A) multiplying the then-current Exercise Price by the number of one one-thousandths of a share of Preferred Stock for which a Right was exercisable immediately prior to the first occurrence of a Flip-in Event and (B) dividing that product (which, following such first occurrence shall thereafter be referred to as the "Exercise Price" for each Right and for all purposes of this Agreement) by fifty percent (50%) of the Current Market Price per share of Common Stock on the date of such first occurrence (such number of shares, the "Adjustment Shares").

(iii) In the event that the number of shares of Common Stock authorized by the Charter, but not outstanding or reserved for issuance for purposes other than upon exercise of the Rights, is not sufficient to permit the exercise in full of the Rights in accordance with Section 11(a)(ii), the Board shall, to the extent permitted by applicable law and by any agreements or instruments then in effect to which the Company is a party, (A) determine the excess of (1) the value of the Adjustment Shares issuable upon the exercise of a Right (the "Current Value") over (2) the Exercise Price (such excess being the "Spread") and (B) with respect to each Right (subject to Section 7(e)), make adequate provision to substitute for some or all of the Adjustment Shares, upon the exercise of a Right and payment of the applicable Exercise Price, (1) cash, (2) a reduction in the Exercise Price, (3) shares or fractions of a share of preferred stock or other equity securities of the Company (including shares, or units of shares, of preferred stock, such as the Preferred Stock, that the Board has determined to have substantially the same value or economic rights as shares of Common Stock) (such shares of equity securities being herein called "Common Stock Equivalents"), (4) debt securities of the Company, (5) other assets, or (6) any combination of the foregoing, having an aggregate value equal to the Current Value (less the amount of any reduction in the Exercise Price), where such aggregate value has been determined by the Board based upon the advice of a financial advisor selected by the Board; provided, however, that if the Company has not made adequate provision to deliver value pursuant to clause (B) above within thirty (30) days following the later of (x) the first occurrence of a Flip-in Event and (y) the date on which the Redemption Period expires (the "Flip-in Trigger Date"), then the Company shall be obligated to deliver, to the extent permitted by applicable law, upon the surrender for exercise of a Right and without requiring payment of the Exercise Price, shares of Common Stock (to the extent available), and then, if necessary, such number or fractions of shares of Preferred Stock (to the extent available) and then, if necessary, cash, which shares and/or cash have an aggregate value equal to the Spread. If, upon the occurrence of a Flip-in Event, the Board determines in good faith that it is likely that sufficient additional shares of Common Stock could be authorized for issuance upon exercise in full of the Rights, the thirty (30)-day period set forth above may be extended to the extent necessary, but not more than ninety (90) days after the Flip-in Trigger Date, in order that the Company may seek stockholder approval for the authorization of such additional shares (such thirty (30)-day period, as it may be extended, the "Substitution Period"). To the extent the Company determines that action should be taken pursuant to the first sentence or second sentence of this Section 11(a)(iii), the Company (x) shall provide, subject to Section 7(e), that such action shall apply uniformly to all outstanding Rights and (y) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek such stockholder approval for authorization of additional shares and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect (with prompt written notice of such announcements to the Rights Agent). For purposes of this Section 11(a)(iii), the value of each Adjustment Share shall be the Current Market Price per share of Common Stock on the Flip-in Trigger Date, and the value of any Common Stock Equivalent shall be deemed to equal the Current Market Price per share of the Common Stock on such date. The Board may establish procedures to allocate the right to receive shares of Common Stock upon the exercise of the Rights among holders of Rights pursuant to this Section 11(a)(iii).

(b) In case the Company fixes a record date for the issuance of rights (other than the Rights), options or warrants to all holders of Preferred Stock entitling them to subscribe for or purchase (for a period expiring within forty-five (45) days after such record date) Preferred Stock (or shares having the same rights, privileges and preferences as the shares of Preferred Stock ("Equivalent Preferred Stock")) or securities convertible into Preferred Stock or Equivalent Preferred Stock at a price per share of Preferred Stock or per share of Equivalent Preferred Stock (or having a conversion price per share, if a security convertible into Preferred Stock or Equivalent Preferred Stock) less than the Current Market Price per share of Preferred Stock on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of shares of Preferred Stock and/or Equivalent Preferred Stock outstanding on such record date, plus the number of shares of Preferred Stock and/or Equivalent Preferred Stock that the aggregate offering price of the total number of shares of Preferred Stock and/or Equivalent Preferred Stock so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Current Market Price, and the denominator of which shall be the number of shares of Preferred Stock and/or Equivalent Preferred Stock outstanding on such record date, plus the number of additional shares of Preferred Stock and/or Equivalent Preferred Stock to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid by delivery of consideration part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Shares of Preferred Stock and Equivalent Preferred Stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, the Exercise Price shall be adjusted to be the Exercise Price that would then be in effect if such record date had not been fixed.

(c) In case the Company fixes a record date for a distribution to all holders of Preferred Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving entity) of evidences of indebtedness, cash (other than a regular periodic cash dividend out of the earnings or retained earnings of the Company), assets (other than a dividend payable in Preferred Stock, but including any dividend payable in stock other than Preferred Stock) or subscription rights, options or warrants (excluding those referred to in Section 11(b)), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the Current Market Price per share of Preferred Stock on such record date, less the fair market value (as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a share of Preferred Stock and the denominator of which shall be such Current Market Price per share of Preferred Stock. Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price that would have been in effect if such record date had not been fixed.

(d) *Current Market Price.*

(i) For the purpose of any computation hereunder, other than computations made pursuant to Section 11(a)(iii), the "Current Market Price" per share of common stock (or similar equity interest) of an issuer on any date shall be deemed to be the average of the daily Closing Prices per share of such common stock (or other security) for the thirty (30) consecutive Trading Days immediately prior to but not including such date, and for purposes of computations made pursuant to Section 11(a)(iii), the "Current Market Price" per share of Common Stock on any date shall be deemed to be the average of the daily Closing Prices per share of such Common Stock for the ten (10) consecutive Trading Days immediately following but not including such date; provided, however, that in the event that the Current Market Price per share of common stock (or other security) of an issuer is determined during a period following the announcement by the issuer of such common stock (or other security) of (A) a dividend or distribution on such common stock (or other security) payable in shares of such common stock (or other security) or securities convertible into shares of such common stock (or other security) (other than the Rights) or (B) any subdivision, combination or reclassification of such common stock (or other security), and the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification shall not have occurred prior to the commencement of the requisite thirty (30) Trading Day or ten (10) Trading Day period, as set forth above, then, and in each such case, the "Current Market Price" shall be properly adjusted, as determined in good faith by the Board, to take into account any trading during the period prior to such ex-dividend date or record date. If an issuer's shares of common stock (or other security) are not publicly held or not so listed or traded, "Current Market Price" per share shall mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(ii) For the purpose of any computation hereunder, the "Current Market Price" per share of Preferred Stock shall be determined in the same manner as set forth above for the Common Stock in Section 11(d)(i) (other than the last sentence thereof). If the Current Market Price per share of Preferred Stock cannot be determined in the manner provided above, or if the Preferred Stock is not publicly held or listed or traded in a manner described in Section 11(d)(i), the "Current Market Price" per share of Preferred Stock shall be conclusively deemed to be an amount equal to 1,000 (as such number may be appropriately adjusted for such events as stock splits, reverse stock splits, stock dividends and recapitalizations with respect to the Common Stock occurring after the date of this Agreement) multiplied by the Current Market Price per share of the Common Stock. If neither the Common Stock nor the Preferred Stock is publicly held or so listed or traded, "Current Market Price" per share of the Preferred Stock shall mean the fair value per share as determined in good faith by the Board, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. For all purposes of this Agreement, the "Current Market Price" of one one-thousandth of a share of Preferred Stock shall be equal to the Current Market Price of one share of Preferred Stock divided by 1,000.

(e) Notwithstanding anything in this Agreement to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in the Exercise Price; provided, however, that any adjustments that by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one ten-thousandth of a share of Common Stock or one one-millionth of a share of Preferred Stock or one ten-thousandth of any other share or security, as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than the earlier of (i) three (3) years from the date of the transaction that mandates such adjustment and (ii) the Expiration Time.

(f) If as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a), the holder of any Right thereafter exercised becomes entitled to receive any shares of capital stock other than Preferred Stock, thereafter the number of such other shares so receivable upon exercise of any Right and the Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Stock contained in Sections 11(a), (b), (c), (e), (g), (h), (i), (j), (k) and (m), and the provisions of Sections 7, 9, 10, 13 and 14 with respect to the Preferred Stock shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of one one-thousandths of a share of Preferred Stock (or other securities, other assets or amount of cash or combination thereof) purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company has exercised its election as provided in Section 11(i), upon each adjustment of the Exercise Price as a result of the calculations made in Section 11(b) and Section 11(c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of one-thousandths of a share of Preferred Stock (calculated to the nearest one-millionth) obtained by (i) multiplying (A) the number of one one-thousandths of a share covered by a Right immediately prior to this adjustment, by (B) the Exercise Price in effect immediately prior to such adjustment of the Exercise Price and (ii) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.

(i) The Company may elect on or after the date of any adjustment of the Exercise Price to adjust the number of Rights, in lieu of any adjustment in the number of one one-thousandths of a share of Preferred Stock purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of one one-thousandths of a share of Preferred Stock for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Exercise Price in effect immediately prior to adjustment of the Exercise Price by the Exercise Price in effect immediately after adjustment of the Exercise Price. The Company shall make a public announcement (with prompt written notice thereof to the Rights Agent) of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at least ten (10) days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date Rights Certificates evidencing, subject to Section 14, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Exercise Price) and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Exercise Price or the number of one one-thousandths of a share of Preferred Stock issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per one one-thousandth of a share and the number of one one-thousandths of a share that were expressed in the initial Rights Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Exercise Price below the then stated value, if any, of the number of one one-thousandths of a share of Preferred Stock issuable upon exercise of the Rights, the Company shall take any corporate action that may, upon advice of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable shares of Preferred Stock at such adjusted Exercise Price.

(l) In any case in which this Section 11 requires that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer (with prompt written notice thereof to the Rights Agent) until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of one one-thousandths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the number of one one-thousandths of a share of Preferred Stock and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment (and shall provide the Rights Agent prompt written notice of such election); provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or securities upon the occurrence of the event requiring such adjustment.

(m) Notwithstanding anything in this Section 11 to the contrary, the Company shall be entitled (but not obligated) to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that the Board, in its good faith judgment, shall determine to be advisable in order that any (i) consolidation or subdivision of the Preferred Stock, (ii) issuance wholly for cash of any shares of Preferred Stock at less than the Current Market Price, (iii) issuance wholly for cash of shares of Preferred Stock or securities that by their terms are convertible into or exchangeable for shares of Preferred Stock, (iv) stock dividends or (v) issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to holders of Preferred Stock shall not be taxable to such stockholders.

(n) The Company shall not, at any time after the Distribution Time, (i) consolidate with any other Person (other than a direct or indirect, wholly-owned Subsidiary of the Company in a transaction that complies with Section 11(o)), (ii) merge with or into any other Person (other than a direct or indirect, wholly-owned Subsidiary of the Company in a transaction that complies with Section 11(o)), or (iii) sell or transfer (or permit any Subsidiary to sell or transfer), in one transaction, or a series of related transactions, assets, cash flow or earning power aggregating to fifty percent (50%) or more of the assets, cash flow or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o)), if (A) at the time of or immediately after such consolidation, merger, sale or transfer there are any rights, warrants or other instruments or securities outstanding or agreements in effect that would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (B) prior to, simultaneously with or immediately after such consolidation, merger, sale or transfer, the stockholders of the Person who constitutes, or would constitute, the "Flip-over Party" for purposes of Section 13(b) shall have received a distribution of Rights previously owned by such Person or any of its Related Persons; provided, however, that this Section 11(n) shall not affect the ability of any Subsidiary of the Company to consolidate with, merge with or into, or sell or transfer assets or earning power to, any other Subsidiary of the Company.

(o) After the Distribution Time and as long as any Rights are outstanding (other than Rights that have become null and void pursuant to Section 7(e)), the Company shall not, except as permitted by Section 23, Section 24 or Section 27, take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) Notwithstanding anything in this Agreement to the contrary, in the event that the Company at any time after the Rights Dividend Declaration Date and prior to the Distribution Time (i) declares a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivides any outstanding shares of Common Stock, (iii) combines any of the outstanding shares of Common Stock into a smaller number of shares or (iv) issues any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving entity), then the number of Rights associated with each share of Common Stock then outstanding, or issued or delivered thereafter but prior to the Distribution Time, shall be proportionately adjusted so that the number of Rights thereafter associated with each share of Common Stock following any such event equals the result obtained by multiplying the number of Rights associated with each share of Common Stock immediately prior to such event by a fraction the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to the occurrence of the event and the denominator of which shall be the total number of shares of Common Stock outstanding immediately following the occurrence of such event. The adjustments provided for in this Section 11(p) shall be made successively whenever such a dividend is declared or paid or such a subdivision, combination or reclassification is effected. If an event occurs that would require an adjustment under Section 11(a)(ii) and this Section 11(p), the adjustments provided for in this Section 11(p) shall be in addition to, and prior to, any adjustment required pursuant to Section 11(a)(ii).

Section 12. Certificate of Adjusted Exercise Price or Number of Shares. Whenever an adjustment is made as provided in Section 11 or Section 13, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief, reasonably detailed statement of the facts and computations accounting for such adjustment, (b) promptly file with the Rights Agent, and with each transfer agent for the Preferred Stock and the Common Stock, a copy of such certificate and (c) if a Distribution Time has occurred, mail a brief summary thereof to each holder of a Rights Certificate in accordance with Section 26(c). Notwithstanding the foregoing sentence, the failure of the Company to make such certification, give such notice or mail such summary shall not affect the validity of or the force or effect of the requirement for such adjustment. Any adjustment to be made pursuant to Section 11 or Section 13 shall be effective as of the date of the event giving rise to such adjustment. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment or statement therein contained and shall have no duty or liability with respect to, and shall not be deemed to have knowledge of, such adjustment unless and until it shall have received such certificate.

Section 13. Consolidation, Merger or Sale or Transfer of Assets, Cash Flow or Earning Power.

(a) In the event that, following the Stock Acquisition Date, directly or indirectly, (i) the Company shall consolidate with, or merge with and into, any other Person (other than a direct or indirect, wholly-owned Subsidiary of the Company in a transaction that complies with Section 11(o)), and the Company is not the continuing or surviving entity of such consolidation or merger, (ii) any Person (other than a direct or indirect, wholly-owned Subsidiary of the Company in a transaction that complies with Section 11(o)) shall engage in a share exchange with or shall consolidate with, or merge with or into, the Company, and the Company is the continuing or surviving entity of such consolidation or merger and, in connection with such share exchange, consolidation or merger, all or part of the outstanding shares of Common Stock is converted into or exchanged for stock or other securities of any other Person or cash or any other property or (iii) the Company sells or otherwise transfers (or one or more of its direct or indirect, wholly-owned Subsidiaries sells or otherwise transfers) in one transaction or a series of related transactions, assets, cash flow or earning power aggregating to fifty percent (50%) or more of the assets, cash flow or earning power of the Company and its Subsidiaries (taken as a whole) to any Person or Persons (other than the Company or any of its direct or indirect, wholly-owned Subsidiaries in one or more transactions each of which complies with Section 11(o)) (any event described in clause (i), (ii) or (iii) of this Section 13(a) following the Stock Acquisition Date, a "Flip-over Event"), then, and in each such case, proper provision shall be made so that: (A) each holder of a Right, except as provided in Section 7(e), shall have the right to receive upon the exercise thereof at the then-current Exercise Price in accordance with the terms of this Agreement, in lieu of a number of one one-thousandths of a share of Preferred Stock, such number of validly authorized and issued, fully paid, nonassessable and freely tradeable shares of Flip-over Stock, not subject to any liens, encumbrances, rights of first refusal or other adverse claims, as shall be equal to the result obtained by (1) multiplying the then-current Exercise Price by the number of one one-thousandths of a share of Preferred Stock for which a Right is exercisable immediately prior to the first occurrence of a Flip-over Event (or, if a Flip-in Event has occurred prior to the first occurrence of a Flip-over Event, multiplying the number of such one one-thousandths of a share of Preferred Stock for which a Right was exercisable immediately prior to the first occurrence of a Flip-in Event by the Exercise Price in effect immediately prior to such first occurrence) and (2) dividing that product (which, following the first occurrence of a Flip-over Event, shall be referred to as the "Exercise Price" for each Right and for all purposes of this Agreement) by fifty percent (50%) of the Current Market Price (determined pursuant to Section 11(d)(i)) per share of the Flip-over Stock on the date of consummation of such Flip-over Event; (B) such Flip-over Party shall thereafter be liable for, and shall assume, by virtue of such Flip-over Event, all the obligations and duties of the Company pursuant to this Agreement; (C) the term "Company" shall thereafter be deemed to refer to such Flip-over Party, it being specifically intended that the provisions of Section 11 shall apply only to such Flip-over Party following the first occurrence of a Flip-over Event; (D) such Flip-over Party shall take such steps (including the reservation of a sufficient number of shares of Flip-over Stock) in connection with the consummation of any such transaction as may be necessary to ensure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to its shares of Common Stock thereafter deliverable upon the exercise of the Rights; and (E) the provisions of Section 11(a)(ii) shall be of no effect following the first occurrence of any Flip-over Event.

(b) "Flip-over Party" shall mean:

(i) in the case of any transaction described in Section 13(a)(i) or (ii), (A) the Person (including the Company as successor thereto or as the surviving entity) that is the issuer of any securities into which shares of Common Stock are converted or exchanged in such share exchange, consolidation or merger, or, if there is more than one such issuer, the issuer whose common stock (or similar equity interest) has the highest aggregate market value; and (B) if no securities are so issued, (1) the Person that is the other party to such merger, if such Person survives the merger, or, if there is more than one such Person, the Person whose common stock (or similar equity interest) has the highest aggregate market value, (2) if the Person that is the other party to such share exchange, consolidation or merger does not survive the merger, the Person that does survive the merger (including the Company, if it survives) or (3) the Person resulting from the consolidation; and

(ii) in the case of any transaction described in Section 13(a)(iii), the Person that is the party receiving the greatest portion of the assets, cash flow or earning power transferred pursuant to such transaction or transactions, or, if each Person that is a party to such transaction or transactions receives the same portion of the assets, cash flow or earning power transferred pursuant to such transaction or transactions or if the Person receiving the greatest portion of the assets, cash flow or earning power cannot be determined, whichever such Person the common stock (or similar equity interest) of which has the highest aggregate market value;

provided, however, that in any such case described in subparagraph (i) or (ii) of this Section 13(b), (x) if the common stock (or similar equity interest) of such Person is not at such time and has not been continuously over the preceding twelve (12)-month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person, the common stock (or similar equity interest) of which is and has been so registered, "Flip-over Party" shall refer to such other Person; (y) in case such Person is a Subsidiary, directly or indirectly, of more than one Person, the common stock (or similar equity interest) of two (2) or more of which are and have been so registered, "Flip-over Party" shall refer to whichever of such Persons is the issuer of the common stock (or similar equity interest) having the greatest aggregate market value; and (z) if the common stock (or similar equity interest) of such Person is not at such time and has not been so registered and such Person is owned, directly or indirectly, by a joint venture formed by two (2) or more Persons that are not owned, directly or indirectly, by the same Person, the rules set forth in the foregoing clauses (x) and (y) will apply to each of the chains of ownership having an interest in such joint venture as if such Person were a Subsidiary of both or all of such joint ventures, and the Flip-over Parties in each such chain shall bear the obligations set forth in this Section 13 in the same ratio as their direct or indirect interests in such Person bear to the total of such interests.

(c) The Company shall not consummate any Flip-over Event unless (x) the Flip-over Party has a sufficient number of authorized shares of Flip-over Stock (or similar equity interest) that have not been issued or reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13, (y) prior thereto the Company and such Flip-over Party shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in Section 13(a) and Section 13(b) and (z) as soon as practicable after the date of any exchange, consolidation, merger, sale or transfer of assets mentioned in Section 13(a), the Flip-over Party, at its own expense, shall:

(i) if required to file a registration statement under the Securities Act with respect to the Rights and the securities purchasable upon exercise of the Rights, (A) prepare and file such registration statement on an appropriate form and (B) use its reasonable best efforts to cause such registration statement to become effective as soon as practicable after such filing and remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Time;

(ii) qualify or register the Rights and take such action as may be required to ensure that any such acquisition of such securities purchasable upon exercise of the Rights under blue sky laws of each jurisdiction, as may be necessary or appropriate;

(iii) deliver to holders of the Rights historical financial statements for the Flip-over Party and each of its Affiliates that comply in all respects with the requirements for registration on Form 10 under the Exchange Act;

(iv) use its reasonable best efforts to obtain any and all necessary regulatory approvals as may be required with respect to the securities purchasable upon exercise of the Rights;

(v) use its reasonable best efforts, if the common stock of the Flip-over Party is listed or admitted to trading on Nasdaq, the NYSE or on another national securities exchange, to list or admit to trading (or continue the listing of) the Rights and the securities purchasable upon exercise of the Rights on Nasdaq, the NYSE or on such securities exchange, or if the securities of the Flip-over Party that may be acquired upon exercise of the Rights are not listed or admitted to trading on Nasdaq, the NYSE or on another national securities exchange, to cause the Rights and the securities purchasable upon exercise of the Rights to be authorized for quotation on any other system then in use; and

(vi) obtain waivers of any rights of first refusal or preemptive rights in respect of the common stock of the Flip-over Party subject to purchase upon exercise of outstanding Rights.

(d) In case the Flip-over Party has, at any relevant time (including the time of the Flip-over Event or immediately thereafter), a provision in any of its authorized securities or in its certificate or articles of incorporation, bylaws or other instrument governing its affairs, or any other agreements or arrangements, which provision would have the effect of (i) causing such Flip-over Party to issue (other than to holders of Rights pursuant to this Section 13), in connection with, or as a consequence of, the consummation of a Flip-over Event, shares of common stock (or similar equity interests) of such Flip-over Party at less than the then Current Market Price or securities exercisable for, or convertible into, common stock of such Flip-over Party at less than such then Current Market Price; (ii) providing for any special payment, tax or similar provision in connection with the issuance of common stock of such Flip-over Party pursuant to this Section 13 or (iii) otherwise eliminating or substantially diminishing the benefits intended to be afforded by the Rights in connection with, or as a consequence of, a Flip-over Event, then in each such case, the Company may not consummate any such Flip-over Event unless prior thereto, the Company and such Flip-over Party have executed and delivered to the Rights Agent a supplemental agreement providing that the provision in question of such Flip-over Party has been canceled, waived or amended, or that the authorized securities have been redeemed, so that the applicable provision will have no effect in connection with, or as a consequence of, the consummation of such Flip-over Event.

(e) The Company covenants and agrees that it shall not, at any time after a Flip-in Event, enter into any transaction of the type described in Section 13(a)(i) through Section 13(a)(iii) if (i) at the time of or immediately after such transaction there are any rights, warrants or other instruments or securities outstanding or agreements in effect that would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights; (ii) prior to, simultaneously with or immediately after such transaction, the stockholders of the Person who constitutes, or would constitute, the Flip-over Party for purposes of Section 13(b) have received a distribution of Rights previously owned by such Person or any Related Person thereof or (iii) the form or nature of organization of the Flip-over Party would preclude or limit the exercisability of the Rights.

(f) Notwithstanding anything herein to the contrary, in the event of any merger or acquisition transaction involving the Company pursuant to a merger or other acquisition agreement between the Company and any Person (or one or more of such Person's Related Persons), which agreement has been approved by the Board prior to any Person becoming an Acquiring Person, this Agreement and the rights of holders of Rights hereunder shall be terminated in accordance with Section 7(a).

(g) The provisions of this Section 13 shall similarly apply to successive exchanges, consolidations, mergers, sales or other transfers. In the event that a Flip-over Event occurs at any time after the occurrence of a Flip-in Event, the Rights that have not theretofore been exercised shall thereafter become exercisable in the manner described in Section 13(a).

Section 14. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractions of Rights, except prior to the Distribution Time as provided in Section 11, or to distribute Rights Certificates that evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For purposes of this Section 14(a), the current market value of a whole Right shall be the Closing Price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable.

(b) The Company shall not be required to issue fractions of shares of Preferred Stock (other than fractions that are integral multiples of one one-thousandth of a share of Preferred Stock) upon exercise of the Rights or to distribute certificates that evidence fractional shares of Preferred Stock (other than fractions that are integral multiples of one one-thousandth of a share of Preferred Stock). Fractions of shares of Preferred Stock in integral multiples of one one-thousandth of a share may, at the election of the Company, be evidenced by depositary receipts pursuant to an appropriate agreement between the Company and a depositary selected by it; provided, however, that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as Beneficial Owners of the shares represented by such depositary receipts. In lieu of fractional shares of Preferred Stock that are not integral multiples of one one-thousandth of a share of Preferred Stock, the Company shall pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one one-thousandth of a share of Preferred Stock. For purposes of this Section 14(b), the current market value of one one-thousandth of a share of Preferred Stock shall be one one-thousandth of the Closing Price of a share of Preferred Stock for the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of a Triggering Event, the Company shall not be required to issue fractions of shares of Common Stock, Common Stock Equivalents or other securities upon exercise of the Rights or to distribute certificates that evidence fractional shares of Common Stock, Common Stock Equivalents or other securities. In lieu of fractional shares of Common Stock, Common Stock Equivalents or other securities, the Company shall pay to the registered holders of Rights Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one share of Common Stock, Common Stock Equivalents or such other securities. For purposes of this Section 14(c), the current market value of one share of Common Stock or other security (other than a Common Stock Equivalent) shall be the Closing Price of one share of Common Stock or such other security, as applicable, for the Trading Day immediately prior to the date of such exercise, and the current market value of a Common Stock Equivalent shall be deemed to equal the Closing Price of one share of Common Stock for the Trading Day immediately prior to the date of such exercise.

(d) The holder of a Right by the acceptance of the Rights expressly waives such holder's right to receive any fractional Rights or any fractional shares upon exercise of a Right, except as permitted by this Section 14.

(e) Whenever a payment for fractional Rights or fractional shares is to be made by the Rights Agent under this Agreement, the Company shall (i) promptly prepare and deliver to the Rights Agent a certificate setting forth in reasonable detail the facts related to such payment and the prices or formulas utilized in calculating such payments and (ii) provide sufficient monies to the Rights Agent in the form of fully collected funds to make such payments. The Rights Agent shall be fully protected in relying upon such a certificate and has no duty with respect to, and will not be deemed to have knowledge of, any payment for fractional Rights or fractional shares under any Section of this Agreement relating to the payment of fractional Rights or fractional shares unless and until the Rights Agent has received such a certificate and sufficient monies.

Section 15. Rights of Action. All rights of action in respect of this Agreement, other than rights of action vested in the Rights Agent pursuant to the terms of this Agreement, are vested in the respective registered holders of the Rights Certificates (and, prior to the Distribution Time, the registered holders of the Common Stock); and any registered holder of any Rights Certificate (or, prior to the Distribution Time, any registered holder of shares of Common Stock), without the consent of the Rights Agent or of the holder of any other Rights Certificate (or, prior to the Distribution Time, of the Common Stock), may, in such holder's own behalf and for such holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company or any other Person to enforce, or otherwise act in respect of, such holder's right to exercise the Rights evidenced by such Rights Certificate in the manner provided in such Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement by the Company and shall be entitled to specific performance of the obligations hereunder and injunctive relief against actual or threatened violations of the obligations of the Company subject to this Agreement.

Section 16. Agreement of Rights Holders. Every holder of a Right, by accepting such Right, consents and agrees with the Company and the Rights Agent and with every holder of a Right that:

(a) prior to the Distribution Time, the Rights shall be transferable only in connection with the transfer of Common Stock;

(b) after the Distribution Time, the Rights Certificates shall be transferable only on the registry books of the Rights Agent if surrendered at the offices of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates properly completed and duly executed, accompanied by a Signature Guarantee and such other documentation as the Rights Agent may reasonably request;

(c) subject to Section 6(a) and Section 7(f), the Company and the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Distribution Time, any associated Common Stock certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Rights Certificates or any associated Common Stock certificates made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent, subject to the last sentence of Section 7(e), shall be required to be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree, judgment or ruling (whether interlocutory or final) issued by a court of competent jurisdiction or by a governmental, regulatory, self-regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation; provided, however, that the Company shall use commercially reasonable efforts to have any such injunction, order, decree, judgment or ruling lifted or otherwise overturned as promptly as practicable.

Section 17. Rights Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose to be the holder of the number of one one-thousandths of a share of Preferred Stock or any other securities of the Company that may at any time be issuable upon the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Rights Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent.

(a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder in accordance with a fee schedule to be mutually agreed upon and, from time to time, on demand of the Rights Agent, its reasonable and documented expenses and counsel fees and disbursements and other disbursements incurred in the preparation, negotiation, execution, administration, delivery and amendment of this Agreement and the exercise and performance of its duties hereunder. The Company also covenants and agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, damage, judgment, fine, penalty, claim, demand, settlement, cost or expense (including the reasonable fees and expenses of legal counsel) that may be paid, incurred or suffered by it, or to which it may become subject, without gross negligence, bad faith or willful misconduct on the part of the Rights Agent (which gross negligence, bad faith or willful misconduct must be determined by a final, non-appealable judgment of a court of competent jurisdiction) for any action taken, suffered or omitted by the Rights Agent in connection with the execution, acceptance, administration, exercise and performance of its duties under this Agreement, including the reasonable costs and expenses of defending against any claim of liability arising therefrom, directly or indirectly, or of enforcing its rights under this Agreement.

(b) The Rights Agent shall be authorized and protected and shall incur no liability for or in respect of any action taken, suffered or omitted to be taken by it in connection with its acceptance and administration of this Agreement and the exercise and performance of its duties hereunder in reliance upon any Rights Certificate or certificate for Common Stock or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, instruction, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be duly signed, executed and, where necessary, guaranteed, verified or acknowledged, by the proper Person or Persons, or otherwise upon the advice of counsel as set forth in Section 20. The Rights Agent shall not be deemed to have knowledge of any event of which it was supposed to receive notice thereof hereunder, and the Rights Agent shall be fully protected and shall incur no liability for failing to take action in connection with any event unless and until it has received notice of such event in writing in accordance with Section 26.

(c) To the extent the Company is not also a party to an action, proceeding, suit or claim against the Rights Agent concerning this Agreement or the performance by the Rights Agent of its duties hereunder, the Rights Agent shall as promptly as practicable notify the Company in accordance with Section 26 of the assertion of such action, proceeding, suit or claim against the Rights Agent after the Rights Agent has actual notice of such assertion of an action, proceeding, suit or claim or has been served with the summons or other first legal process giving information as to the nature and basis of the action, proceeding, suit or claim; provided, however, that the failure to provide such notice shall not affect the rights of the Rights Agent hereunder, except to the extent a court of competent jurisdiction determines that such failure actually prejudiced the Company. The Company shall be entitled to participate, at its own expense, in the defense of any such action, proceeding, suit or claim, if the Company so elects. The Rights Agent agrees not to settle any litigation in connection with any action, proceeding, suit or claim with respect to which it may seek indemnification from the Company without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed.

(d) The provisions of this Section 18 and Section 20 shall survive the termination of this Agreement, the resignation, replacement or removal of the Rights Agent and the exercise, termination and expiration of the Rights. Notwithstanding anything in this Agreement to the contrary, in no event shall the Rights Agent be liable for special, punitive, incidental, indirect or consequential loss or damage of any kind whatsoever, even if the Rights Agent has been advised of the likelihood of such loss or damage and regardless of the form of the action. Notwithstanding anything to the contrary herein, any liability of the Rights Agent under this Agreement shall be limited to the amount of fees (but not including any reimbursed costs) paid by the Company to the Rights Agent during the twelve (12) months immediately preceding the event for which recovery from the Rights Agent is being sought.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

(a) Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any Person succeeding to the stock transfer or other shareholder services business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that such Person would be eligible for appointment as a successor Rights Agent under Section 21. The purchase of all or substantially all of the Rights Agent's assets employed in the performance of the transfer agent activities shall be deemed a merger or consolidation for purposes of this Section 19. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates has been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at the time any of the Rights Certificates has not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent is changed, and at such time any of the Rights Certificates has been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case, at that time, any of the Rights Certificates has not been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes to perform only the duties and obligations expressly set forth in this Agreement, and no implied duties or obligations shall be read into this Agreement against the Rights Agent. The Rights Agent shall perform such duties and obligations upon the following terms and conditions, by all of which the Company and the holders of Rights, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel selected by it (who may be legal counsel for the Rights Agent or the Company or an employee of the Rights Agent), and the advice or opinion of such counsel shall be full and complete authorization and protection to the Rights Agent, and the Rights Agent shall have no liability for or in respect of any action taken or omitted by it in the absence of bad faith and in accordance with such advice or opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter (including the identity of any Acquiring Person and the determination of the Current Market Price) be proved or established by the Company prior to taking, suffering or omitting to take any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person reasonably believed by the Rights Agent to be the Chief Executive Officer, President, Chief Financial Officer, Secretary or Treasurer of the Company, or any other authorized officer of the Company, and delivered to the Rights Agent; and such certificate shall be full and complete authorization and protection to the Rights Agent, and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted to be taken by it in the absence of bad faith by it under the provisions of this Agreement in reliance upon such certificate. The Rights Agent shall have no duty to act without such certificate as set forth in this Section 20(b).

(c) Subject to Section 18(d), the Rights Agent shall be liable hereunder only for its own and its employees', directors', and officers' gross negligence, bad faith or willful misconduct (which gross negligence, bad faith or willful misconduct must be determined by a final, non-appealable judgment of a court of competent jurisdiction).

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Rights Certificates or be required to verify the same (except as to its countersignature on such Rights Certificates), but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not have any liability for or be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the legality or validity or execution of any Rights Certificate (except its countersignature thereof); nor shall it be liable or responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Rights Certificate; nor shall it be liable or responsible for any adjustment or calculation required under Section 11, Section 13, Section 14 or Section 24 or liable or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment or calculation (except with respect to the exercise of Rights evidenced by Rights Certificates subject to the terms and conditions hereof after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock or Preferred Stock to be issued pursuant to this Agreement or any Rights Certificate or as to whether any shares of Common Stock or Preferred Stock will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required or requested by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person reasonably believed by the Rights Agent to be the Chief Executive Officer, President, Chief Financial Officer, Secretary or Treasurer of the Company, or any other authorized officer of the Company, and to apply to such officers for advice or instructions in connection with its duties under this Agreement, and such instructions shall provide full authorization and protection to the Rights Agent and the Rights Agent shall not be liable for and it shall incur no liability for or in respect of any action taken, suffered or omitted by it in the absence of bad faith in accordance with instructions of any such officer. Any application by the Rights Agent for written instructions from the Company may, at the option of the Rights Agent, set forth in writing any action proposed to be taken, suffered or omitted to be taken by the Rights Agent under this Agreement and the date on or after which such action shall be taken or such omission shall be effective. The Rights Agent shall be fully authorized and protected in relying upon the most recent instructions received from any such officer and shall not be liable for any action taken, suffered or omitted to be taken by the Rights Agent in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five (5) Business Days after the date any such officer of the Company actually receives such application, unless any such officer has consented in writing to an earlier date) unless, prior to taking any such action (or the effective date, in the case of an omission), the Rights Agent has received written instructions in response to such application specifying the action to be taken or omitted.

(h) The Rights Agent and any stockholder, director, Affiliate, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other Person.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company or any other Person resulting from any such act, omission, default, neglect or misconduct, absent gross negligence, bad faith or willful misconduct in the selection and continued employment thereof (which gross negligence, bad faith or willful misconduct must be determined by a final, non-appealable judgment of a court of competent jurisdiction).

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights or powers if the Rights Agent reasonably believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has either not been properly completed or indicates an affirmative response to subparagraph (1) or (2) thereof, the Rights Agent shall not take any further action with respect to such requested exercise or transfer without first consulting with the Company; provided, however, that the Rights Agent shall not be liable for any delays arising from the duties under this Section 20(k).

(l) The Rights Agent shall not be liable or responsible for any failure of the Company to comply with any of its obligations relating to this Agreement or any registration statement filed with the Securities and Exchange Commission, including obligations under applicable regulation or law.

(m) The Rights Agent shall not have any duty or responsibility in the case of the receipt of any written demand from any holder of Rights with respect to any action or default by the Company, including, without limiting the generality of the foregoing, any duty or responsibility to initiate or attempt to initiate any proceedings at law or otherwise or to make any demand upon the Company.

(n) The Rights Agent shall have no liability or responsibility to the Company, any holders of Rights or any other Person for interest or earnings on any monies held by the Rights Agent pursuant to this Agreement.

(o) The Rights Agent shall not be required to take notice or be deemed to have notice of any event or condition hereunder, including any event or condition that may require action by the Rights Agent, unless the Rights Agent shall be specifically notified in writing of such event or condition by the Company, and all notices or other instruments required by this Agreement to be delivered to the Rights Agent must, in order to be effective, be received by the Rights Agent as specified in Section 26 hereof, and in the absence of such notice so delivered, the Rights Agent may conclusively assume no such event or condition exists.

(p) The Rights Agent may rely on and be fully authorized and protected in acting or failing to act upon (i) any guaranty of signature by an "eligible guarantor institution" that is a member or participant in the Securities Transfer Agents Medallion Program or other comparable "signature guarantee program" or insurance program in addition to, or in substitution for, the foregoing; or (ii) any law, act, regulation or any interpretation of the same.

(q) In the event the Rights Agent believes any ambiguity or uncertainty exists hereunder or in any notice, instruction, direction, request or other communication, paper or document received by the Rights Agent hereunder, the Rights Agent may (upon notice to the Company of such ambiguity or uncertainty), in its sole discretion, refrain from taking any action, and shall be fully protected and shall not be liable in any way to the Company, the holder of any Rights Certificate or any other Person for refraining from taking such action, unless the Rights Agent receives written instructions signed by the Company or any officer thereof that eliminate such ambiguity or uncertainty to the satisfaction of the Rights Agent.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing to the Company, which resignation or discharge will become effective immediately upon the expiration of the notice period. In the event any transfer agency relationship in effect between the Company and the Rights Agent terminates, the Rights Agent will be deemed to have resigned automatically and be discharged from its duties under this Agreement as of the effective date of such termination, and the Company shall be responsible for sending any required notice. The Company may remove the Rights Agent or any successor Rights Agent upon no less than thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock and the Preferred Stock, by trackable mail, in the event the Rights Agent or one of its Affiliates is not also the transfer agent for the Company, and, if such removal occurs after the Distribution Time, transmitted to the holders of the Rights Certificates in accordance with Section 26(c), which removal will become effective immediately upon the expiration of the notice period. If the Rights Agent resigns or is removed or otherwise becomes incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company fails to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by any registered holder of a Rights Certificate (who shall, with such notice, submit such holder's Rights Certificate for inspection by the Company), then any registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a Person organized and doing business under the laws of the United States or of any state of the United States (so long as such Person is authorized to do business as a banking institution in such state), in good standing, that is authorized under such laws to exercise corporate trust, stock transfer or stockholder services powers and is subject to supervision or examination by federal or state authority and that has at the time of its appointment as Rights Agent, along with its Affiliates, a combined capital and surplus of at least $50,000,000 or (b) an Affiliate of such Person. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent under this Agreement without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further reasonable assurance, conveyance, act or deed necessary for the purpose, but such predecessor Rights Agent shall not be required to make any additional expenditure or assume any additional liability in connection with the foregoing. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock and the Preferred Stock, and, if such appointment occurs after the Distribution Time, transmit a notice thereof in writing to the registered holders of the Rights Certificates in accordance with Section 26(c). Failure to give any notice provided for in this Section 21 or any defect therein shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Rights Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board to reflect any adjustment or change in the Exercise Price and the number or kind or class of shares or other securities or property purchasable under the Rights Certificates made in accordance with this Agreement. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Time and prior to the redemption or expiration of the Rights, the Company (a) shall, with respect to shares of Common Stock so issued or sold pursuant to the exercise of stock options or under any employee plan or arrangement, granted or awarded prior to the Distribution Time, or upon the exercise, conversion or exchange of securities hereinafter issued by the Company, and (b) may, in any other case, if deemed necessary or appropriate by the Board, issue Rights Certificates representing an appropriate number of Rights in connection with such issuance or sale; provided, however, that (i) no such Rights Certificate shall be issued if, and to the extent that, the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Rights Certificate would be issued, and (ii) no such Rights Certificate shall be issued if, and to the extent that, appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

Section 23. Redemption and Termination.

(a) The Board may, at its option, at any time prior to the earlier of (i) such time as any Person becomes an Acquiring Person and (ii) the Final Expiration Time (such time being hereinafter referred to as the "Redemption Period"), cause the Company to redeem all but not less than all of the then outstanding Rights at a redemption price of $0.001 per Right, as such amount may be appropriately adjusted to reflect any stock split, reverse stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "Redemption Price"). The Company may, at its option, pay the Redemption Price in cash, shares of Common Stock (based on the Current Market Price of the Common Stock at the time of redemption) or any other form of consideration deemed appropriate by the Board. The redemption of the Rights by the Board may be made effective at such time, on such basis and with such conditions as the Board in its sole discretion may establish.

(b) Immediately upon the action of the Board ordering the redemption of the Rights pursuant to Section 23(a) or such later time as the Board may establish for the effectiveness of such redemption, evidence of which shall have been filed with the Rights Agent and without any further action and without any notice, the right to exercise the Rights will terminate, and the only right thereafter of the holders of Rights shall be to receive the Redemption Price for each Right so held. Within ten (10) days after the action of the Board ordering the redemption of the Rights, the Company shall give notice of such redemption to the Rights Agent and the holders of the then outstanding Rights by (i) mailing such notice to the Rights Agent and (ii) transmitting such notice to all such holders in accordance with Section 26(c); provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of such redemption. Any notice that is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption shall state the method by which the payment of the Redemption Price will be made.

Section 24. Exchange.

(a) The Board may, at its option, at any time after any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become null and void pursuant to Section 7(e)) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right, appropriately adjusted to reflect any stock split, reverse stock split, stock dividend or similar transaction occurring after the date hereof (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board shall not be empowered to effect such exchange at any time after any Acquiring Person, together with all of its Related Persons, becomes the Beneficial Owner of fifty percent (50%) or more of the Common Stock then outstanding. From and after the occurrence of a Flip-over Event, any Rights that theretofore have not been exchanged pursuant to this Section 24(a) shall thereafter be exercisable only in accordance with Section 13 and may not be exchanged pursuant to this Section 24(a). Before effecting an exchange pursuant to this Section 24, the Board may direct the Company to enter into a trust agreement in such form and with such terms as the Board shall then approve (the "Trust Agreement"). If the Board so directs, the Company shall enter into the Trust Agreement and shall issue to the trust created by such agreement (the "Trust") all or some (as designated by the Board) of the shares of Common Stock issuable pursuant to the exchange, and all or some (as designated by the Board) holders of Rights entitled to receive shares pursuant to the exchange shall be entitled to receive such shares (and any dividends paid or distributions made thereon after the date on which such shares are deposited in the Trust) only from the Trust and solely upon compliance with the relevant terms and provisions of the Trust Agreement.

(b) Immediately upon the effectiveness of the action of the Board ordering the exchange of any Rights pursuant to Section 24(a) and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of any such Rights shall be to receive that number of shares of Common Stock equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice (with prompt written notice thereof to the Rights Agent) of any exchange. The Company promptly thereafter shall transmit a notice of any such exchange to all of the holders of such Rights in accordance with Section 26(c). Any notice that is transmitted in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange shall state the method by which the exchange of shares of Common Stock for Rights shall be effected and, in the event of any partial exchange, the number of Rights that will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights that have become null and void pursuant to Section 7(e)) held by each holder of Rights. Prior to effecting any exchange and registering shares of Common Stock in any Person's name, including any nominee or transferee of a Person, the Company may require (or cause the trustee of the Trust to require), as a condition thereof, that any holder of Rights provide evidence, including the identity of the Beneficial Owners thereof and their Related Persons (or former Beneficial Owners thereof and their Related Persons) as the Company reasonably requests in order to determine if such Rights are null and void. If any Person fails to comply with such request, the Company shall be entitled conclusively to deem the Rights formerly held by such Person to be null and void pursuant to Section 7(e). No failure to give, or any defect in, any notice provided under this Section 24(b) shall affect the validity of any exchange. Any shares of Common Stock or other securities issued at the direction of the Board in connection herewith shall be validly issued, fully paid and nonassessable shares of Common Stock or of such other securities, as the case may be.

(c) Upon declaring an exchange pursuant to this Section 24, or as promptly as reasonably practicable thereafter, the Company may implement such procedures as it deems appropriate, in its sole discretion, for the purpose of ensuring that the Common Stock (or such other consideration) issuable upon an exchange pursuant to this Section 24 is not received by holders of Rights that have become null and void pursuant to Section 7(e).

(d) In any exchange pursuant to this Section 24, the Company, at its option, may substitute shares of Preferred Stock (or Equivalent Preferred Stock) for shares of Common Stock exchangeable for Rights, at the initial rate of one one-thousandth of a share of Preferred Stock (or Equivalent Preferred Stock) for each share of Common Stock, as appropriately adjusted to reflect adjustments in the voting rights of the Preferred Stock pursuant to the terms thereof, so that the fraction of a share of Preferred Stock delivered in lieu of each share of Common Stock shall have the same voting rights as one share of Common Stock.

(e) In the event that there are not sufficient shares of Common Stock issued but not outstanding or authorized but unissued to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company shall take all such actions as may be necessary to authorize additional shares of Common Stock for issuance upon exchange of the Rights. In the event the Company, after good faith effort, is unable to take all such actions as may be necessary to authorize such additional shares of Common Stock, the Company shall substitute, for each share of Common Stock that would otherwise be issuable upon exchange of a Right, a number of shares of Preferred Stock or fraction thereof such that the current per share market price of one share of Preferred Stock multiplied by such number or fraction is equal to the current per share market price of one share of Common Stock as of the date of issuance of such shares of Preferred Stock or fraction thereof.

(f) The Company shall not be required to issue fractions of shares of Common Stock or to distribute certificates that evidence fractional shares of Common Stock. In lieu of such fractional shares of Common Stock, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional shares of Common Stock would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole share of Common Stock. For the purposes of this Section 24(f), the current market value of a whole share of Common Stock shall be the Closing Price of a share of Common Stock for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

Section 25. Notice of Certain Events.

(a) In the event the Company proposes, at any time after the earlier of the Distribution Time and the Stock Acquisition Date, (i) to pay any dividend payable in stock of any class or series to the holders of Preferred Stock or to make any other distribution to the holders of Preferred Stock (other than a regular periodic cash dividend out of earnings or retained earnings of the Company), (ii) to offer to the holders of Preferred Stock rights or warrants to subscribe for or to purchase any additional shares of Preferred Stock or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of its Preferred Stock (other than a reclassification involving only the subdivision of outstanding shares of Preferred Stock), (iv) to effect any consolidation or merger into or with any other Person (other than a direct or indirect, wholly-owned Subsidiary of the Company in a transaction that complies with Section 11(o)), or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one transaction or a series of related transactions, of fifty percent (50%) or more of the assets, cash flow or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person or Persons (other than the Company or any of its Subsidiaries in one or more transactions each of which complies with Section 11(o)), or (v) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to the Rights Agent and to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 26, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution or winding up is to take place and the date of participation therein by the holders of the shares of Preferred Stock, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by the foregoing clause (i) or (ii) at least twenty (20) days prior to the record date for determining holders of the shares of Preferred Stock for purposes of such action, and in the case of any such other action, at least twenty (20) days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the shares of Preferred Stock, whichever shall be the earlier; provided, however, that no such action shall be taken pursuant to this Section 25(a) that will or would conflict with any provision of the Charter; provided, further that no such notice is required pursuant to this Section 25 if any Subsidiary of the Company effects a consolidation or merger with or into, or effects a sale or other transfer of assets or earning power to, any other Subsidiary of the Company.

(b) In case a Flip-in Event occurs, then, in any such case, (i) the Company shall as soon as practicable thereafter give to each holder of a Rights Certificate, to the extent feasible and in accordance with Section 26, a notice of the occurrence of such event, which notice shall specify the event and the consequences of the event to holders of Rights under Section 11(a)(ii), and (ii) all references to Preferred Stock in Section 25(a) shall be deemed thereafter to refer to Common Stock and/or, if appropriate, other securities.

(c) In case any Flip-over Event occurs, the Company shall, as soon as practicable thereafter, give to each registered holder of a Rights Certificate, to the extent feasible, and to the Rights Agent in accordance with Section 26, a written notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 13(a).

Section 26. Notices.

(a) *To the Company*. Notices or demands authorized by this Agreement to be given or made to or on the Company by the Rights Agent or by the holder of any Rights Certificate shall be sufficiently given or made if in writing and sent by overnight delivery service, first-class or express United States mail, FedEx or United Parcel Service or any other nationally recognized courier service, postage prepaid (or by email, if receipt is confirmed telephonically), addressed (until another address is filed in writing with the Rights Agent) as follows:

Redwood Trust, Inc.
One Belvedere Place, Suite 300
Mill Valley, California 94941
Attention: Andrew P. Stone, Executive Vice President, Chief Legal Officer
Telephone: [***]
Email: [***]

with a copy (which shall not constitute notice) to:

Sidley Austin LLP
1001 Page Mill Road, Building 1
Palo Alto, California 94304
Attention: Derek Zaba; Jessica Wood
Telephone: (650) 565-7131; (212) 839-8743
Email: dzaba@sidley.com; jessica.wood@sidley.com

(b) *To the Rights Agent*. Except as otherwise provided in Section 21, Section 23(b) and Section 24(b), notices or demands authorized by this Agreement to be given or made to or on the Rights Agent by the Company or by the holder of any Rights Certificate shall be sufficiently given or made if in writing and sent by overnight delivery service, first-class or express United States mail, FedEx or United Parcel Service or any other nationally recognized courier service, postage prepaid (or by email, if receipt is confirmed telephonically), addressed (until another address is filed in writing with the Company) as follows:

Computershare Trust Company, N.A.
250 Royall Street
Canton, MA 02021
Attention: Client Services
Email: #USCISLegalContractNotices@computershare.com

(c) *To Holders of Rights Certificates*. Notices or demands authorized by this Agreement to be given or made to or on the holder of any Rights Certificate (or, if prior to the Distribution Time, to the holder of shares of Common Stock), by the Company or the Rights Agent, shall be sufficiently given or made if in writing, sent by overnight delivery service, first-class or express United States mail, FedEx or United Parcel Service or any other nationally recognized courier service, postage prepaid, addressed to such holder at such holder's last address as it appears upon the registry books of the Rights Agent or, prior to the Distribution Time, on the registry books of the transfer agent for the Common Stock.

Section 27. Supplements and Amendments. Except as otherwise provided in this Section 27, the Company, by action of the Board, may from time to time and in its sole and absolute discretion, and the Rights Agent shall, if the Company so directs, from time to time supplement or amend this Agreement in any respect without the approval of any holders of Rights (a) at any time prior to the Stock Acquisition Date, in any respect, and (b) on or after the Stock Acquisition Date, (i) to make any changes that the Company may deem necessary or desirable that do not materially adversely affect the interests of the holders of Rights (other than the Acquiring Person, any Related Person thereof or any transferee of any Acquiring Person or any Related Person thereof), (ii) to cure any ambiguity or (iii) to correct or supplement any provision contained herein that may be inconsistent with any other provision herein, including any change in order to satisfy any applicable law, rule or regulation. Without limiting the foregoing, the Company, by action of the Board, may, at any time before any Person becomes an Acquiring Person, amend this Agreement to make this Agreement inapplicable to a particular transaction by which a Person might otherwise become an Acquiring Person or to otherwise alter the terms and conditions of this Agreement as they may apply with respect to any such transaction. For the avoidance of doubt, the Company shall be entitled to adopt and implement such procedures and arrangements (including with third parties) as it may deem necessary or desirable to facilitate the exercise, exchange, trading, issuance or distribution of the Rights (and the shares of Preferred Stock issuable and deliverable upon the exercise of the Rights) as contemplated hereby and to ensure that an Acquiring Person and its Related Persons and transferees do not obtain the benefits thereof, and any amendment in respect of the foregoing shall be deemed not to adversely affect the interests of the holders of Rights. No supplement or amendment to this Agreement shall be effective unless duly executed by the Rights Agent and the Company. Any such supplement or amendment shall be evidenced by a writing signed by the Company and the Rights Agent. The Rights Agent shall duly execute and deliver any supplement or amendment hereto requested by the Company in writing, provided that the Company has delivered to the Rights Agent a certificate from the Chief Executive Officer, President, Chief Financial Officer, Secretary or Treasurer of the Company, or any other authorized officer of the Company, that states that the proposed supplement or amendment complies with the terms of this Agreement, including this Section 27. Notwithstanding anything in this Agreement to the contrary, the Rights Agent may, but shall not be obligated to, enter into any supplement or amendment that adversely affects the Rights Agent's own rights, duties, immunities or obligations under this Agreement. Prior to the Distribution Time, the interests of the holders of Rights shall be deemed coincident with the interests of holders of shares of Common Stock.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Determination and Action by the Board. The Board, or a duly authorized committee thereof, shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board or to the Company, or as may be necessary or advisable in the administration of this Agreement, including the right and power to (a) interpret the provisions of this Agreement and (b) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination whether or not to redeem the Rights, to exchange the Rights or to amend this Agreement). Without limiting any of the rights and immunities of the Rights Agent, all such actions, calculations, interpretations and determinations (including for purposes of the following clause (ii), all omissions with respect to the foregoing) that are done or made by the Board in good faith shall (i) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other Persons and (ii) not subject the Board to any liability to the holders of the Rights (solely in such holders' capacity as holders of the Rights), in each case, to the fullest extent permitted by applicable law. The Rights Agent is entitled always to assume the Board acted in good faith and shall be fully protected and incur no liability in reliance thereon.

Nothing in this Section 29 or this Agreement shall modify the duties of the directors to the Company and its stockholders, nor eliminate or otherwise limit the liability of the directors for breaches of duty.

Section 30. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Time, registered holders of the Common Stock) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Rights Certificates (and, prior to the Distribution Time, registered holders of the Common Stock).

Section 31. Tax Compliance and Withholding. The Company hereby authorizes the Rights Agent (and the Company, the trustee of any Trust and any Flip-over Party, as applicable, shall be entitled) to deduct and withhold from all payments and deliveries of securities or other property made pursuant to this Agreement to the holders of the Rights, if applicable, the tax required to be withheld pursuant to the Code or the Treasury Regulations, or by any other applicable federal, state or local statutes in effect as of the date hereof or subsequently enacted, and to make the necessary returns and payments of such tax to the relevant taxing authority. If withholding is required with respect to a delivery of securities or other non-cash property, or with respect to any deemed distribution, such amounts may be withheld from any cash or other property otherwise payable or deliverable to such holder. Any amounts so withheld and paid over to the relevant taxing authority shall be treated for all purposes of this Agreement as having been paid or delivered to such holder. The Company or the Rights Agent may require any holder of Rights to deliver a properly completed IRS Form W-9 or applicable IRS Form W-8 as a condition to any payment or delivery hereunder. The Company will provide withholding and reporting instructions in writing to the Rights Agent from time to time as relevant, and upon request of the Rights Agent. The Rights Agent shall have no responsibilities with respect to tax withholding, reporting or payment except as specifically instructed by the Company.

Section 32. Process to Seek Exemption. Any Person who (i) desires to effect any transaction that might, if consummated, result in such Person becoming the Beneficial Owner of at least the Specified Percentage or (ii) Beneficially Owns at least the Specified Percentage and desires to effect any transaction that might, if consummated, result in such Person becoming the Beneficial Owner of additional securities of the Company (any such Person described in clause (i) or (ii), a "Requesting Person") may, prior to the date of the transaction for which the Requesting Person is seeking a determination, request in writing that the Board make a determination under this Agreement so that such Person would be deemed to be an "Exempt Person" for the purposes of this Agreement (an "Exemption Request"). Any Exemption Request must be delivered by registered mail, return receipt requested, to the Company at the address listed in Section 26(a). Such Exemption Request will be deemed to have been made when actually received by the Company. Any Exemption Request must include: (a) the name, address and telephone number of the Requesting Person; (b) the number and percentage of securities of the Company believed to be Beneficially Owned by the Requesting Person; (c) a reasonably detailed description of the transaction or transactions by which the Requesting Person would propose to acquire Beneficial Ownership of securities of the Company, the maximum number and percentage of securities of the Company that the Requesting Person proposes to acquire and the proposed tax treatment thereof; and (d) a commitment by the Requesting Person that such Requesting Person will not acquire Beneficial Ownership of at least the Specified Percentage or, if such Requesting Person Beneficially Owns at least the Specified Percentage, any additional securities of the Company prior to such time as the Board has responded to, or is deemed to have responded to, the Exemption Request pursuant to this Section 32. The Board will endeavor to respond to any Exemption Request within thirty (30) calendar days after receiving such Exemption Request; provided, however, that the failure of the Board to so respond or otherwise to make a determination within such period will constitute the denial by the Board of the Exemption Request. For the avoidance of doubt, the Board may, in its sole discretion, decline to consider or respond to any Exemption Request, and nothing in this Section 32 shall require the Board to engage with, consider or respond to any Requesting Person or Exemption Request. Any Requesting Person shall respond promptly to reasonable and appropriate requests for additional information from the Company or the Board and its or the Company's advisors to assist the Board in making its determination. As a condition to making any determination requested pursuant to this Section 32, the Board may, in its discretion, require (at the expense of the Requesting Person) a report from advisors selected by the Board to the effect that the proposed transaction or transactions will not result in the application of any limitations on the use by the Company of the Tax Attributes taking into account any and all other transactions that have been consummated prior to receipt of the Exemption Request, any and all other proposed transactions that have been approved by the Board prior to its receipt of the Exemption Request and any other actual or proposed transactions involving securities of the Company as the Board may require; provided, further, that the Board may make the determination requested in the Exemption Request notwithstanding the effect of the proposed transaction or transactions on the Tax Attributes if it determines that such determination is in the best interests of the Company. The Board may impose any conditions that it deems reasonable and appropriate in connection with a determination pursuant to this Section 32, including restrictions on the ability of the Requesting Person to transfer securities of the Company acquired by such Requesting Person in the transaction or transactions to which such determination relates. Any Exemption Request may be submitted on a confidential basis and, except to the extent required by applicable law, the Company shall maintain the confidentiality of such Exemption Request and the determination of the Board with respect thereto, unless the information contained in the Exemption Request or the determination of the Board with respect thereto otherwise becomes publicly available.

Section 33. Severability. If any term, provision, covenant or restriction of this Agreement or the Rights is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement and the Rights shall remain in full force and effect and shall in no way be affected, impaired or invalidated; provided, however, that notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid, void or unenforceable and the Board determines in its good faith judgment that severing the invalid language from this Agreement or the Rights would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 shall be reinstated and shall not expire until the Close of Business on the tenth (10th) day following the date of such determination by the Board; further provided, however, that if such excluded provision shall materially and adversely affect the rights, immunities, liabilities, duties or obligations of the Rights Agent, the Rights Agent shall be entitled to resign immediately upon written notice to the Company.

Section 34. Governing Law; Submission to Jurisdiction. This Agreement, each Right and each Rights Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Maryland and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts made and to be performed entirely within such State, except that the rights, duties and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. The Company and each holder of Rights hereby irrevocably submits to the exclusive jurisdiction of the Circuit Court for Baltimore City, Maryland, or, if such court lacks subject matter jurisdiction, the United States District Court for the District of Maryland, Northern Division, over any suit, action or proceeding arising out of or relating to this Agreement. The Company and each holder of Rights acknowledge that the forum designated by this Section 34 has a reasonable relation to this Agreement and to such Persons' relationship with one another. The Company and each holder of Rights hereby waive, to the fullest extent permitted by applicable law, any objection that they now or hereafter have to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in any court referred to in this Section 34. The Company and each holder of Rights undertake not to commence any action subject to this Agreement in any forum other than the forum described in this Section 34. The Company and each holder of Rights agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon such Persons.

Section 35. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page of the Agreement by facsimile or other customary means of electronic transmission (*e.g.*, "pdf") shall be as effective as delivery of a manually executed counterpart hereof. A signature to this Agreement executed and/or transmitted electronically shall have the same authority, effect, and enforceability as an original signature.

Section 36. Descriptive Headings; Interpretation. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." Each reference in this Agreement to a period of time following or after a specified date or event shall be calculated without including such specified date or the day on which such specified event occurs.

Section 37. Force Majeure. Notwithstanding anything to the contrary contained herein, the Rights Agent will not have any liability for not performing, or for a delay in the performance of, any act, duty, obligation or responsibility by reason of any occurrence beyond the reasonable control of the Rights Agent (including, but not limited to, acts of God, terrorist acts, shortage of supply, epidemics, pandemics, war, terrorism, any act or provision or present or future law or regulation or governmental authority, civil or military disobedience or disorder, riot, rebellion, insurrection, fire, earthquake, storm, flood, strike, work stoppage, breakdowns, interruptions or malfunctions of computer facilities, loss of data due to power failures, mechanical difficulties with information storage or retrieval systems, labor difficulties, war and civil unrest).

[Signature Page Follows; Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

REDWOOD TRUST, INC.

By: /s/ Andrew P. Stone
Andrew P. Stone
Executive Vice President, Chief Legal Officer, and Secretary

COMPUTERSHARE TRUST COMPANY, N.A.

By: /s/ Al Guinto
Al Guinto
Senior Vice President

[Signature Page to Tax Benefits Preservation Plan]

REDWOOD TRUST, INC.

FORM OF

ARTICLES SUPPLEMENTARY

SERIES X JUNIOR PARTICIPATING PREFERRED STOCK

Redwood Trust, Inc., a Maryland corporation (the "Corporation"), certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Section 2-208 of the Maryland General Corporation Law and Article VI of the Corporation's charter (as the same may be further amended or supplemented, the "Charter"), the Board of Directors of the Corporation (the "Board") classified and designated 395,000 shares of authorized but unissued Common Stock (as defined in the Charter) as Series X Junior Participating Preferred Stock, par value $0.01 per share (hereinafter referred to as the "Series X Preferred Stock"), initially consisting of 395,000 shares, with the following preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, or terms or conditions of redemption, which, upon any restatement of the Charter, shall become part of Article VI of the Charter, with any necessary or appropriate renumbering or relettering of the sections or subsections hereof:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series X Junior Participating Preferred Stock," and the number of shares constituting such series shall be 395,000. Such number of shares may be increased or decreased by resolution of the Board; provided, however, that no decrease shall reduce the number of shares of Series X Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series X Preferred Stock.

Section 2. Dividends and Distributions.

(a) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock (as defined in the Charter) ranking prior and superior to the shares of Series X Preferred Stock with respect to dividends, the holders of shares of Series X Preferred Stock, in preference to the holders of Common Stock, shall be entitled to receive, when, as and if authorized by the Board and declared by the Corporation out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth (15th) day of January, April, July and October in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series X Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $1.00 and (ii) subject to the provision for adjustment hereinafter set forth, 1,000 times the aggregate per share amount of all cash dividends, plus 1,000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series X Preferred Stock. In the event the Corporation, at any time after November 3, 2026 (the "Rights Declaration Date"), (x) declares any dividend on Common Stock payable in shares of Common Stock, (y) subdivides the outstanding Common Stock or (z) combines the outstanding Common Stock into a smaller number of shares, then in each case the amount to which holders of shares of Series X Preferred Stock were entitled immediately prior to such event under clause (ii) of the immediately preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series X Preferred Stock as provided in Section 2(a) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided, however, that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior to and superior to the shares of Series X Preferred Stock with respect to dividends, a dividend of $1.00 per share on the Series X Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series X Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series X Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series X Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series X Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series X Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than sixty (60) days prior to the date fixed for the payment thereof. If no record date is set by the Board, the record date shall be the first day of the calendar month, whether or not a business day, in which the applicable Quarterly Dividend Payment Date falls.

Section 3. **Voting Rights.** The holders of shares of Series X Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series X Preferred Stock shall entitle the holder thereof to 1,000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation at any time after the Rights Declaration Date (i) declares any dividend on Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding Common Stock or (iii) combines the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series X Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or by law, the holders of shares of Series X Preferred Stock and the holders of shares of Common Stock shall vote collectively as one class on all matters submitted to a vote of stockholders of the Corporation.

(c)

(i) If at any time dividends on any Series X Preferred Stock shall be in arrears in an amount equal to or greater than six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series X Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, the number of directors constituting the Board will be automatically increased by two (2) (if not already increased by two (2) by reason of the election of directors by the holders of any other class or series of preferred stock that the Corporation may issue upon which like voting rights have been conferred and are exercisable and with which the Series X Preferred Stock is entitled to vote as a class with respect to the election of those two (2) directors) and the holders of shares of Series X Preferred Stock (voting together as a single class with all other classes or series of preferred stock that the Corporation may issue upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series X Preferred Stock in the election of those two (2) directors) will be entitled to vote for the election of those two (2) additional directors at a special meeting called by the Corporation at the request of the holders of record of at least twenty-five percent (25%) of the outstanding shares of Series X Preferred Stock or by the holders of any other class or series of preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series X Preferred Stock in the election of those two (2) directors (unless the request is received less than ninety (90) days before the date fixed for the next annual or special meeting of stockholders of the Corporation, in which case, such vote will be held at the earlier of the next annual or special meeting of stockholders, to the extent permitted by applicable law, of the Corporation), and at each subsequent annual meeting until the Corporation is no longer in a default period.

(ii) In no event shall the holders of Series X Preferred Stock be entitled under the voting rights under this Section 3 to elect a director that would cause the Corporation to fail to satisfy a requirement relating to director independence of any national securities exchange or quotation system on which any class or series of the stock of the Corporation is listed or quoted.

(iii) If at any time when the voting rights conferred upon the Series X Preferred Stock pursuant to this Section 3 are exercisable, any vacancy in the office of a director elected pursuant to this Section 3 shall occur, then such vacancy may be filled only by the remaining such director or by vote of the holders of record of the outstanding Series X Preferred Stock and any other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series X Preferred Stock in the election of directors pursuant to this Section 3. Any director elected or appointed pursuant to this Section 3 may be removed only by the affirmative vote of holders of the outstanding Series X Preferred Stock and any other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable and which classes or series of preferred stock are entitled to vote as a class with the Series X Preferred Stock in the election of directors pursuant to this Section 3, such removal to be effected by the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding Series X Preferred Stock and any such other classes or series of preferred stock, and may not be removed by the holders of the Common Stock.

(iv) If a special meeting is not called by the Corporation within thirty (30) days after request from the holders of Series X Preferred Stock as described in this Section 3, then the holders of record of at least twenty-five percent (25%) of the outstanding Series X Preferred Stock may designate a holder to call the meeting at the expense of the Corporation and such meeting may be called by the holder so designated in accordance with the procedures required for calling a special meeting of stockholders, and shall be held at the place designated by the holder calling such meeting.

(v) Immediately upon the expiration of a default period, (A) the right of the holders of Series X Preferred Stock as a class to elect directors shall cease, (B) the term of any directors elected by the holders of Series X Preferred Stock as a class shall terminate (unless there are other classes or series of preferred stock upon which like voting rights have been conferred and are still exercisable) and (C) the number of directors shall be reduced accordingly to the number previously set pursuant to the Charter or the Corporation's Bylaws (as the same may be amended or amended and restated from time to time, the "***Bylaws***") irrespective of the increase made pursuant to the provisions of Section 3(c)(i) above (unless there are other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable).

(d) Except as set forth herein or as otherwise provided by law, holders of shares of Series X Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of shares of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the shares of Series X Preferred Stock as provided in Section 2 above are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series X Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of capital stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series X Preferred Stock other than (A) such redemptions or purchases that may be deemed to occur upon the exercise of stock options, warrants or similar rights or grant, vesting or lapse of restrictions on the grant of any performance shares, restricted stock, restricted stock units or other equity awards to the extent that such shares represent all or a portion of (1) the exercise or purchase price of such options, warrants or similar rights or other equity awards or (2) the amount of withholding taxes owed by the holder of such award in respect of such grant, exercise, vesting or lapse of restrictions; (B) such purchases necessary to satisfy the issuance of any shares upon the exercise or to satisfy the vesting and settlement of any options, warrants or similar rights or other equity awards pursuant to the terms of the Corporation's equity plans maintained for the benefit of its employees, directors and other service providers; or (C) the repurchase, redemption or other acquisition or retirement for value of any such shares from employees, directors, former directors, consultants or former consultants of the Corporation or their respective estate, spouse, former spouse or family member, pursuant to the terms of the agreement pursuant to which such shares were acquired;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series X Preferred Stock, except dividends paid ratably on the Series X Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any capital stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series X Preferred Stock; provided, however, that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any capital stock of the Corporation ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series X Preferred Stock; or

(iv) purchase or otherwise acquire for consideration any shares of Series X Preferred Stock, or any shares of capital stock ranking on a parity with the Series X Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board) to all holders of such shares upon such terms as the Board, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under Section 4(a) above, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. **Reacquired Shares.** Any shares of Series X Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall return to the status of authorized but unissued shares of Common Stock.

Section 6. **Liquidation, Dissolution or Winding Up**.

(a) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of capital stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series X Preferred Stock unless, prior thereto, the holders of shares of Series X Preferred Stock shall have received $1,000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series X Liquidation Preference"). Following the payment of the full amount of the Series X Liquidation Preference, no additional distributions shall be made to the holders of shares of Series X Preferred Stock unless, prior thereto, the holders of shares of Common Stock have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series X Liquidation Preference by (ii) 1,000 (as appropriately adjusted as set forth in Section 6(c) below to reflect such events as stock splits, reverse stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series X Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series X Preferred Stock and Common Stock, respectively, and the payment of liquidation preferences of all other shares of capital stock that rank prior to or on a parity with Series X Preferred Stock, holders of Series X Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(b) In the event, however, that there are not sufficient assets available to permit payment in full of the Series X Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, that rank on a parity with the Series X Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. Further, in the event that there are not sufficient assets available to permit payment in full of the Common Adjustment (following the payment in full of the Series X Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, that rank on a parity with the Series X Preferred Stock), then such remaining assets shall be distributed ratably to the holders of Common Stock.

(c) In the event the Corporation at any time after the Rights Declaration Date (i) declares any dividend on Common Stock payable in shares of Common Stock, (ii) subdivides the outstanding Common Stock or (iii) combines the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. **Consolidation, Merger, Etc.** In case the Corporation enters into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series X Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, for which or into which each share of Common Stock is exchanged or changed. In the event the Corporation at any time after the Rights Declaration Date (a) declares any dividend on Common Stock payable in shares of Common Stock, (b) subdivides the outstanding Common Stock or (c) combines the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series X Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. **No Redemption.** The shares of Series X Preferred Stock shall not be redeemable.

Section 9. **Ranking.** The Series X Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock (including the Corporation's 10.00% Series A Fixed-Rate Reset Cumulative Redeemable Preferred Stock, $0.01 par value per share) as to the payment of dividends and the distribution of assets, whether or not upon the dissolution, liquidation or winding up of the Corporation, unless the terms of any such series provide otherwise.

Section 10. **Amendment.** The Charter shall not be amended in any manner that would materially alter or change the powers, preferences or special rights of the Series X Preferred Stock so as to affect them adversely without the affirmative vote of the holders of two-thirds of the outstanding shares of Series X Preferred Stock, voting separately as a class.

Section 11. **Fractional Shares.** Series X Preferred Stock may be issued in fractions of a share that entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of holders of Series X Preferred Stock.

SECOND: The Series X Preferred Stock has been classified and designated by the Board under the authority contained in the Charter.

THIRD: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

FOURTH: The undersigned officer of the Corporation acknowledges these Articles Supplementary to be the act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that, to the best of his or her knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[Signature Page Follows; Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed in its name and on its behalf by its President and attested to by its Chief Legal Officer as of the date first written above.

REDWOOD TRUST, INC.

By: _____
Dashiell I. Robinson
President

ATTEST:

By: _____
Andrew P. Stone
Executive Vice President, Chief Legal Officer, and Secretary

[Signature Page to Articles Supplementary]

Exhibit B

[Form of Rights Certificate]

Certificate No. R- _____ Rights

NOT EXERCISABLE AFTER NOVEMBER 3, 2029 OR EARLIER IF REDEEMED OR EXCHANGED BY THE COMPANY OR AN EARLIER "EXPIRATION TIME" (AS DEFINED IN THE TAX BENEFITS PRESERVATION PLAN) OCCURS. AS SET FORTH IN THE TAX BENEFITS PRESERVATION PLAN, THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE COMPANY, AT $0.001 PER RIGHT, AND TO ADJUSTMENT OR EXCHANGE ON THE TERMS SET FORTH IN THE TAX BENEFITS PRESERVATION PLAN. UNDER CERTAIN CIRCUMSTANCES, RIGHTS BENEFICIALLY OWNED BY AN "ACQUIRING PERSON" OR ANY "RELATED PERSON" OF AN "ACQUIRING PERSON" (AS SUCH TERMS ARE DEFINED IN THE TAX BENEFITS PRESERVATION PLAN) AND ANY SUBSEQUENT HOLDER OF SUCH RIGHTS SHALL BECOME NULL AND VOID.

[THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN "ACQUIRING PERSON" OR A "RELATED PERSON" OF AN "ACQUIRING PERSON" (AS SUCH TERMS ARE DEFINED IN THE TAX BENEFITS PRESERVATION PLAN). ACCORDINGLY, THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY SHALL BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(e) OF SUCH PLAN.]*

* The portion of the legend in brackets shall be inserted only if applicable and shall replace the preceding sentence.

RIGHTS CERTIFICATE

REDWOOD TRUST, INC.

This certifies that _____, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Tax Benefits Preservation Plan, dated as of November 3, 2026 (as amended from time to time in accordance with its terms, the "Tax Benefits Preservation Plan"), by and between Redwood Trust, Inc., a Maryland corporation (the "Company"), and Computershare Trust Company, N.A., the rights agent (and any successor rights agent, the "Rights Agent"), to purchase from the Company at any time prior to 5:00 P.M. (New York City time) on November 3, 2029 or the occurrence of any earlier Expiration Time (as such term is defined in the Tax Benefits Preservation Plan) at the office or offices of the Rights Agent designated for such purpose, or its successors as Rights Agent, one one-thousandth of a fully paid, nonassessable share of Series X Junior Participating Preferred Stock, par value $0.01 per share (the "Preferred Stock"), of the Company, at an exercise price of $20.00 per one one-thousandth of a share (the "Exercise Price"), upon presentation and surrender of this Rights Certificate with the Form of Election to Purchase and related Certificate properly completed and duly executed. The number of Rights evidenced by this Rights Certificate (and the number of shares that may be purchased upon exercise thereof) set forth above, and the Exercise Price per share set forth above, are the number and Exercise Price as of November 3, 2026, based on the Preferred Stock as constituted at such date. The Company reserves the right to require prior to the occurrence of a Triggering Event (as such term is defined in the Tax Benefits Preservation Plan) that, upon any exercise of Rights, a number of Rights be exercised so that only whole shares of Preferred Stock will be issued. Capitalized terms used but not defined herein shall have their respective meanings as specified in the Tax Benefits Preservation Plan.

Upon the occurrence of a Flip-in Event, if the Rights evidenced by this Rights Certificate are Beneficially Owned by (i) an Acquiring Person or a Related Person of an Acquiring Person, (ii) a transferee of any such Acquiring Person or Related Person or (iii) under certain circumstances specified in the Tax Benefits Preservation Plan, a transferee of a Person who, after such transfer, became an Acquiring Person or a Related Person of such Acquiring Person, such Rights shall become null and void and no holder hereof shall have any right with respect to such Rights from and after the occurrence of such Flip-in Event.

As provided in the Tax Benefits Preservation Plan, the Exercise Price and the number and kind of shares of Preferred Stock or other securities that may be purchased upon the exercise of the Rights evidenced by this Rights Certificate are subject to modification and adjustment upon the happening of certain events, including Triggering Events.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Tax Benefits Preservation Plan, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Tax Benefits Preservation Plan reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Rights Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Tax Benefits Preservation Plan. Copies of the Tax Benefits Preservation Plan are on file at the office of the Company and are also available upon written request to the Company.

This Rights Certificate, with or without other Rights Certificates, upon surrender at the office or offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of one one-thousandths of a share of Preferred Stock as the Rights evidenced by the Rights Certificates surrendered shall have entitled such holder to purchase. If this Rights Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Tax Benefits Preservation Plan, the Rights evidenced by this Rights Certificate may, in each case at the option of the Company, be (i) redeemed by the Company at a redemption price of $0.001 per Right or (ii) exchanged in whole or in part for shares of common stock, par value $0.01 per share, of the Company. Immediately upon the action of the Board of Directors of the Company authorizing redemption, the Rights shall terminate and the only right of the holders of Rights shall be to receive the redemption price.

No fractional shares of Preferred Stock shall be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions that are integral multiples of one one-thousandth of a share of Preferred Stock, which may, at the election of the Company, be evidenced by depositary receipts), but in lieu thereof a cash payment shall be made, as provided in the Tax Benefits Preservation Plan.

No holder of this Rights Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of shares of Preferred Stock or of any other securities of the Company that may at any time be issuable on the exercise hereof, nor shall anything contained in the Tax Benefits Preservation Plan or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Tax Benefits Preservation Plan), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Rights Certificate shall have been exercised as provided in the Tax Benefits Preservation Plan.

This Rights Certificate shall not be valid or obligatory for any purpose until it has been countersigned manually or by facsimile signature or other electronic signature by the Rights Agent.

[Signature Page Follows; Remainder of Page Intentionally Left Blank]

WITNESS the facsimile signature of the proper officer of the Company.

Dated as of _____ __, 20__

REDWOOD TRUST, INC.

By: _____
Name:
Title:

Countersigned:

COMPUTERSHARE TRUST COMPANY, N.A.

By: _____
Name:
Title:

[Form of Reverse Side of Rights Certificate]

FORM OF ASSIGNMENT

(To be executed by the registered holder if such
holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto _____

_____
(Please print name and address of transferee)

this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ as attorney in fact, to transfer the within Rights Certificate on the books of the within-named Company, with full power of substitution.

Dated: _____, _____

_____
Signature

Signature Guaranteed:

CERTIFICATE

The undersigned hereby certifies by checking the appropriate boxes that:

(1) this Rights Certificate [ ] is [ ] is not being sold, assigned and transferred by or on behalf of a Person who is or was an Acquiring Person or a Related Person of an Acquiring Person (as such terms are defined pursuant to the Tax Benefits Preservation Plan); and

(2) after due inquiry and to the best knowledge of the undersigned, it [ ] did [ ] did not acquire the Rights evidenced by this Rights Certificate from any Person who or that is, was or subsequently became an Acquiring Person or a Related Person of an Acquiring Person.

Dated: _____, _____

_____
Signature

Signature Guaranteed:

NOTICE

The signature to the foregoing Assignment and Certificate must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above is not completed, the Company shall deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or a Related Person thereof (as such terms are defined in the Tax Benefits Preservation Plan) and, in the case of an assignment, shall affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

FORM OF ELECTION TO PURCHASE

(To be executed if holder desires to exercise Rights represented by the Rights Certificate.)

TO: REDWOOD TRUST, INC.

The undersigned hereby irrevocably elects to exercise _____ Rights represented by this Rights Certificate to purchase the shares of Preferred Stock issuable upon the exercise of the Rights (or such other securities of the Company or of any other person that may be issuable upon the exercise of the Rights) and requests that certificates for such shares (or other securities) be issued in the name of and delivered to:

Please insert social security
or other identifying number: _____

_____
(Please print name and address)

_____

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

Please insert social security
or other identifying number: _____

_____
(Please print name and address)

_____

Dated: _____, _____

_____
Signature

Signature Guaranteed:

CERTIFICATE

The undersigned hereby certifies by checking the appropriate boxes that:

(1) the Rights evidenced by this Rights Certificate [ ] are [ ] are not being exercised by or on behalf of a Person who is or was an Acquiring Person or a Related Person of an Acquiring Person (as such terms are defined pursuant to the Tax Benefits Preservation Plan); and

(2) after due inquiry and to the best knowledge of the undersigned, it [ ] did [ ] did not acquire the Rights evidenced by this Rights Certificate from any Person who or that is, was or became an Acquiring Person or a Related Person of an Acquiring Person.

Dated: _____, _____

_____
Signature

Signature Guaranteed:

NOTICE

The signature to the foregoing Election to Purchase and Certificate must correspond to the name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above is not completed, the Company shall deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or a Related Person thereof (as such terms are defined in the Tax Benefits Preservation Plan), and the Election to Purchase will not be honored.

SUMMARY OF RIGHTS TO PURCHASE PREFERRED STOCK

On November 3, 2026, the board of directors (the "Board") of Redwood Trust, Inc., a Maryland corporation (the "Company"), adopted a tax benefits preservation plan and declared a dividend of one right (a "Right") for each outstanding share of common stock of the Company, par value $0.01 per share ("Common Stock"), to stockholders of record at the close of business on November 16, 2026 (the "Record Date"). Each Right entitles its holder, subject to the terms of the Tax Benefits Preservation Plan (as defined below), to purchase from the Company one one-thousandth of a share of Series X Junior Participating Preferred Stock, par value $0.01 per share ("Series X Preferred Stock"), of the Company at an exercise price of $20.00 per Right, subject to adjustment. The description and terms of the Rights are set forth in a tax benefits preservation plan, dated as of November 3, 2026 (the "Tax Benefits Preservation Plan"), by and between the Company and Computershare Trust Company, N.A., as rights agent (and any successor rights agent, the "Rights Agent").

The Company adopted the Tax Benefits Preservation Plan in order to protect against a possible limitation on the Company's ability to use its net operating losses (the "NOLs") and certain other tax attributes to reduce potential future U.S. federal income tax obligations. The NOLs and certain other tax attributes are valuable assets to the Company, which may inure to the benefit of the Company. However, if the Company experiences an "ownership change," as defined in Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), its ability to fully utilize the NOLs and certain other tax attributes could be substantially limited and the timing of the usage of the NOLs and other tax attributes could be substantially delayed, which could significantly impair the value of such attributes. Generally, an "ownership change" would occur if the Company's "5-percent shareholders" increase their ownership of Company stock by more than 50 percentage points over the lowest percentage owned by such shareholders at any time over a rolling three-year period, as determined under Section 382 of the Code and the regulations thereunder. The Tax Benefits Preservation Plan is intended to prevent such an "ownership change."

The Tax Benefits Preservation Plan is not expected to interfere with any merger or other business combination approved by the Board.

The Rights. The Rights will attach to any shares of Common Stock that become issued and outstanding after the Record Date and prior to the earlier of (a) the Distribution Time (as defined below) and (b) the Expiration Time (as defined below), and in certain other circumstances described in the Tax Benefits Preservation Plan.

Until the Distribution Time, the Rights are associated with Common Stock and evidenced by Common Stock certificates or, in the case of uncertificated shares of Common Stock, the book-entry account that evidences record ownership of such shares. Until the Distribution Time, the Rights are transferable with—and only with—the underlying shares of Common Stock.

Until the Distribution Time, the surrender for transfer of any shares of Common Stock will also constitute the transfer of the Rights associated with those shares. As soon as practicable after the Distribution Time, separate rights certificates will be mailed to holders of record of Common Stock as of the Distribution Time. From and after the Distribution Time, the Rights will be represented solely by the separate rights certificates.

The Rights are not exercisable until the Distribution Time. Until a Right is exercised, its holder will have no rights as a stockholder of the Company, including the right to vote or to receive dividends.

Separation and Distribution of Rights; Exercisability. Subject to certain exceptions, the Rights become exercisable and trade separately from Common Stock only upon the "Distribution Time," which occurs upon the earlier of:

- the close of business on the tenth (10th) day after the "Stock Acquisition Date" (which is defined as (a) the first date of public announcement that any person or group has become an Acquiring Person (as defined below) or (b) such other date, as determined by the Board, on which a person or group has become an Acquiring Person); and

- the close of business on the tenth (10th) business day (or such later date as may be determined by the Board prior to such time as any person or group becomes an Acquiring Person) after the commencement of a tender offer or exchange offer that, if consummated, would result in a person or group becoming an Acquiring Person, unless such tender or exchange offer is conditioned on the redemption of the Rights or termination of the Tax Benefits Preservation Plan.

An "Acquiring Person" is defined as a person or group that, together with its affiliates and associates, beneficially owns at least 4.9% (the "Specified Percentage") of either of (x) the Company Securities, consisting of the outstanding shares of Common Stock, shares of preferred stock (other than certain non-voting, non-participating preferred stock), warrants, rights, convertible debt or options to purchase stock of the Company, and any other interest that would be treated as "stock" of the Company for purposes of Section 382 of the Code and the regulations thereunder (collectively, the "Company Securities"), with beneficial ownership and percentage ownership of Company Securities determined under the constructive ownership rules of Section 382 of the Code and the regulations thereunder or (y) the outstanding shares of Common Stock, with beneficial ownership of Common Stock determined under Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the other provisions of the Tax Benefits Preservation Plan described below.

An Acquiring Person does not include:

- the Company or any subsidiary of the Company;

- any officer, director or employee of the Company or any subsidiary of the Company in his or her capacity as such;

- any employee benefit plan of the Company or of any subsidiary of the Company or any entity or trustee holding (or acting in a fiduciary capacity in respect of) shares of capital stock of the Company for or pursuant to the terms of any such plan or for the purpose of funding other employee benefits for employees of the Company or any subsidiary of the Company;

- any person or group, together with its affiliates and associates, whose beneficial ownership of at least the Specified Percentage will not jeopardize or endanger the availability to the Company of any NOL or other tax attribute, as determined by the Board in its sole discretion prior to the time any person becomes an Acquiring Person (provided that such person will be an Acquiring Person if the Board subsequently makes a contrary determination in its sole discretion, regardless of the reason for such contrary determination); or

- any person or group that, together with its affiliates and associates, as of immediately prior to the first public announcement of the adoption of the Tax Benefits Preservation Plan, beneficially owns at least the Specified Percentage, so long as such person or group continues to beneficially own at least the Specified Percentage and does not acquire securities of the Company to beneficially own an amount greater than or equal to the greater of (a) the Specified Percentage and (b) the sum of the lowest beneficial ownership of such person or group since the public announcement of the adoption of the Tax Benefits Preservation Plan plus (x) for persons with beneficial ownership of more than 5.0%, 0.5% of the then outstanding shares of Common Stock or (y) for all other persons, one share of Common Stock.

In addition, the Tax Benefits Preservation Plan provides that no person or group will become an Acquiring Person (1) as a result of a repurchase or other acquisition of securities of the Company by the Company that, by reducing the number of securities outstanding, increases such person's percentage ownership or (2) solely as a result of any unilateral grant of any security by the Company, or through the exercise of any options, warrants, rights or similar interests (including restricted stock) granted by the Company to its directors, officers or employees; however, a person or group that becomes a beneficial owner of at least the Specified Percentage as a result of either of the foregoing will become an Acquiring Person if it thereafter acquires beneficial ownership of any additional securities of the Company (other than pursuant to a dividend, distribution, split or subdivision), unless after such acquisition it beneficially owns less than the Specified Percentage. Also, a person or group will not be an Acquiring Person if the Board determines in its sole discretion that such person or group has become an Acquiring Person inadvertently and such person or group has already divested or, if requested by the Company, divests as promptly as practicable a sufficient number of securities of the Company so that such person or group would no longer be an Acquiring Person. The Board is in no case required to except a person or group from the definition of "Acquiring Person" due to inadvertence. A bona fide swaps dealer also will not be an Acquiring Person if the Board determines that its ordinary course actions were taken without the intent or effect of evading the purposes of the Tax Benefits Preservation Plan or seeking to control or influence the Company, subject to revocation by the Board. There are also certain exceptions for an "investment advisor" to mutual funds or a trustee of trusts qualified under Section 401(a) of the Code sponsored by unrelated corporations, unless the Board determines, in its reasonable discretion, that such investment advisor or trustee is deemed to beneficially own at least the Specified Percentage under specified regulations promulgated under the Code.

Certain synthetic interests in securities created by derivative positions—regardless of whether such interests are considered to be ownership of the underlying Common Stock or are reportable for purposes of Regulation 13D-G under the Exchange Act—are treated as beneficial ownership of the number of shares of Common Stock equivalent to the economic exposure created by the derivative position, to the extent actual shares of Common Stock are directly or indirectly held by counterparties to the derivatives contracts. For purposes of the Tax Benefits Preservation Plan, a person or group is deemed to beneficially own (i) Company Securities that such person or group is deemed to directly, indirectly or constructively own (as determined for purposes of Section 382 of the Code or the regulations promulgated under the Code) and (ii) shares of Common Stock that such person or group beneficially owns under Rule 13d-3 under the Exchange Act, has the right or obligation to acquire (whether or not currently exercisable), or that are beneficially owned by any other person with which such person or group has any agreement, arrangement or understanding with respect to acquiring, holding, voting or disposing of Common Stock, in each case subject to certain exceptions described in the Tax Benefits Preservation Plan.

Expiration Time. The Rights will expire on the earliest to occur of (a) 5:00 P.M., New York City time, on November 3, 2027 or, if the Tax Benefits Preservation Plan is approved by the Company's stockholders by a majority of the votes cast at a meeting of stockholders held prior to that time, 5:00 P.M., New York City time, on November 3, 2029 (the "Final Expiration Time"), (b) the time at which the Rights are redeemed by the Company (as described below), (c) the time at which the Rights are exchanged by the Company (as described below), (d) the closing of any merger or other acquisition transaction involving the Company pursuant to a merger or other acquisition agreement that has been approved by the Board before any person or group becomes an Acquiring Person and (e) the time at which the Board determines that the NOLs and certain other tax attributes are utilized in all material respects or that an ownership change under Section 382 of the Code would not adversely impact in any material respect the time period in which the Company could use the NOLs and other tax attributes or materially impair the amount of NOLs and other tax attributes that could be used by the Company in any particular time period, for applicable tax purposes (the earliest of clauses (a), (b), (c), (d) and (e) being herein referred to as the "Expiration Time").

Flip-in Event. In the event that any person or group (other than certain exempt persons) becomes an Acquiring Person (a "Flip-in Event"), each holder of a Right (other than such Acquiring Person, any of its affiliates or associates or certain transferees of such Acquiring Person or of any such affiliate or associate, whose Rights automatically become null and void) will have the right to receive, upon exercise, Common Stock having a value equal to two (2) times the exercise price of the Right.

Flip-over Event. In the event that, at any time following the Stock Acquisition Date, any of the following occurs (each, a "Flip-over Event"):

- the Company consolidates with, or merges with and into, any other entity, and the Company is not the continuing or surviving entity;

- any entity engages in a share exchange with or consolidates with, or merges with or into, the Company, and the Company is the continuing or surviving entity and, in connection with such share exchange, consolidation or merger, all or part of the outstanding shares of Common Stock are changed into or exchanged for stock or other securities of any other entity or cash or any other property; or

- the Company sells or otherwise transfers, in one transaction or a series of related transactions, 50% or more of the Company's assets, cash flow or earning power,

each holder of a Right (except Rights that previously have been voided as described above) will have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two (2) times the exercise price of the Right.

Series X Preferred Stock Provisions. Each share of Series X Preferred Stock, if issued:

- will not be redeemable;
- will rank junior to all other series of the Company's preferred stock, including the Company's outstanding Series A preferred stock, as to dividends and distributions;
- will entitle the holder thereof, when, as and if authorized by the Board and declared by the Company, to quarterly dividend payments equal to the greater of $1.00 per share and 1,000 times the amount of all cash dividends plus 1,000 times the amount of non-cash dividends or other distributions paid on one share of Common Stock;
- will entitle the holder thereof to receive $1,000 plus accrued and unpaid dividends per share upon liquidation;
- will have the same voting power as 1,000 shares of Common Stock; and
- if shares of Common Stock are exchanged by means of a merger, consolidation or a similar transaction, will entitle the holder thereof to a per share payment equal to the payment made on 1,000 shares of Common Stock.

Anti-dilution Adjustments. The exercise price payable—and the number of shares of Series X Preferred Stock or other securities or property issuable—upon exercise of the Rights are subject to adjustment from time to time to prevent dilution:

- in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Series X Preferred Stock;
- if holders of the Series X Preferred Stock are granted certain rights, options or warrants to subscribe for Series X Preferred Stock or convertible securities at less than the current market price of the Series X Preferred Stock; or
- upon the distribution to holders of the Series X Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the exercise price will be required until cumulative adjustments amount to at least 1% of the exercise price. No fractional shares of Series X Preferred Stock will be issued. Instead, holders that would otherwise receive a fractional share of Series X Preferred Stock will be paid an amount of cash based on the current market value of the Series X Preferred Stock at the closing of the trading day immediately prior to exercise.

Redemption; Exchange. The Board may, at its option, at any time prior to the earlier of (i) such time as any person or group becomes an Acquiring Person and (ii) the Final Expiration Time, direct the Company to redeem the Rights in whole, but not in part, at a price of $0.001 per Right (subject to adjustment and payable in cash, Common Stock or other consideration deemed appropriate by the Board). Immediately upon the action of the Board authorizing any redemption—or at a later time as the Board may establish for the effectiveness of the redemption—the Rights will terminate and the only right of the holders of Rights will be to receive the redemption price.

At any time after any person or group becomes an Acquiring Person but before any Acquiring Person, together with all of its affiliates and associates, becomes the beneficial owner of 50% or more of the outstanding shares of Common Stock, the Company may exchange the Rights (other than Rights owned by the Acquiring Person, any of its affiliates or associates or certain transferees of the Acquiring Person or of any such affiliate or associate, whose Rights will have become null and void), in whole or in part, at an exchange ratio of one share of Common Stock, or one one-thousandth of a share of Series X Preferred Stock (or of a share of a class or series of the Company's preferred stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

Exemption Requests. A person desiring to either (i) effect a transaction that might result in such person becoming a beneficial owner of at least the Specified Percentage or (ii) effect a transaction that might result in such person owning additional securities of the Company when such person already owns at least the Specified Percentage, may, by following the procedures outlined in the Tax Benefits Preservation Plan, request that the Board determine that such person would not be an Acquiring Person. The Board is not required to consider or respond to any such request, and a failure by the Board to respond within 30 calendar days after receipt of a request constitutes a denial. In such case, the Board may grant the exemption notwithstanding the effect on the Company's NOLs and other tax attributes, if the Board determines that such exemption is in the best interests of the Company. The Board may impose any conditions that it deems reasonable and appropriate in connection with any such determination, including restrictions on the ability of the requesting person to transfer securities of the Company acquired by it in the transaction requiring approval.

Amendment of the Tax Benefits Preservation Plan. The Company and the Rights Agent may from time to time amend or supplement the Tax Benefits Preservation Plan without the consent of the holders of the Rights. However, on or after the Stock Acquisition Date, no amendment can materially adversely affect the interests of the holders of the Rights (other than the Acquiring Person, any of its affiliates or associates or certain transferees of the Acquiring Person or of any such affiliate or associate).

Miscellaneous. While the distribution of the Rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) or for common stock of any acquiring company or in the event of the redemption of the Rights as described above.

Additional Information. A copy of the Tax Benefits Preservation Plan has been filed with the Securities and Exchange Commission as an exhibit to a registration statement on Form 8-A and a current report on Form 8-K. A copy of the Tax Benefits Preservation Plan is also available free of charge from the Company.

This description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Tax Benefits Preservation Plan, which is incorporated herein by reference.

Exhibit 4.2

Redwood Trust, Inc.

SECOND AMENDMENT TO WARRANT AGREEMENT

Dated as of November 3, 2026

SECOND AMENDMENT TO WARRANT AGREEMENT (this "**Amendment**"), dated as of November 3, 2026, between Redwood Trust, Inc., a Maryland corporation, as issuer (the "**Company**"), and the other signatory hereto (the "**Holder**").

WHEREAS, the Company and the Holder have executed and delivered that certain Warrant Agreement, dated as of March 18, 2024, as amended by that certain First Amendment to Warrant Agreement, dated as of October 28, 2025 (as so amended, the "**Warrant Agreement**");

WHEREAS, the Company and the Holder desire to amend certain terms of the Warrant Agreement as set forth below.

NOW, THEREFORE, each party to this Amendment hereby agrees as follows for the benefit of the other party.

Capitalized terms used in this Amendment without definition have the respective meanings given to them in the Warrant Agreement.

SECTION 1. AMENDMENTS

(a) Amendment of Definitions.

(i) The following definitions in Section 1 of the Warrant Agreement are amended and restated in their entirety as follows:

"**Amendment Effective Date**" means November 3, 2026.

"**Exercise Period Expiration Date**" means March 18, 2032 (or, if such date is not a Business Day, the immediately following Business Day).

"**Strike Price**" means, as of the Amendment Effective Date, $4.90 per share; *provided, however*, that the Strike Price is subject to adjustment pursuant to **Sections 5(g)** and **5(h)**. Each reference in this Warrant Agreement or any Certificate to the Strike Price as of a particular date without setting forth a particular time on such date will be deemed to be a reference to the Strike Price immediately after the Close of Business on such date.

(ii) The following definitions are added to Section 1 of the Warrant Agreement:

"**Applicable Price**" has the meaning set forth in **Section 5(g)(i)(7)(C)**.

"**Common Equity**" of any corporation means the common stock, common equity interests, ordinary shares or depositary shares or other certificates representing common equity interests of such corporation.

"**Effective Date**" means, with respect to a Make-Whole Fundamental Change Event, the date on which such Make-Whole Fundamental Change Event occurs or becomes effective.

"**Make-Whole Fundamental Change Event**" will be deemed to have occurred if any of the following occurs:

(a) a "person" or "group" within the meaning of Section 13(d) of the Exchange Act, other than the Company, its Subsidiaries and its and their employee benefit plans, files a Schedule TO or any schedule, form or report under the Exchange Act disclosing, or the Company otherwise becomes aware, that such person or group has become the direct or indirect "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Company's Common Equity representing more than fifty percent (50%) of the voting power of the Company's Common Equity;

(b) the consummation of (i) any recapitalization, reclassification or change of the Common Stock (other than changes resulting from a subdivision or combination) as a result of which the Common Stock would be converted into, or exchanged for, cash, securities or other property; (ii) any share exchange, consolidation or merger of the Company pursuant to which the Common Stock will be converted into cash, securities or other property; or (iii) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the property and assets of the Company and its Subsidiaries, taken as a whole, to any person other than one of the Company's Subsidiaries; *provided*, *however*, that a transaction described in clause (i) or (ii) in which the holders of all classes of the Company's Common Equity immediately prior to such transaction own, directly or indirectly, more than fifty percent (50%) of all classes of the Company's Common Equity of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions (relative to each other) as such ownership immediately prior to such transaction shall not be a Make-Whole Fundamental Change Event pursuant to this **clause (b)**;

(c) the Company's stockholders approve any plan or proposal for its liquidation or dissolution; or

(d) the Common Stock ceases to be listed or quoted on any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors).

A transaction or transactions described in clauses (a) or (b) above will not constitute a Make-Whole Fundamental Change Event, however, if (x) at least ninety percent (90%) of the consideration received or to be received by holders of the Common Stock (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in connection with such transaction or transactions consists of shares of common stock or common equity interests listed or quoted (or depositary receipts representing shares of common stock or common equity interests, which depositary receipts are listed or quoted) on any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market or (or any of their respective successors) or will be so listed or quoted when issued or exchanged in connection with such transaction or transactions; and (y) such transaction or transactions constitute a Common Stock Change Event whose Reference Property consists of such consideration.

For the purposes of the definition of Make-Whole Fundamental Change Event, any transaction or event described in both **clause (a)** and in **clause (b)(i)** or **(ii)** above (without regard to the proviso in **clause (b)**) will be deemed to occur solely pursuant to **clause (b)** above (subject to such proviso).

"**Make-Whole Fundamental Change Shares**" has the meaning set forth in **Section 5(g)(i)(7)(A)**.

(b) Automatic Exercise on Exercise Period Expiration Date or Effective Date of Cash Common Stock Change Event. Section 5(c) of the Warrant Agreement is amended and restated in its entirety as follows:

(c) Subject to the provisions of this **Section 5** and **Section 7**, each Warrant, if any, that is outstanding and not Exercised as of immediately before the Close of Business on (i) the Exercise Period Expiration Date will be deemed to be Exercised with an Exercise Date occurring on the Exercise Period Expiration Date (or, if such Exercise Period Expiration Date is not a Business Day, the immediately preceding Business Day); or (ii) the effective date of a Common Stock Change Event whose Reference Property consists entirely of cash, will be deemed to be Exercised with an Exercise Date occurring on such effective date (or, if such effective date is not a Business Day, the next Business Day); *provided*, *however*, that if such Common Stock Change Event referred to in **clause (ii)** is also a Make-Whole Fundamental Change Event as to which the Make-Whole Fundamental Change Shares is greater than zero, then such Warrant will instead be deemed to be Exercised with an Exercise Date occurring on the first Business Day of the related Make-Whole Fundamental Change Exercise Period. For the avoidance of doubt, (x) a Warrant as to which a Warrant Termination Event has occurred will, pursuant to **Section 7**, not be subject to exercise pursuant to this **Section 5(c)**; and (y) each Exercise of any Warrant pursuant to **clause (ii)** of the preceding sentence will be settled in accordance with **Section 5(j)(i)(B)**.

(c) Amendment of Mandatory Exercise Condition. Section 5(d)(i)(1)(y) of the Warrant Agreement is amended by deleting the words "two hundred percent (200%)" and replacing them with the words "two hundred fifty percent (250%)".

(d) Amendment of Exercise Consideration. Section 5(f)(i) of the Warrant Agreement is amended and restated in its entirety as follows:

(i) *Exercise Consideration*. Subject to **Section 5(f)(ii)**, **Section 5(j)**, **Section 8(b)** and the final paragraph of this **Section 5(f)(i)**, the consideration due upon settlement of the Exercise of each Warrant will consist of a number of shares of Common Stock equal to the greater of (x) zero; and (y) an amount equal to:

$$N \times \frac{VP - SP}{VP}$$

where:

N = the number of Underlying Shares of such Warrant that are being so Exercised;

VP = the Valuation Price per share of Common Stock for such Exercise; and

SP = the Strike Price in effect immediately after the Close of Business on such Exercise Date.

In addition, if a Make-Whole Fundamental Change Event relating to such Warrant has occurred and the Exercise Date for the Exercise of such Warrant occurs during the related Make-Whole Fundamental Change Exercise Period, then the Exercise Consideration for such Exercise will include, in addition to the Exercise Consideration for such Exercise determined pursuant to the preceding paragraph of this **Section 5(f)(i)**, an additional number of shares of Common Stock equal to the product of (x) the number of Underlying Shares of such Warrant that are being so Exercised; and (y) the number of Make-Whole Fundamental Change Shares for such Make-Whole Fundamental Change Event.

(e) Amendment of Cash Dividend Adjustment. Section 5(g)(i)(4) of the Warrant Agreement is amended by deleting from "*T*" the words "an amount (subject to the proviso below, the "**Dividend Threshold**") initially equal to $0.16 per share of Common Stock" and replacing them with the words "from and after the Amendment Effective Date, an amount (subject to the proviso below, the "**Dividend Threshold**") initially equal to $0.00 per share of Common Stock".

(f) Make-Whole Fundamental Changes. Section 5(g)(i)(7) is added to the Warrant Agreement as follows:

(7) *Make-Whole Fundamental Change Events*.

(A) Subject to **Section 5(g)(i)(7)(F)**, if the Effective Date of a Make-Whole Fundamental Change Event occurs prior to the Exercise Period Expiration Date and the Holder exercises all outstanding First Tranche Warrants held by the Holder (if the Second Tranche Warrants are not then exercisable) or all outstanding First Tranche Warrants and Second Tranche Warrants held by the Holder (if the Second Tranche Warrants are then exercisable) in connection with such Make-Whole Fundamental Change Event, then there will be added (pursuant to, and without duplication of, **Section 5(j)(i)(B)** or the final paragraph of **Section 5(f)(i)**, as applicable) to the Exercise Consideration otherwise due upon such Exercise, an additional number of shares of Common Stock equal to the product of (x) the number of Underlying Shares of such Warrant that are being so Exercised; and (y) the number of shares of Common Stock (such number of shares referred to in this **clause (y)**, the "**Make-Whole Fundamental Change Shares**") set forth in the table below corresponding (after interpolation as provided in, and subject to, the provisions below) to the Effective Date and the Applicable Price (as defined below) of such Make-Whole Fundamental Change Event. An Exercise of the Warrants will be deemed for these purposes to be "in connection with" such Make-Whole Fundamental Change Event if the Exercise Date for such Exercise occurs during the period from, and including, the Effective Date of such Make-Whole Fundamental Change Event to, and including, the thirty fifth (35th) Trading Day immediately following such Effective Date (the "**Make-Whole Fundamental Change Exercise Period**"). If the Holder exercises all outstanding First Tranche Warrants (if the Second Tranche Warrants are not then exercisable) or all outstanding First Tranche Warrants and Second Tranche Warrants (if the Second Tranche Warrants are then exercisable) with an Exercise Date that is not during the Make-Whole Fundamental Change Exercise Period, then the Holder will not be entitled to any Make-Whole Fundamental Change Shares.

(B) The Make-Whole Fundamental Change Shares applicable to any Make-Whole Fundamental Change Event will be such number set forth in the following table, which incremental number of Underlying Shares will be determined based upon the Effective Date and Applicable Price of such Make-Whole Fundamental Change Event:

	Applicable Price							
Effective Date	**$5.00**	**$5.25**	**$5.50**	**$5.75**	**$6.00**	**$8.00**	**$12.00**	**$17.00**
Oct. 31, 2026	0.0150	0.0400	0.0532	0.0610	0.0688	0.0436	0.0222	0.0107
Oct. 31, 2027	0.0120	0.0325	0.0450	0.0499	0.0550	0.0349	0.0178	0.0107
Oct. 31, 2028	0.0090	0.0250	0.0327	0.0388	0.0413	0.0291	0.0134	0.0053
Oct. 31, 2029	0.0045	0.0125	0.0164	0.0200	0.0206	0.0146	0.0089	0.0053
Oct. 31, 2030	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

provided, however, that:

(1) if the actual Applicable Price of such Make-Whole Fundamental Change Event is between two (2) Applicable Prices listed in the table above under the row (*i.e.*, the column headers) titled "Applicable Price," or if the actual Effective Date of such Make-Whole Fundamental Change Event is between two Effective Dates listed in the table above in the column immediately below the title "Effective Date," then the number of Make-Whole Fundamental Change Shares for such Make-Whole Fundamental Change Event will be determined by straight-line interpolation (rounding fractions in the manner set forth in **Section 5(g)(viii)**) between the number of Make-Whole Fundamental Change Shares set forth for such higher and lower Applicable Prices or for such earlier and later Effective Dates, as applicable, based on a three-hundred and sixty-five (365) or, if the year in which the Effective Date occurs is a year consisting of more than three-hundred sixty-five (365) days, a three-hundred and sixty-six (366) day year, as applicable;

(2) if the Applicable Price of such Make-Whole Fundamental Change Event is greater than $17.00 per share (subject to adjustment pursuant to **Section 5(g)(i)(7)(B)(3)** below), or if the Applicable Price of such Make-Whole Fundamental Change Event is less than $5.00 per share (subject to adjustment pursuant to **Section 5(g)(i)(7)(B)(3)** below), then the number of Make-Whole Fundamental Change Shares will be equal to zero (0);

(3) if an event occurs that requires, pursuant to **Section 5(g)(i)(1)** through **(5)**, an adjustment to the Strike Price, then, each Applicable Price set forth in the table above under the row (*i.e.*, the column headers) titled "Applicable Price" will be deemed to be adjusted in the same manner as, and at the same time and for the same events for which, the Strike Price is adjusted pursuant to **Section 5(g)(i)(1)** through **(5)**; and

(4) each number of Make-Whole Fundamental Change Shares set forth in the table above will be adjusted in the same manner, for the same events and at the same time as the number of Underlying Shares are required to be adjusted pursuant to **Section 5(g)(i)(6)** or **Section 5(h)**. Notwithstanding the foregoing, in no event will the number of Make-Whole Fundamental Change Shares exceed 0.0688 shares of Common Stock, as adjusted pursuant to this **Section 5(g)(i)(7)(B)(4)**.

(C) As used herein, "**Applicable Price**" will have the following meaning with respect to a Make-Whole Fundamental Change Event: (1) if such Make-Whole Fundamental Change Event is a transaction or series of transactions described in **clause (b)** of the definition of Make-Whole Fundamental Change Event and the consideration for the Common Stock in such Make-Whole Fundamental Change Event consists solely of cash, then the "Applicable Price" with respect to such Make-Whole Fundamental Change Event will be equal to the cash amount paid per share of Common Stock in such Make-Whole Fundamental Change Event; and (2) in all other circumstances, the "Applicable Price" with respect to such Make-Whole Fundamental Change Event will be equal to the average of the Last Reported Sale Prices per share of Common Stock for the five (5) consecutive Trading Days immediately preceding, but excluding, the Effective Date of such Make-Whole Fundamental Change Event, which average will be subject to potential adjustment pursuant to **Section 6(a)**.

(D) The Company will send to the Holder, in accordance with **Section 9(a)**, written notice of the Effective Date of the Make-Whole Fundamental Change Event within ten (10) days after such Effective Date. Each such notice will, if applicable, also state that, in connection with such Make-Whole Fundamental Change Event, the Company will increase, in accordance herewith, the Underlying Shares.

(E) Nothing in this **Section 5(g)(i)(7)** will prevent any other adjustment to the Underlying Shares and/or the Strike Price pursuant to **Section 5(g)(i)(1) through (6)** or **Section 5(h)** in respect of a Make-Whole Fundamental Change Event.

(F) For any Effective Date on or after October 31, 2030, the number of Make-Whole Fundamental Change Shares will be zero (0).

(g) Consideration due Upon Exercise of Warrant After a Common Stock Change Event. Section 5(j)(i)(A) of the Warrant Agreement is amended and restated in its entirety as follows:

(A) from and after the effective time of such Common Stock Change Event, (I) the consideration due upon Exercise of any Warrant will be determined in the same manner as if each reference to any number of shares of Common Stock in this **Section 5** or in **Section 6**, or in any related definitions, were instead a reference to the same number of Reference Property Units; (II) for purposes of **Section 5(d)**, each reference to any number of shares of Common Stock in such Section (or in any related definitions) will instead be deemed to be a reference to the same number of Reference Property Units; and (III) for purposes of the definitions of "Make-Whole Fundamental Change Event," the terms "Common Stock" and "Common Equity" will be deemed to mean the Common Equity (including depositary receipts representing common equity), if any, forming part of such Reference Property;

(h) Cash Reference Property Unit. Section 5(j)(i)(B) of the Warrant Agreement is amended and restated in its entirety as follows:

(B) if such Reference Property Unit consists entirely of cash, then the Company will settle each Exercise of any Warrant whose Exercise Date occurs on or after the date of the effective time of such Common Stock Change Event by paying, on or before the tenth (10th) Business Day immediately after such Exercise Date, cash in an amount equal to the sum of (i) the product of (I) the number of Underlying Shares of such Warrant that are being so Exercised; and (II) the excess, if any, of (x) the amount of cash included in such Reference Property Unit over (y) the Strike Price (it being understood, for the avoidance of doubt, that the amount set forth in this **clause (II)** will be zero if the amount set forth in **clause (x)** is not greater than the amount set forth in **clause (y)**); and (ii) the product of (I) the number of Underlying Shares of such Warrant that are being so Exercised; (II) the amount of cash included in such Reference Property Unit; and (II) the number of Make-Whole Fundamental Change Shares, if any, applicable to such Exercise pursuant to **Section 5(g)(i)(7)** (it being understood, for the avoidance of doubt that the amount set forth in this **clause (ii)** will be zero if such Exercise Date is not during a Make-Whole Fundamental Change Exercise Period or if such Exercise Date is during a Make-Whole Fundamental Change Exercise Period but the number of Make-Whole Fundamental Change Shares applicable to the related Make-Whole Fundamental Change Event is zero); and

(i) Effect of Amendment; Effectiveness. Except as expressly amended hereby, the Warrant Agreement remains in full force and effect. From and after the date hereof, each reference in the Warrant Agreement to "this Warrant Agreement" will be deemed a reference to the Warrant Agreement as amended hereby. Each Certificate will be deemed amended to reflect this Amendment without the need to reissue such Certificate. This Amendment will become effective on the Amendment Effective Date.

SECTION 2. MISCELLANEOUS

(a) Incorporation by Reference of Certain Provisions of the Warrant Agreement. The provisions of Sections 9(a) to 9(h), inclusive, of the Warrant Agreement will apply to this Amendment with the same force and effect as if such Sections were reproduced in this Amendment, mutatis mutandis.

(b) Recitals. The Recitals set forth in this Amendment are set forth exclusively by the Company, and the Holder will not have any liability or responsibility with respect to such Recitals.

[*The Remainder of This Page Intentionally Left Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the parties to this Amendment have caused this Amendment to be duly executed as of the date first written above.

REDWOOD TRUST, INC.

By: /s/ Brooke E. Carillo
Name: Brooke E. Carillo
Title: Executive Vice President and Chief Financial Officer

CPPIB CREDIT INVESTMENTS III INC.

By: /s/ Alexandra Bradford
Name: Alexandra Bradford
Title: Authorized Signatory

By: /s/ Winston Guo
Name: Winston Guo
Title: Authorized Signatory

[*Signature Page to Second Amendment to Warrant Agreement*]

Exhibit 99.1

REDWOOD

TRUST

REDWOOD TRUST PLANS C-CORPORATION CONVERSION AND PREFERRED-FOR-COMMON STOCK EXCHANGE OFFER AT A PREMIUM

Planned C-Corporation Conversion Estimated to Increase GAAP Book Value Per Share by $0.73-$0.77 in the Fourth Quarter of 2026, with Additional Benefits to Support Long-Term Growth

Exchange Offer Intended to Provide Income-Oriented Common Stockholders with a High Dividend Preferred Stock Investment Option

Exchange Offer Accretive to Book Value and Earnings Per Share

Company Adopts Tax Benefits Preservation Rights Plan to Protect Valuable Tax Assets

MILL VALLEY, CA – Redwood Trust, Inc. (NYSE: RWT; "Redwood", "we", "us" or the "Company"), a leader in expanding access to housing for homebuyers and renters, today announced that its Board of Directors (the "Board") has unanimously approved a plan to discontinue the Company's election to be treated as a real estate investment trust for U.S. federal income tax purposes ("REIT") and convert to a taxable C-corporation, effective for the calendar year ending December 31, 2027 (the "C-corporation Conversion").

Redwood also today announced plans for a preferred-for-common stock exchange offer designed to provide existing common stockholders, particularly those who prioritize current income, with an alternative way to participate in the Company's future (the "Exchange Offer").

"Over the past year, and in light of the Company's strategic transformation, the Board and management team have been actively reviewing Redwood's organizational structure, balance sheet, capital allocation priorities and long-term strategic objectives with the assistance of independent financial and legal advisors," said Greg H. Kubicek, Chair of the Board. "Today's actions represent an important next step to enhance value and lower our cost of capital as part of the continued evolution of Redwood's business model."

C-Corporation Conversion Plan

The C-corporation Conversion plan is expected to deliver three principal economic benefits:

- **Greater flexibility to retain and reinvest earnings in the Company's mortgage banking platforms.** As part of the C-corporation Conversion plan, the Board is realigning the Company's quarterly dividend policy to the level of $0.02 per common share – a level consistent with banks, asset managers and specialty finance companies with comparable operating models – allowing the Company to retain and reinvest a greater portion of its earnings. The new quarterly dividend policy is expected to become effective upon the Board's declaration of the fourth quarter 2026 common stock dividend in December 2026.

- **A pathway to a more efficient financing structure and a lower cost of capital.** A C-corporation structure, supported by greater earnings retention and a stronger balance sheet, will broaden the Company's access to institutional unsecured debt and equity capital and provide greater flexibility in future financing arrangements.

- **More effective utilization of Redwood's existing tax assets and lower tax liabilities in the near term.** The C-corporation Conversion will allow the Company to use net operating loss carryforwards ("NOLs") from its REIT-qualified businesses to offset taxes on earnings from its tax-paying businesses, which represent the vast majority of total earnings, effectively lowering the tax liabilities, and related cash expense, of the Company's mortgage banking businesses over a multi-year period. Because of the utility the tax assets will have in this new structure, the Company expects to recognize an initial benefit to book value in the fourth quarter of 2026 of approximately $0.73 to $0.77 per share (estimated benefit as of September 30, 2026).

"Redwood has evolved into a premier mortgage credit platform, sourcing, aggregating and managing residential mortgage assets for a growing network of institutional capital partners," said Christopher J. Abate, Chief Executive Officer of Redwood. "Our next chapter is about translating those competitive advantages into greater value for shareholders. With a new corporate structure and resilient core business, we are confident in our ability to lower our cost of capital, deepen access to accretive sources of financing, reduce leverage, compound earnings and book value, and create lasting value for shareholders." Mr. Abate continued, "Our earnings announcement today noted that we have upsized our corporate secured financing facility and extended its maturity through March 2030, further strengthening our financing flexibility as we begin this new chapter."

Exchange Offer Planned to Provide Income-Oriented Common Stockholders with a High Dividend Preferred Stock Investment Option

The Company plans to launch the Exchange Offer during the week of November 9, 2026. The Exchange Offer will provide common stockholders the opportunity to exchange some or all of the Company common stock they hold for shares of a new issue of 11.00% Series B Preferred Stock of the Company (the "Series B Preferred Stock"). The Company currently plans to exchange $50 million of common stock for shares of Series B Preferred Stock, and may increase the size of the Exchange Offer if it is meaningfully oversubscribed.

- The Exchange Offer is intended to provide common stockholders seeking a high level of continuing dividend income with an opportunity to exchange the shares of common stock they hold for shares of Series B Preferred Stock, which offer both dividend priority and seniority over common stock in Redwood's capital structure.

- The Exchange Offer will be conducted through a modified Dutch auction, with the auction results determining the final exchange ratio of Series B Preferred Stock for Company common stock. We anticipate that exchanging common stockholders will receive Series B Preferred Stock with a face value greater than (i.e., a premium to) the value of the common stock exchanged.

- The Series B Preferred Stock will have an 11% coupon rate, with the effective yield potentially enhanced by the final exchange ratio in the Exchange Offer.

- The Company intends to apply to list the Series B Preferred Stock on the New York Stock Exchange.

Mr. Abate continued, "We know that some of our shareholders value the dividend that Redwood pays and we wanted to ensure they have an option to remain invested in the Company through our C-corporation transition process and continue to receive a high dividend. The Exchange Offer is designed to provide exchanging shareholders a preferred security with an effective yield of at least 11%, while allowing other common shareholders to remain fully invested in the growth of our platform and enterprise and benefit from the book value and earnings per share accretion that would result from this Exchange Offer."

The Exchange Offer has not commenced. The final terms of the Exchange Offer will be announced at the formal launch of the Exchange Offer. This announcement is for informational purposes only and does not constitute an offer to buy, sell, or exchange securities or a solicitation of an offer to buy, sell or exchange securities. Any Exchange Offer will be made solely through definitive offering materials, which stockholders should carefully review when available.

MacKenzie will be the information agent for the Exchange Offer. For inquiries regarding the Exchange Offer, please call 800-322-2885 or email RWT-MPI@mackenziepartners.com.

Protecting the Value of Redwood's Tax Assets

As part of the C-corporation Conversion, today the Board unanimously adopted a Tax Benefits Preservation Rights Plan (the "Rights Plan") to help protect the Company's ability to use its NOLs and other tax assets under Section 382 of the Internal Revenue Code of 1986, as amended (the "IRC").

Redwood estimates that it currently has approximately $304 million of U.S. federal NOLs available to offset future taxable income following the C-corporation Conversion. The Company's ability to use these NOLs would be substantially limited if the Company experienced an "ownership change" within the meaning of Section 382 of the IRC. The Board adopted the Rights Plan to help ensure that the NOLs are not impaired by changes to the Company's stockholder base.

Under the Rights Plan, the rights generally become exercisable only if a person or group (an "acquiring person") acquires ownership of 4.9% or more of Company common stock and certain other Company securities (the "Specified Threshold"), subject to certain exceptions. In that situation, each holder of a right (other than the acquiring person, whose rights will become void and will not be exercisable) will be entitled to purchase, at the then-current exercise price, shares of Company common stock at a 50% discount. The Board, at its option, may exchange each right (other than rights owned by the acquiring person that have become void) in whole or in part, at an exchange ratio of one share of Company common stock per outstanding right, subject to adjustment.

If a person or group's ownership equals or exceeds the Specified Threshold at the time of today's announcement of the Rights Plan, then that person's or group's existing ownership will be grandfathered. Grandfathered stockholders that hold in excess of 5.0% are permitted to acquire up to an additional 0.5%. In addition to the Rights Plan, our charter prohibits any person or group from acquiring "beneficial ownership" of our "capital stock" (as those terms are defined in our charter) in excess of 9.8% of our outstanding capital stock, absent a written waiver from the Board.

In order to further help protect the Company's tax assets in connection with the planned Exchange Offer, the Company intends to incorporate restrictions on the level of ownership of the Series B Preferred Stock issued in the Exchange Offer, which will be disclosed at the formal launch of the Exchange Offer.

Additional information regarding the Rights Plan is contained in a Current Report on Form 8-K filed by the Company today with the U.S. Securities and Exchange Commission (the "SEC").

Positioning Redwood's Common Stock for a Broader Investor Base

As part of the C-corporation Conversion, the Board has also unanimously approved a one-for-five reverse stock split (the "Reverse Stock Split") of the Company's common stock, which is scheduled to be effective at market open on January 4, 2027. The Reverse Stock Split is being effected to enhance the marketability of the Company's common stock, broaden the Company's appeal to investors and better align its share structure with Redwood's evolving business model. Additional information about the Reverse Stock Split is contained in a Current Report on Form 8-K filed by the Company today with the SEC. The Company will also announce additional details about the Reverse Stock Split prior to its effective date.

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The Company will provide additional detail on the C-corporation Conversion, the Rights Plan, and the Reverse Stock Split in connection with its third quarter 2026 results, which are also being published today after the close of the New York Stock Exchange, and during its third quarter 2026 earnings results conference call at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time. Details for the earnings results conference call and webcast are available in the Investor Relations section of the Company's website at www.redwoodtrust.com.

ABOUT REDWOOD TRUST

Redwood Trust, Inc. (NYSE: RWT) is a specialty finance company focused on several distinct areas of housing credit where we provide liquidity to growing segments of the U.S. housing market not well served by government programs. We deliver customized housing credit investments to a diverse mix of investors, through our best-in-class securitization platforms, whole-loan distribution activities, joint ventures and our publicly traded shares. We operate through three core residential housing-focused operating platforms — Sequoia, Aspire, and CoreVest — alongside our complementary Redwood Investments portfolio which is primarily composed of assets we source through these platforms. Redwood Investments also includes RWT Horizons®, our unified technology platform spanning internal AI innovation and strategic investments across the ecosystem, which supports our efforts to develop an AI-first operating model that enables compounding operational leverage and scalable growth. This reflects how we manage and organize our business and may differ from the manner in which our reportable segments are presented for financial reporting purposes.

Our goal is to provide attractive returns to shareholders through earnings and dividends, capital appreciation, and a commitment to technological innovation that facilitates risk-minded scale. Redwood Trust is internally managed and is currently structured as a real estate investment trust ("REIT") for tax purposes. The Company has announced a plan to transition to a C-corporation beginning with its 2027 tax year. For more information about Redwood, please visit our website at www.redwoodtrust.com or connect with us on LinkedIn.

***Cautionary Statement; Forward-Looking Statements**:*

This press release and the related conference call contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements regarding, the planned C-corporation Conversion, including its expected timing and effectiveness, and its anticipated benefits; the Company's new quarterly dividend policy and its expected effective date, and the anticipated retention, use and reinvestment of earnings; the Company's ability to utilize its NOLs and other tax assets, the estimated amount of such NOLs, expected reductions in taxes and the expected initial benefit to book value in the fourth quarter of 2026; the planned Exchange Offer, including its expected launch date, structure, terms, size, exchange-price range and price premium, and the terms of the Series B Preferred Stock; the Rights Plan and its ability to protect the Company's tax assets; the expected timing, terms and effects of the Reverse Stock Split; and the Company's business strategy, objectives and future financial performance. Forward-looking statements involve numerous risks and uncertainties. Redwood's actual results may differ from Redwood's beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "could," "would," "may," "expect," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, opportunities, or intentions. These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2025 under the caption "Risk Factors". Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Forms 10-K, 10-Q and 8-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Risks and Disclosures Related to the Planned Exchange Offer:

Additional terms and conditions of the planned Exchange Offer will be set forth in the Company's definitive offering materials, which will be filed with the SEC and distributed to the Company's common stockholders. If the number of shares of common stock tendered in the planned Exchange Offer exceeds the maximum amount of the planned Exchange Offer, the Company will exchange shares from tendering stockholders on a pro rata basis. Accordingly, there is no assurance that the Company will exchange all shares of a stockholder's common stock tendered in the Exchange Offer. The Company may determine not to accept shares of common stock tendered in the Exchange Offer under various circumstances, as will be set forth in the definitive offering materials for the planned Exchange Offer. Further information about the planned Exchange Offer will be announced in future press releases and the definitive offering materials for the planned Exchange Offer.

The Company has not commenced the Exchange Offer described in this press release. This press release is not a recommendation, an offer to buy, sell, or exchange or a solicitation of an offer to buy, sell, or exchange any securities of the Company and the above statements are not intended to constitute an offer to participate in any exchange offer. The solicitation and the offer to exchange shares of common stock of the Company will be made pursuant to an offer to exchange and related materials that the Company intends to file with the SEC. At the time the planned Exchange Offer is commenced, the Company intends to file a Tender Offer Statement on Schedule TO containing an offer to exchange, forms of letters of transmittal and other documents relating to the planned Exchange Offer. The Company intends to distribute these documents to the common stockholders of the Company. These documents will contain important information about the planned Exchange Offer and stockholders of the Company are urged to read them carefully when they become available. Investors may obtain free copies of the Tender Offer Statement and other documents (when they become available) filed with the SEC at the SEC's website at www.sec.gov or on the Company's website at www.redwoodtrust.com.

The Company planning to rely on Section 3(a)(9) of the Securities Act of 1933 (the "Securities Act") to exempt the planned Exchange Offer from the registration requirements of the Securities Act. Section 3(a)(9) provides that the registration requirements of the Securities Act will not apply to "any security exchanged by the issuer with its existing security holders exclusively where no commission or other remuneration is paid or given directly or indirectly for soliciting such exchange." The Company has no current or planned contract, arrangement or understanding relating to, and will not, directly or indirectly, pay any commission or other remuneration to any broker, dealer, salesperson, agent or any other person for soliciting tenders in the planned Exchange Offer.

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