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

Schedule 13D

Under the Securities Exchange Act of 1934

Ellington Financial LLC

(Name of Issuer)

Common Shares
(Title of Class of Securities)

288522303
(CUSIP Number)

Daniel Margolis, Esq.
Ellington Financial LLC
53 Forest Avenue
Old Greenwich, Connecticut 06870
+1 203 698 1200

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

November 15, 2010
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)	
	Michael W. Vranos	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION United States	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 2,974,342 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 2,974,342 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,974,342 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 17.6%	
14.	TYPE OF REPORTING PERSON IN	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) VC Investments LLC (13-3813408)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 2,974,342 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 2,974,342 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,974,342 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 17.6%	
14.	TYPE OF REPORTING PERSON OO	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) EMG Holdings, L.P. (03-0612415)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 1,701,863 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 1,701,863 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,701,863 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 10.1%	
14.	TYPE OF REPORTING PERSON PN	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) Ellington Capital Management LLC (06-1426360)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 1,250,000 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 1,250,000 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,250,000 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 7.6%	
14.	TYPE OF REPORTING PERSON OO	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) Ellington Mortgage Partners, L.P. (06-1426358)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 380,000 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 380,000 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 380,000 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 2.3%	
14.	TYPE OF REPORTING PERSON PN	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) New Ellington Credit Partners, L.P. (90-0116523)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 750,000 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 750,000 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 750,000 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 4.5%	
14.	TYPE OF REPORTING PERSON PN	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)	
	New Ellington Partners, L.P. (06-1507999)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 120,000 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 120,000 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 120,000 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.7%	
14.	TYPE OF REPORTING PERSON PN	

1.	NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)	
	Ellington Financial Management LLC (26-0715075)	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>	
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS OO	
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 0
	8.	SHARED VOTING POWER 22,479 Common Shares
	9.	SOLE DISPOSITIVE POWER 0
	10.	SHARED DISPOSITIVE POWER 22,479 Common Shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 22,479 Common Shares	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.1%	
14.	TYPE OF REPORTING PERSON OO	

Item 1. Security and Issuer:

The class of equity securities to which this Schedule 13D relates is the common shares representing limited liability company interests, no par value (the "Common Shares"), of Ellington Financial LLC (the "Issuer"). The Issuer is a specialty finance company that is externally managed and advised by Ellington Financial Management LLC ("EFM"), an affiliate of Ellington Management Group, L.L.C. The principal executive office of the Issuer is located at 53 Forest Avenue, Old Greenwich, Connecticut 06870.

Item 2. Identity and Background.

(a) This statement is filed by Michael W. Vranos ("Mr. Vranos"), VC INVESTMENTS LLC ("VC"), EMG HOLDINGS, L.P. ("EMGH"), Ellington Capital Management LLC ("ECM"), Ellington Mortgage Partners, L.P. ("EMP"), New Ellington Credit Partners, L.P. ("NECP"), New Ellington Partners, L.P. ("NEP") and EFM (each, a "Reporting Person," and collectively, "Reporting Persons").

(b) The address of the Reporting Persons is 53 Forest Avenue, Old Greenwich, Connecticut 06870.

(c), (f) Mr. Vranos, a natural person, is a citizen of the United States and the managing member of, and holds a controlling interest in, VC. Mr. Vranos also serves as a director and co-chief investment officer of the Issuer and the chief executive officer and president of EFM.

VC is a limited liability company established under the laws of the State of Delaware for investment purposes. VC is the general partner of EMGH and owns 1% of the Class A membership interests of EFM, and is also the managing member of EFM and ECM.

EMGH is a limited partnership established under the laws of the State of Delaware for investment purposes and owns 99% of the Class A membership interests of EFM.

ECM is a limited liability company established under the laws of the State of Delaware for investment purposes and serves as the general partner of each of EMP, NECP and NEP, which beneficially own in aggregate 1,250,000 Common Shares.

EMP is a limited partnership established under the laws of the State of Delaware for investment purposes.

NECP is a limited partnership established under the laws of the State of Delaware for investment purposes.

NEP is a limited partnership established under the laws of the State of Delaware for investment purposes.

EFM is a limited liability company established under the laws of the State of Delaware. EFM serves as the Issuer's external manager and adviser pursuant to a management agreement.

(d) None of the Reporting Persons has been convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors).

(e) During the past five years, none of the Reporting Persons was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Immediately prior to the date on which the Issuer became a reporting company pursuant to Section

12(b) of the Securities Exchange Act of 1934, as amended, Mr. Vranos, VC, EMGH and ECM beneficially owned 2,962,920, 2,962,920, 1,669,004 and 1,250,000 Common Shares, respectively. On November 15, 2010, pursuant to that certain Amended and Restated Management Agreement, by and between the Issuer and EFM, effective as of July 1, 2009, as amended and restated again effective on October 1, 2010 (the "Management Agreement"), the Issuer issued 11,422 Common Shares to EFM as payment for 10% of the incentive fee earned by EFM during the third quarter of 2010, resulting in EFM beneficially owning an aggregate of 55,338 Common Shares as of November 15, 2010. On December 1, 2010, EFM distributed 32,530 Common Shares to EMGH and 329 Common Shares to VC. On the same date, VC subsequently contributed 329 Common Shares to EMGH pursuant to a Contribution and Assignment Agreement in exchange for a corresponding increase in VC's capital account with EMGH.

Item 4. Purpose of Transaction.

As described in Item 3 above, 11,422 Common Shares were issued in accordance with the terms of the Management Agreement as payment for 10% of the incentive fee earned by EFM during the third quarter of 2010. Subsequent to that Common Share issuance, 32,859 Common Shares were distributed by EFM to its members, EMGH and VC, with VC subsequently contributing 329 Common Shares to EMGH. The Common Shares acquired by EFM, EMGH and VC in these transactions were acquired for investment purposes. As previously noted, EFM is the external manager and advisor of the Issuer, and as such, carries out the day-to-day operational and business activities of the Issuer. The Reporting Persons have no plans or proposals that relate to or would result in any of the transactions specified in clauses (a) through (j) of Item 4 of Schedule 13D, except as follows: it can be expected that the Issuer may access the capital markets from time to time pursuant to underwritten public offerings. In addition, the Issuer expects to issue additional Common Shares to EFM in the future as payment for a portion of EFM's incentive fee under the Management Agreement. Finally, the Issuer, in the ordinary course of its business, will be purchasing various mortgage-related and other financial assets, and it can be expected that these assets will be sold from time to time. Finally, the Reporting Persons reserve the right to change their intentions and plans at any time they deem appropriate.

In addition, the matters set forth in Item 6 below are incorporated in this Item 4 by reference as if fully set forth herein.

Item 5. Interest in Securities of the Issuer.

(a), (b) The aggregate number and percentage of Common Shares to which this Schedule 13D relates is 2,974,342 shares, which represents beneficial ownership of 17.6% of the total number of Common Shares outstanding as of December 31, 2011. The beneficial ownership set forth in the immediately preceding sentence is held as follows:

<u>Beneficial Owner</u>	<u>Sole Voting Power</u>	<u>Shared Voting Power</u>	<u>Sole Dispositive Power</u>	<u>Shared Dispositive Power</u>	<u>Total</u>	<u>Percent of Outstanding Common Shares</u>	<u>Managing Member or General Partner</u>
Mr. Vranos ⁽¹⁾	0	2,974,342	0	2,974,342	2,974,342	17.6%	N/A
VC ⁽¹⁾	0	2,974,342	0	2,974,342	2,974,342	17.6%	Mr. Vranos
EMGH ⁽²⁾	0	1,701,863	0	1,701,863	1,701,863	10.1%	VC
ECM ⁽³⁾	0	1,250,000	0	1,250,000	1,250,000	7.6%	VC
EMP	0	380,000	0	380,000	380,000	2.3%	ECM
NECP	0	750,000	0	750,000	750,000	4.5%	ECM
NEP	0	120,000	0	120,000	120,000	0.7%	ECM
EFM	0	22,479	0	22,479	22,479	0.1%	VC

- (1) Beneficial ownership includes 1,701,863 Common Shares beneficially owned by EMGH (including 375,000 LTIP Units — see footnote 2 below), 1,250,000 Common Shares beneficially owned by ECM and 22,479 Common Shares held directly by EFM.
- (2) Beneficial ownership includes 1,326,863 Common Shares and 375,000 LTIP Units held directly by EMGH. The LTIP Units are fully vested and are convertible into Common Shares on a one-for-one basis, subject to certain conditions.
- (3) Beneficial ownership includes 380,000 Common Shares held directly by EMP, 750,000 Common Shares directly held by NECP and 120,000 Common Shares held directly by NEP. ECM serves as the general partner of each of these entities.

(c) Except for the transactions described in Item 3 above, there have been no transactions effected during the past 60 days by the Reporting Persons with respect to the Common Shares. The information related to the transactions dated November 15, 2010 and December 1, 2010 contained in Item 3 above is incorporated herein by reference.

(d) Not applicable.

(e) Not applicable

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Management Agreement:

The Issuer is externally managed and advised by EFM, an affiliate of the Reporting Persons and Ellington Management Group L.L.C. (“EMG”). The Issuer entered into a management agreement with EFM upon the Issuer’s inception in August 2007. The Management Agreement, which was amended and restated effective July 1, 2009, and amended and restated again effective October 1, 2010, has a current term that expires on December 31, 2011, and will be automatically renewed for successive one-year terms thereafter unless notice of non-renewal is delivered by either party to the other party at least 180 days prior to the expiration of the then current term. Pursuant to the Management Agreement, EFM implements the Issuer’s strategy and manages its assets and day-to-day business and operations and performs certain services for the Issuer, subject to oversight by the Issuer’s board of directors. EFM is responsible for, among other duties, determining criteria, in conjunction with the Issuer’s board of directors, for sourcing, analyzing and executing asset purchases, asset sales and financings and performing asset management duties. In addition, pursuant to a services agreement between EFM and EMG, the Issuer relies on the resources of EMG to support its operations. Each of the Issuer’s officers is also an employee or officer of EFM or one of its affiliates. In addition, EFM has an investment and risk management committee that advises and consults with the Issuer’s senior management team with respect to, among other things, the Issuer’s investment policies, portfolio holdings, financing and hedging strategies and investment guidelines. Mr. Vranos is currently a member of such investment and risk management committee.

The Management Agreement provides for payment of a base management and incentive fee to EFM, and provides further that a minimum of 10% of each incentive fee payable to EFM is to be paid in Common Shares, with the balance paid in cash. EFM may, in its sole discretion, elect to receive a greater percentage of any incentive fee in the form of Common Shares. The Management Agreement further provides that EFM may not elect to receive Common Shares as payment of its incentive fee, other than in accordance with all applicable securities exchange rules and securities laws (including prohibitions on

insider trading). The number of Common Shares to be received by EFM pursuant to the Management Agreement is based on the fair market value of those Common Shares. Common Shares delivered as payment of the incentive fee are immediately vested, provided that EFM has agreed not to sell the Common Shares prior to one year after the date they are issued to EFM. The Common Shares issued pursuant to the Management Agreement are subject to the registration rights described below. EFM's transfer restriction will lapse if the Management Agreement is terminated.

Lock-Up Agreement:

Mr. Vranos, VC, EMGH, EMP, NECP, NEP, EFM and certain other Ellington-affiliated entities entered into lock-up agreements covering a period of 180 days after the date of the Issuer's prospectus dated October 7, 2010 with respect to the Common Shares and LTIP Units held by them at that date and any additional Common Shares and LTIP Units acquired by them during the lock-up period. The lock-up period is scheduled to expire on April 5, 2011.

Registration Rights Agreement:

The Issuer's and EFM's executive officers, directors, partners, members and other affiliates (as such term is defined in the Exchange Act), including but not limited to Ellington-managed funds, and any of their permitted transferees and including (i) any executive officer, director, trustee, or general partner of such affiliate and (ii) any legal entity for which such affiliate acts as an executive officer, director, trustee or general partner, or the "Covered Persons", are entitled to the benefits of a registration rights agreement with respect to Common Shares they purchased in the Issuer's August 2007 private offering and, in the case of EFM, any Common Shares issued to EFM as part of its incentive fee. Pursuant to such registration rights agreement, the Issuer is required to file within 60 days after the closing of the Issuer's initial public offering a resale shelf registration statement providing for the registered resale of these shares. In addition, to the extent any of these shares are no longer eligible for the treatment in the preceding sentence, the registration rights agreement provides the Covered Persons with (i) customary piggy-back registration rights with respect to any registration statement we file with the SEC (subject to underwriter cut-back rights with respect to underwritten offerings) and (ii) upon the request of Covered Persons holding a certain percentage of Common Shares covered under the registration rights agreement, the right to require the Issuer to file up to three registration statements on Form S-3 once it becomes eligible to use such form or, if it has been subject to regulation under the Exchange Act and has filed all material required to be filed pursuant to Section 13, 14 or 15(d) of the Exchange Act for at least 12 months and are not then eligible to use Form S-3, a single registration on such other form that it is eligible to use.

Item 7. Material to be Filed as Exhibits.

- Exhibit 7.1: Amended and Restated Management Agreement, by and between Ellington Financial LLC and Ellington Financial Management LLC, effective as of July 1, 2009.
- Exhibit 7.2: Form of Registration Rights Agreement, by and between Ellington Financial LLC, Ellington Financial Management LLC and Friedman, Billing, Ramsey & Co., Inc., dated as of August 17, 2007.
- Exhibit 24.1: Power of Attorney
- Exhibit 99.1: Joint Filing Agreement.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated this 14th day of February, 2011

MICHAEL W. VRANOS

/s/ Michael W. Vranos

VC INVESTMENTS L.L.C.

By: /s/ Michael W. Vranos

Name: Michael W. Vranos

Title: Managing Member

EMG HOLDINGS, L.P.

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Designated Person

ELLINGTON CAPITAL MANAGEMENT, L.L.C.

By: Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

ELLINGTON MORTGAGE PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

NEW ELLINGTON CREDIT PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

NEW ELLINGTON PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

ELLINGTON FINANCIAL MANAGEMENT LLC

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Executive Vice President

AMENDED AND RESTATED MANAGEMENT AGREEMENT

This AMENDED AND RESTATED MANAGEMENT AGREEMENT is made effective as of July 1, 2009 (this "Agreement") by and between Ellington Financial LLC, a Delaware limited liability company (the "Company"), and Ellington Financial Management LLC, a Delaware limited liability company (the "Manager").

WITNESSETH:

WHEREAS, the Company is a specialty finance company that specializes in acquiring and managing various mortgage-related assets;

WHEREAS, the Company has retained the Manager to manage the assets, operations and affairs of the Company pursuant to that certain Management Agreement, dated as of August 17, 2007 (the "Original Management Agreement"), as amended by that certain Amendment No. 1 to the Management Agreement dated as of May 8, 2009 (together with the Original Management Agreement, the "Previous Management Agreement"); and

WHEREAS, the Company and the Manager desire to amend and restate the terms of the Previous Management Agreement as described herein on the terms and conditions hereinafter set forth.

AGREEMENT

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

1. Definitions.

(a) "Adjusted Net Income" means, for any Incentive Calculation Period, the excess, if any, of (i) the Company's Net Income for such period over (ii) the Loss Carryforward, if any, as of the end of the fiscal quarter immediately preceding such period; provided that for the purpose of this definition of Adjusted Net Income only, Net Income: (i) shall be determined after deducting all Quarterly Base Management Fee Amounts incurred during such period (including Quarterly Base Management Fee Amounts for the last fiscal quarter of such period), (ii) shall be determined before determining the Quarterly Incentive Fee Amount for the last fiscal quarter of such period, and shall be adjusted by reversing any Quarterly Incentive Fee Amount charges for prior fiscal quarters during such period, (iii) shall be determined before any non-cash equity compensation expenses for such period (including any such expenses remaining to be charged with respect to such period and reversing any other such expenses previously charged during such period), and (iv) shall be adjusted to exclude one-time events pursuant to changes in GAAP, as well as non-cash charges after discussion between the Manager and the Independent Directors and approval by a majority of the Independent Directors in the case of non-cash charges.

(b) "Affiliate" shall mean, with respect to any Person, any Person controlling, controlled by, or under common Control with, such Person.

(c) "Agreement" has the meaning assigned in the first paragraph.

(d) “Base Management Fee Annual Rate” means 1.50%.

(e) “Board of Directors” means the Board of Directors of the Company.

(f) “CDO” means a collateralized debt obligation.

(g) “Change of Control” means the occurrence of any of the following:

(i) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Manager, taken as a whole, to any Person other than EMG Holdings or any of its Affiliates; or

(ii) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than EMG Holdings or any of its Affiliates, in a single transaction or in a series of related transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of 50% or more of the total voting power of the voting capital interests of the Manager; or

(iii) the departure of Michael Vranos from senior management of Ellington, whether through resignation, retirement, withdrawal, Disability, death, or termination of employment with or without cause or for any other reason.

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

(i) “Common Shares” means the common shares, no par value per share, representing limited liability interests of the Company, but does not include any LTIP Unit.

(j) “Company” has the meaning assigned in the first paragraph; provided that all references herein to the Company shall, except as otherwise expressly provided herein, be deemed to include any Subsidiaries.

(k) “Company Account” has the meaning assigned in Section 5.

(l) “Confidential Information” means all non-public information, written or oral, obtained by the Manager in connection with the services rendered hereunder.

(m) “Compliance Policies” means the compliance policies and procedures of Ellington, as in effect from time to time.

(n) “Control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of another Person, whether by contract, voting equity, legal right or otherwise.

(o) “Cross Transactions” has the meaning assigned in Section 3(c).

(p) “Dedicated Officers” has the meaning assigned in Section 3(a).

(q) “Disability” occurs when a person is unable, due to a physical or mental condition, to perform the essential functions of his position with or without reasonable accommodation for six (6) months in the aggregate during any twelve (12) month period or based on the written certification by two licensed physicians of the likely continuation of such condition for such period, one selected by Ellington or its insurance carrier and the other selected by the person or his legal representative. This definition shall be interpreted and applied consistent with the Americans with Disabilities Act, the Family and Medical Leave Act, Section 409A of the Code and other applicable law.

(r) “Ellington” means Ellington Management Group, L.L.C., a Delaware limited liability company.

(s) “EMG Holdings” means EMG Holdings, L.P., a Delaware limited partnership.

(t) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(u) “Expenses” has the meaning assigned in Section 9.

(v) “GAAP” means generally accepted accounting principles in effect in the U.S. on the date such principles are applied consistently.

(w) “Governing Instruments” means, with respect to any Person, the articles of incorporation and bylaws in the case of a corporation, the certificate of limited partnership (if applicable) and partnership agreement in the case of a general or limited partnership or the articles or certificate of formation and operating agreement in the case of a limited liability company.

(x) “Hurdle Amount” means, with respect to any fiscal quarter, the product of (i) one-fourth of the Hurdle Rate for such fiscal quarter, (ii) the Hurdle Price Per Share for such fiscal quarter, and (iii) the average number of Common Shares and LTIP units outstanding for each day during such fiscal quarter.

(y) “Hurdle Price Per Share” means, with respect to any fiscal quarter, the sum of (i) the weighted average gross proceeds per share of all Company Common Share issuances up to the end of such fiscal quarter, with each such issuance weighted by both the number of shares issued in such issuance and the number of days that such issued shares were outstanding during such fiscal quarter, using FIFO accounting (i.e., attributing any share repurchases to the earliest issuances first) and (ii) the result obtained by dividing (A) retained earnings attributable to our Common Shares at the beginning of such fiscal quarter by (B) the average number of Common Shares outstanding for each day during such fiscal quarter. For purposes of determining the Hurdle Price Per Share, issuances of Common Shares (i) as equity incentive awards to the Manager, any Affiliates of the Manager or of the Company, or any of the respective directors, officers, employees, managers, members, partners, consultants, agents or representatives of the foregoing or of the Company, (ii) to the Manager as part of any

compensation or payments from the Company, such as pursuant to Section 8(c) or (iii) to the Manager or any of its Affiliates in a privately negotiated transaction with the Company in which the purchase price and other terms of the transaction are not determined by a third party, shall be excluded from the calculation.

(z) "Hurdle Rate" means, with respect to any fiscal quarter, the greater of (i) 9% and (ii) 3% plus the Ten-Year U.S. Treasury Rate for such fiscal quarter.

(aa) "Incentive Calculation Period" related to any fiscal quarter means (i) if such fiscal quarter is a Transitional Fiscal Quarter, the period consisting of all Transitional Fiscal Quarters up to and including such Transitional Fiscal Quarter; and (ii) if such fiscal quarter is not a Transitional Fiscal Quarter, the period consisting of the four fiscal quarters ending with and including such fiscal quarter.

(bb) "Incentive Fee Rate" means 25%.

(cc) "Indemnitee" has the meaning assigned in Section 11(d).

(dd) "Indemnitor" has the meaning assigned in Section 11(d).

(ee) "Independent Directors" means the members of the Board of Directors who are not officers or employees of the Company, the Manager or Ellington and who are otherwise "independent" in accordance with the Company's Operating Agreement and, at any time during which any securities of the Company are listed on the New York Stock Exchange or another securities exchange, the rules of the New York Stock Exchange or such other securities exchange, as applicable, as may be in effect from time to time.

(ff) "Initial Public Offering" means the initial public offering of the Common Shares.

(gg) "Investments" means the investments of the Company.

(hh) "Investment and Risk Management Committee" has the meaning assigned in Section 7(d).

(ii) "Investment Company Act" means the Investment Company Act of 1940, as amended.

(jj) "Investment Guidelines" means the general criteria, parameters and policies relating to Investments as established by the Board of Directors, as the same may be modified from time-to-time.

(kk) "Last Appraiser" has the meaning assigned in Section 8(e).

(ll) "Loss Carryforward" means, as of the end of any fiscal quarter, the excess, if any, of (i) the Loss Carryforward as of the end of the immediately preceding fiscal quarter over (ii) the Company's Net Income for such fiscal quarter (expressed as a positive number) or Net Loss for such fiscal quarter (expressed as a negative number), as the case may be, provided that

the foregoing calculation of Loss Carryforward shall be adjusted to exclude one-time events pursuant to changes in GAAP, as well as non-cash charges after discussion between the Manager and the Independent Directors and approval by a majority of the Independent Directors in the case of non-cash charges.

(mm) "LTIP Unit" means a limited liability company interest which is designated as a LTIP Unit and which has the rights, preference and other privileges designated in the Company's Operating Agreement in respect of holders of LTIP Units.

(nn) "Manager" means Ellington Financial Management LLC, a Delaware limited liability company.

(oo) "Net Income" means, with respect to any period consisting of one or more consecutive fiscal quarters, the Company's net increase in shareholders' equity resulting from operations for such period calculated in accordance with GAAP (or such equivalent GAAP measure based on the basis of presentation of the Company's consolidated financial statements).

(pp) "Net Loss" means, with respect to any period consisting of one or more consecutive fiscal quarters, the Company's net decrease in shareholders' equity resulting from operations for such period calculated in accordance with GAAP (or such equivalent GAAP measure based on the basis of presentation of the Company's consolidated financial statements).

(qq) "Operating Agreement" means the Company's Amended and Restated Operating Agreement, originally dated as of August 17, 2007, and as amended from time to time.

(rr) "Person" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

(ss) "Original Management Agreement" has the meaning set forth in the recitals to this Agreement.

(tt) "Previous Management Agreement" has the meaning set forth in the recitals to this Agreement.

(uu) "PORTAL" means The PORTALSM Market, which is a subsidiary of The NASDAQ OMX Group, Inc.

(vv) "Principal Transaction" has the meaning assigned in Section 3(d).

(ww) "Quarterly Base Management Fee Amount" means, with respect to any fiscal quarter, the product of: (i) the Shareholders' Equity as of the end of such fiscal quarter, and (ii) one-fourth of the Base Management Fee Annual Rate.

(xx) "Quarterly Incentive Fee Amount" means, with respect to any fiscal quarter, the excess, if any, of (i) the product of (A) the Incentive Fee Rate and (B) the excess of (1) the Adjusted Net Income for the related Incentive Calculation Period over (2) the sum of the

Hurdle Amounts for each fiscal quarter comprising the related Incentive Calculation Period, over (ii) the sum of the Quarterly Incentive Fee Amounts for each fiscal quarter, other than the final fiscal quarter, comprising the related Incentive Calculation Period.

(yy) "Records" has the meaning assigned in Section 6(a).

(zz) "Representatives" means collectively the Manager's Affiliates, officers, directors, employees, agents and representatives.

(aaa) "SEC" means the United States Securities and Exchange Commission.

(bbb) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(ccc) "Services Agreement" has the meaning assigned in Section 2(c).

(ddd) "Shareholders' Equity" means, as of the end of any fiscal quarter, the shareholders' equity of the Company calculated in accordance with GAAP (before deductions for Quarterly Base Management Fee Amounts payable with respect to such fiscal quarter, and before deductions for Quarterly Incentive Fee Amounts payable with respect to such fiscal quarter), *provided* that Shareholders' Equity will be adjusted to exclude one-time events pursuant to changes in GAAP, as well as non-cash charges after discussion between the Manager and the Independent Directors and approval by a majority of the Independent Directors in the case of non-cash charges.

(eee) "Split Price Executions" has the meaning assigned in Section 3(e).

(fff) "Subsidiary" means any subsidiary of the Company, any partnership, the general partner of which is the Company or any subsidiary of the Company and any limited liability company, the managing member of which is the Company or any subsidiary of the Company.

(ggg) "Tax Preparer" has the meaning assigned in Section 7(f).

(hhh) "Ten-Year U.S. Treasury Rate" means, for any fiscal quarter, the average yield (expressed as a per annum rate) on U.S. Treasury securities adjusted to a constant maturity of ten years for the most recent week ending before (but not on) the beginning of such fiscal quarter that the Federal Reserve Board publishes in Federal Reserve Statistical Release No. H.15 (519) (currently published by the Federal Reserve at www.federalreserve.gov/releases/h15/current). In the event Federal Reserve Statistical Release No. H.15 (519) is not published or is otherwise unavailable, the Manager will determine the Ten-Year U.S. Treasury Rate in good faith in consultation with the Board of Directors.

(iii) "Termination Fee" means, with respect to any termination or non-renewal of this Agreement with respect to which payment of the Termination Fee is required under Section 13 of this Agreement, a termination fee equal to the amount of three times the sum of (i) the average annual Quarterly Base Management Fee Amounts paid or payable with respect to the two 12-month periods ending on the last day of the latest fiscal quarter completed on or prior to

the effective date of such termination and (ii) the average annual Quarterly Incentive Fee Amounts paid or payable with respect to the two 12-month periods ending on the last day of the latest fiscal quarter completed on or prior to the effective date of such termination; *provided, however*, to the extent any portion of the above-referenced two 12-month periods includes any fiscal quarters prior to July 1, 2009 (“Prior Quarters”), for purposes of calculating the Termination Fee only: (a) the Quarterly Base Management Fee Amounts paid or payable with respect to any Prior Quarter shall mean the sum of the base management fees paid or payable under the Previous Management Agreement with respect to such Prior Quarter and the special distributions paid or payable to the Manager with respect to such Prior Quarter pursuant to clause (i) of Section 5.5 of the Operating Agreement as in effect at that time and (b) the Quarterly Incentive Fee Amounts paid or payable with respect to any Prior Quarter shall mean the sum of the incentive fees paid or payable under the Previous Management Agreement with respect to such Prior Quarter and the special distributions paid or payable to the Manager with respect to such Prior Quarter pursuant to clause (ii) of Section 5.5 of the Operating Agreement as in effect at that time; and *provided further* that if two full 12-month periods have not elapsed under this Agreement and the Previous Agreement as of the last day of the latest fiscal quarter completed on or prior to the effective date of such termination, the Quarterly Base Management Fee Amounts and Quarterly Incentive Fee Amounts paid or payable for the second partial 12-month period shall be annualized for the purposes of calculating the Termination Fee.

(jjj) “Transitional Fiscal Quarter” means a fiscal quarter ending on September 30, 2009, December 31, 2009, or March 31, 2010.

(kkk) “Treasury Regulations” means the Procedures and Administration Regulations promulgated by the U.S. Department of Treasury under the Code, as amended.

(lll) “Valuation Notice” has the meaning assigned in Section 8(e).

2. Appointment and Duties of the Manager.

(a) *Appointment.* The Company hereby appoints the Manager to manage, operate and administer the assets, operations and affairs of the Company subject to the further terms and conditions set forth in this Agreement, and the Manager hereby agrees to use its commercially reasonable efforts to perform each of the duties set forth herein in accordance with the provisions of this Agreement.

(b) *Duties.* The Manager shall manage, operate and administer the Company’s day-to-day operations, business and affairs, subject to the supervision of the Board of Directors, and shall have only such functions and authority as the Company may delegate to it, including, without limitation, the authority identified and delegated to the Manager herein. Without limiting the foregoing, the Manager shall oversee and conduct the Company’s investment activities in accordance with the Investment Guidelines attached hereto as Exhibit A, as amended from time to time, and other policies adopted and implemented by the Board of Directors. Subject to the foregoing, the Manager will perform (or cause to be performed) such services and activities relating to the management, operation and administration of the assets, liabilities and business of the Company as is appropriate, including, without limitation:

- (i) serving as the Company's consultant with respect to the periodic review of the Investment Guidelines and other policies and criteria for the other borrowings and the operations of the Company for the approval by the Board of Directors;
- (ii) investigating, analyzing and selecting possible Investment opportunities and originating, acquiring, structuring, financing, retaining, selling, negotiating for prepayment, restructuring or disposing of Investments consistent with the Investment Guidelines;
- (iii) with respect to any prospective Investment by the Company and any sale, exchange or other disposition of any Investment by the Company, including the accumulation of assets for securitization, conducting negotiations on the Company's behalf with sellers and purchasers and their respective agents, representatives and investment bankers, and owners of privately and publicly held real estate companies;
- (iv) engaging and supervising, on the Company's behalf and at the Company's sole cost and expense, third party service providers who provide legal, accounting, due diligence, transfer agent, registrar, leasing services, master servicing, special servicing, banking, investment banking, mortgage brokerage, real estate brokerage, securities brokerage and other financial services and such other services as may be required relating to the Investments or potential Investments and to the Company's other business and operations;
- (v) coordinating and supervising, on behalf of the Company and at the Company's sole cost and expense, other third party service providers to the Company;
- (vi) serving as the Company's consultant with respect to arranging for any issuance of mortgage-backed securities from pools of mortgage loans or mortgage backed securities owned by the Company;
- (vii) coordinating and managing operations of any joint venture or co-investment interests held by the Company and conducting all matters with any joint venture or co-investment partners;
- (viii) providing executive and administrative personnel, office space and office services required in rendering services to the Company;
- (ix) administering the Company's day-to-day operations and performing and supervising the performance of such other administrative functions necessary to the Company's management as may be agreed upon by the Manager and the Board of Directors, including, without limitation, the collection of revenues and the payment of the Company's debts and obligations and maintenance of appropriate computer services to perform such administrative functions;
- (x) in connection with an Initial Public Offering and the Company's subsequent, on-going obligations under the Sarbanes Oxley Act of 2002 and the Exchange Act, engaging and supervising, on the Company's behalf and at the Company's sole cost and expense, third party consultants and other service providers to assist the Company in complying with the requirements of the Sarbanes Oxley Act of 2002 and the Exchange Act;

- (xi) communicating on the Company's behalf with the holders of any of the Company's equity or debt securities as required to satisfy the reporting and other requirements of any governmental bodies or agencies or trading markets and to maintain effective relations with such holders;
- (xii) counseling the Company in connection with policy decisions to be made by the Board of Directors;
- (xiii) counseling the Company, and when appropriate, evaluating and making recommendations to the Board of Directors regarding hedging, financing and securitization strategies and engaging in hedging, financing, borrowing and securitization activities on the Company's behalf, consistent with the Investment Guidelines;
- (xiv) counseling the Company regarding the maintenance of the Company's exclusion from status as an investment company under the Investment Company Act and monitoring compliance with the requirements for maintaining such exclusion and using commercially reasonable efforts to cause the Company to maintain such exclusion from status as an investment company under the Investment Company Act;
- (xv) assisting the Company in developing criteria for asset purchase commitments that are specifically tailored to the Company's investment objectives and making available to the Company its knowledge and experience with respect to mortgage loans, real estate, real estate related securities, other real estate related assets, asset-backed securities, non-real estate related assets and real estate operating companies;
- (xvi) furnishing such reports to the Company or the Board of Directors that the Manager reasonably determines to be responsive to reasonable requests for information from the Company or the Board of Directors regarding the Company's activities and services performed for the Company or any of its Subsidiaries by the Manager;
- (xvii) monitoring the operating performance of the Investments and providing periodic reports with respect thereto to the Board of Directors, including comparative information with respect to such operating performance and budgeted or projected operating results;
- (xviii) investing or reinvesting any money or securities of the Company (including investing in short-term investments pending investment in other Investments, payment of fees, costs and expenses, or distributions to the Company's shareholders), and advising the Company as to the Company's capital structure and capital raising;
- (xix) causing the Company to retain, at the sole cost and expense of the Company, qualified independent accountants and legal counsel, as applicable, to assist in developing appropriate accounting procedures, compliance procedures and testing systems with respect to financial reporting obligations, including soliciting shareholders for required information to the extent provided by the provisions of the Code and the Treasury Regulations applicable to the Company, and to conduct quarterly compliance reviews with respect thereto;

(xx) causing the Company to qualify to do business in all applicable jurisdictions and to obtain and maintain all appropriate licenses;

(xxi) assisting the Company in complying with all regulatory requirements applicable to the Company in respect of the Company's business activities, including preparing or causing to be prepared all financial statements required under applicable regulations and contractual undertakings and all reports and documents, if any, required under the Exchange Act and the Securities Act;

(xxii) taking all necessary actions to enable the Company to make required tax filings and reports and compliance with the provisions of the Code, and Treasury Regulations applicable to the Company, including, without limitation, the provisions applicable to the taxation of the Company as a partnership, and not an association or publicly traded partnership taxable as a corporation, for U.S. federal income tax purposes;

(xxiii) handling and resolving all claims, disputes or controversies (including all litigation, arbitration, settlement or other proceedings or negotiations) in which the Company may be involved or to which the Company may be subject arising out of the Company's day-to-day operations, subject to such limitations or parameters as may be imposed from time to time by the Board of Directors;

(xxiv) using commercially reasonable efforts to cause expenses incurred by or on behalf of the Company to be commercially reasonable or commercially customary and within any budgeted parameters or expense guidelines set by the Board of Directors from time to time;

(xxv) advising on, and obtaining on behalf of the Company, appropriate warehouse and similar credit facilities or other financings for the Investments consistent with the Investment Guidelines;

(xxvi) advising the Company with respect to and structuring long-term financing vehicles for the Company's portfolio of assets, and offering and selling securities publicly or privately in connection with any such structured financing;

(xxvii) performing such other services as may be required from time to time for management and other activities relating to the Company's assets as the Board of Directors shall reasonably request or the Manager shall deem appropriate under the particular circumstances; and

(xxviii) using commercially reasonable efforts to cause the Company to comply with all applicable laws.

(c) *Services Agreement.* The Manager will maintain that certain services agreement, dated August 17, 2007, by and between the Manager and Ellington (the "Services Agreement") pursuant to which Ellington and its Affiliates will continue to provide the Manager the personnel, services and resources as needed by the Manager to enable the Manager to carry out its obligations and responsibilities under this Agreement, including due diligence, asset

management and credit risk management. The Company will continue to be a named third party beneficiary of the Services Agreement.

(d) *Service Providers.* The Manager may engage Persons who are non-Affiliates, for and on behalf, and at the sole cost and expense, of the Company to provide to the Company acquisition, disposition, asset management, property management, leasing, financing, development, disposition of real estate and/or similar services customarily provided in connection with the management, operation and administration of a business similar to the business of the Company, pursuant to agreement(s) that provide for market rates and contain standard market terms.

(e) *Reporting Requirements.*

(i) As frequently as the Manager may deem necessary or advisable, or at the direction of the Board of Directors, the Manager shall prepare, or cause to be prepared, with respect to any Investment (A) reports and information on the Company's operations and asset performance and (B) other information reasonably requested by the Company.

(ii) The Manager shall prepare, or cause to be prepared, at the sole cost and expense of the Company, all reports, financial or otherwise, with respect to the Company reasonably required by the Board of Directors in order for the Company to comply with its Operating Agreement or any other materials required to be filed with any governmental entity or agency, and shall prepare, or cause to be prepared, at the sole cost and expense of the Company, all materials and data necessary to complete such reports and other materials including, without limitation, an annual audit of the Company's books of account by a nationally recognized independent accounting firm, currently PricewaterhouseCoopers LLP.

(iii) The Manager shall prepare regular reports for the Board of Directors to enable the Board of Directors to review the Company's acquisitions, portfolio composition and characteristics, credit quality, performance and compliance with the Investment Guidelines and policies approved by the Board of Directors.

(f) *Reliance by Manager.* In performing its duties under this Section 2, the Manager shall be entitled to rely on qualified experts and professionals (including, without limitation, accountants, legal counsel and other professional service providers) hired by the Manager at the Company's sole cost and expense.

(g) *Use of the Manager's Funds.* The Manager shall not be required to expend money in connection with any expenses that are required to be paid for or reimbursed by the Company pursuant to Section 9 of this Agreement in excess of that contained in any applicable Company Account or otherwise made available by the Company to be expended by the Manager hereunder.

(h) *Payment and Reimbursement of Expenses.* The Company shall pay all expenses, and reimburse the Manager for the Manager's expenses incurred on its behalf, in connection with any such services to the extent such expenses are payable or reimbursable by the Company to the Manager pursuant to Section 9.

3. Dedication; Other Activities.

(a) *Devotion of Time.* The Manager, through Ellington and its Affiliates, will provide a management team (including, without limitation, a chief executive officer and president, a chief operating officer, a chief financial officer, a chief investment officer, a controller, a legal officer and a secretary) along with appropriate support personnel, to deliver the management services to the Company hereunder. The members of such management team shall devote such of their working time and efforts to the management of the Company as the Manager deems reasonably necessary and appropriate for the proper performance of all of the Manager's duties hereunder, commensurate with the level of activity of the Company from time to time; *provided, however*, that the Manager (i) shall, no later than the effective date of a registration statement filed by the Company with the Securities and Exchange Commission with respect to an Initial Public Offering, provide a dedicated chief financial officer who shall devote all or substantially all of his or her working time and efforts to his or her duties as the chief financial officer of the Company and (ii) shall have the right, but not the obligation, to provide a dedicated controller and a dedicated internal legal officer to the Company who shall devote all or substantially all of their working time and efforts to their respective duties as the controller of and internal legal counsel to the Company. The dedicated chief financial officer provided by the Manager and any dedicated controller and internal legal officer that the Manager elects to provide, each of whom will be an employee of the Manager or one of its Affiliates, are referred to herein as "Dedicated Officers." The Company shall have the benefit of the Manager's reasonable judgment and effort in rendering services and, in furtherance of the foregoing, the Manager shall not undertake activities which, in its reasonable judgment, will materially adversely affect the performance of its obligations under this Agreement.

(b) *Other Activities.* Except to the extent set forth in clause (a) above, and subject to Ellington's Compliance Policies, the Company's conflicts of interest policy as it may exist from time to time, Ellington's investment allocation policy as it may exist from time to time and the Company's Investment Guidelines, nothing herein shall prevent the Manager, Ellington, EMG Holdings or any of their Affiliates or any of the officers, directors or employees of any of the foregoing, from engaging in other businesses or from rendering services of any kind to any other Person, including, without limitation, investing in, or rendering advisory services to others investing in, any type of real estate, real estate related investment or non-real estate related investment or other mortgage loans (including, without limitation, investments that meet the principal investment objectives of the Company), whether or not the investment objectives or policies of any such other Person are similar to those of the Company or in any way bind or restrict the Manager, Ellington, EMG Holdings or any of their Affiliates, officers, directors or employees from buying, selling or trading any securities or commodities for their own accounts or for the account of others for whom the Manager, Ellington, EMG Holdings or any of their Affiliates, officers, directors or employees may be acting.

(c) *Cross Transactions.* Cross transactions are transactions between the Company or one of its subsidiaries, on the one hand, and an account (other than the Company or one of its subsidiaries) that is managed or advised by the Manager, Ellington or one of Ellington's other investment advisory affiliates, on the other hand (each a "Cross Transaction"). The Manager is authorized to execute Cross Transactions for the Company in accordance with applicable law and the Ellington Compliance Policies. The Company acknowledges that the

Manager has a potentially conflicting division of loyalties and responsibilities regarding each party to a Cross Transaction. The Company may at any time, upon written notice to the Manager, revoke its consent to the Manager to execute Cross Transactions. In addition, unless approved in advance by a majority of the Company's Independent Directors or pursuant to and in accordance with a policy that has been approved by a majority of the Company's Independent Directors, all Cross Transactions must be effected at then-prevailing market prices.

(d) *Principal Transactions.* Principal transactions are transactions between the Company or one of its subsidiaries, on the one hand, and the Manager, Ellington, or any of their investment advisory affiliates (or any of the related parties of the foregoing, which includes employees of Ellington and their families), on the other hand (each a "Principal Transaction"). The Manager is only authorized to execute Principal Transactions with the prior approval of a majority of the Company's Independent Directors and in accordance with applicable law. Certain Cross Transactions may also be considered Principal Transactions whenever the Manager, Ellington or any of their investment advisory affiliates (or any of the related parties of the foregoing, which includes employees of Ellington and their families) have a substantial ownership interest in one of the transacting parties.

(e) *Split Price Executions.* The Manager is authorized to combine purchase or sale orders on the Company's behalf together with orders for other accounts managed by the Manager, Ellington or any of their Affiliates and allocate the securities or other assets so purchased or sold, on an average price basis or other fair and consistent basis, among such accounts (collectively, "Split Price Executions"). The Company acknowledges that the Manager has a potentially conflicting division of loyalties and responsibilities regarding each party to a Split Price Execution.

(f) *Officers, Employees, Etc.* The Manager's or its Affiliates' members, partners, officers, employees and agents may serve as directors, officers, employees, agents, nominees or signatories for the Company or any Subsidiary, to the extent permitted by their Governing Instruments, as may be amended from time to time, or by any resolutions duly adopted by the Board of Directors pursuant to the Company's Governing Instruments. When executing documents or otherwise acting in such capacities for the Company or such other Subsidiary, such Persons shall use their respective titles with respect to the Company or such Subsidiary.

(g) The Manager agrees to offer the Company the right to participate in all investment opportunities that the Manager determines, in its reasonable and good faith judgment based on the Company's investment objectives, policies and strategies, and other relevant factors, are appropriate for the Company, subject to the Company's Investment Guidelines and the exception that, in accordance with Ellington's Compliance Policies, the Company might not participate in each such opportunity but will on an overall basis equitably participate with the Manager's or any of its Affiliate's other clients in all such opportunities. While information and recommendations supplied to the Company shall, in the Manager's reasonable and good faith judgment, be appropriate under the circumstances and in light of the investment objectives and policies of the Company, they may be different from the information and recommendations supplied by the Manager or any Affiliate of the Manager to other investment companies, funds and advisory accounts. The Manager shall provide to the Company such information,

recommendations and any other services, but the Company recognizes that it is not entitled to receive preferential treatment as compared with the treatment given by the Manager or any Affiliate of the Manager to any investment company, fund or advisory account other than any fund or advisory account which contains only funds invested by the Manager (and not any funds of any of its clients or customers).

(h) The Manager is authorized, for and on behalf, and at the sole cost and expense of the Company, to employ such securities dealers for the purchase and sale of investment assets of the Company as may, in the good faith judgment of the Manager, be reasonably necessary for the best execution of such transactions taking into account all relevant factors, including but not limited to such factors as the policies of the Company, price, dealer spread, the size, type and difficulty of the transaction involved, the firm's general execution and operational facilities and the firm's risk in positioning the securities involved. Consistent with this policy, the Manager is authorized to direct the execution of the Company's portfolio transactions to dealers and brokers furnishing statistical information, research and other services deemed by the Manager to be useful or valuable to the performance of its investment advisory functions. Such services may be used by the Manager in connection with its advisory services for clients other than the Company, and such arrangements may be outside the parameters of the "safe harbor" provided by Section 28(e) of the Exchange Act.

(i) The Company agrees to take all actions reasonably required to permit and enable the Manager to carry out its duties and obligations under this Agreement, including, without limitation, all steps reasonably necessary to allow the Manager to file in a timely manner any registration statement required to be filed by the Company or to deliver any financial statements or other reports required to be delivered by the Company. The Company further agrees to use commercially reasonable efforts to make available to the Manager all resources, information and materials reasonably requested by the Manager to enable the Manager to satisfy its obligations hereunder, including its obligations to deliver financial statements and any other information or reports with respect to the Company. If the Manager is not able to provide a service, or in the reasonable judgment of the Manager it is not prudent to provide a service, without the approval of the Board of Directors or the Independent Directors, as applicable, then the Manager shall be excused from providing such service (and shall not be in breach of this Agreement) until the applicable approval has been obtained.

4. Agency; Authority.

(a) The Manager shall act as the agent of the Company in originating, acquiring, structuring, financing and disposing of Investments, disbursing and collecting the Company's funds, paying the debts and fulfilling the obligations of the Company, supervising the performance of professionals engaged by or on behalf of the Company and handling, prosecuting and settling any claims of or against the Company, the Board of Directors, holders of the Company's securities or the Company's representatives or assets.

(b) In performing the services set forth in this Agreement, as an agent of the Company, the Manager shall have the right to exercise all powers and authority which are reasonably necessary and customary to perform its obligations under this Agreement, including

the following powers, subject in each case to the terms and conditions of this Agreement, including, without limitation, the Investment Guidelines:

(i) to purchase, exchange or otherwise acquire and to sell, exchange or otherwise dispose of, any Investment in a public or private sale;

(ii) to execute Cross Transactions;

(iii) to execute Principal Transactions;

(iv) to execute Split Price Executions;

(v) to borrow and, for the purpose of securing the repayment thereof, to pledge, mortgage or otherwise encumber Investments;

(vi) to purchase, take and hold Investments subject to mortgages, liens or other encumbrances;

(vii) to extend the time of payment of any liens or encumbrances which may at any time be encumbrances upon any Investment, irrespective of by whom the same were made;

(viii) to foreclose, to reduce the rate of interest on, and to consent to the modification and extension of the maturity of any Investments, or to accept a deed in lieu of foreclosure;

(ix) to join in a voluntary partition of any Investment;

(x) to cause to be demolished any structures on any real estate Investment;

(xi) to cause renovations and capital improvements to be made to any real estate Investment;

(xii) to abandon any Investment deemed to be worthless;

(xiii) to enter into joint ventures or otherwise participate in investment vehicles investing in Investments;

(xiv) to cause any real estate Investment to be leased, operated, developed, constructed or exploited;

(xv) to cause the Company to indemnify third parties in connection with contractual arrangements between the Company and such third parties;

(xvi) to obtain and maintain insurance in such amounts and against such risks as are prudent in accordance with customary and sound business practices in the appropriate geographic area;

(xvii) to cause any property to be maintained in good state of repair and upkeep; and to pay the taxes, upkeep, repairs, carrying charges, maintenance and premiums for insurance;

(xviii) to use the personnel and resources of its Affiliates in performing the services specified in this Agreement;

(xix) to hire third party service providers subject to and in accordance with Section 2(d);

(xx) to designate and engage all third party professionals and consultants to perform services (directly or indirectly) on behalf of the Company or its Subsidiaries, including, without limitation, accountants, legal counsel and engineers; and

(xxi) to take any and all other actions as are necessary or appropriate in connection with the Company's Investments.

(c) The Manager shall be authorized to represent to third parties that it has the power to perform the actions which it is authorized to perform under this Agreement.

5. **Bank Accounts.** At the direction of the Board of Directors, the Manager may establish and maintain as an agent on behalf of the Company one or more bank accounts in the name of the Company or any other Subsidiary (any such account, a "Company Account"), collect and deposit funds into any such Company Account and disburse funds from any such Company Account, under such terms and conditions as the Board of Directors may approve. The Manager shall from time-to-time render appropriate accountings of such collections and payments to the Board of Directors and, upon request, to the auditors of Company.

6. **Books and Records; Confidentiality.**

(a) *Books and Records.* The Manager shall maintain appropriate books of account, records data and files (including without limitation, computerized material) (collectively, "Records") relating to the Company and the Investments generated or obtained by the Manager in performing its obligations under this Agreement, and such Records shall be accessible for inspection by representatives of the Company or any Subsidiary at any time during normal business hours upon one business day's advance written notice. The Manager shall have full responsibility for the maintenance, care and safekeeping of all Records.

(b) *Confidentiality.* The Manager shall keep confidential any and all non-public information, written or oral, obtained by it in connection with the services rendered hereunder and shall not disclose Confidential Information, in whole or in part, to any Person other than to its Affiliates, officers, directors, employees, agents or representatives who need to know such Confidential Information for the purpose of rendering services hereunder or with the consent of the Company, except: (i) to Ellington and its Affiliates; (ii) in accordance with the Services Agreement or any advisory agreement contemplated by Section 2 hereunder; (iii) with the prior written consent of the Board of Directors; (iv) to legal counsel, accountants and other professional advisors; (v) to appraisers, creditors, financing sources, trading counterparties, other counterparties, third party service providers to the Company, and others (in each case, both those

actually doing business with the Company and those with whom the Company seeks to do business) in the ordinary course of the Company's business; (vi) to governmental officials having jurisdiction over the Company; (vii) in connection with any governmental or regulatory filings of the Company or disclosure or presentations to Company investors; or (viii) as required by law or legal process to which the Manager or any Person to whom disclosure is permitted hereunder is a party. If, failing the entry of a protective order or the receipt of a waiver hereunder, the Manager is, in the opinion of counsel, required to disclose Confidential Information, the Manager may disclose only that portion of such information that its counsel advises is legally required without liability hereunder; provided, that the Manager agrees to exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded such information. Notwithstanding anything herein to the contrary, each of the following shall be deemed to be excluded from provisions hereof: any Confidential Information that (A) is available to the public from a source other than the Manager not resulting from the Manager's violation of this Section 6(b), (B) is released in writing by the Company to the public or to persons who are not under similar obligation of confidentiality to the Company, or (C) is obtained by the Manager from a third-party without breach by such third-party of an obligation of confidence with respect to the Confidential Information disclosed. The Manager agrees to inform each of its Representatives of the non-public nature of the Confidential Information and to direct such Persons to treat such Confidential Information in accordance with the terms hereof. The provisions of this Section 6(b) shall survive the expiration or earlier termination of this Agreement for a period of one year.

7. Obligations of Manager; Restrictions.

(a) *Internal Control.* The Manager shall (i) establish and maintain a system of internal accounting and financial controls designed to provide reasonable assurance of the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws, (ii) maintain records for each Company Investment on a GAAP basis, (iii) develop accounting entries and reports required by the Company to meet its reporting requirements under applicable laws, (iv) consult with the Company with respect to proposed or new accounting/reporting rules identified by the Manager or the Company and (v) prepare quarterly and annual financial statements as soon as practicable after the end of each such period as may be reasonably requested and general ledger journal entries and other information necessary for the Company's compliance with applicable laws and in accordance with GAAP and cooperate with the Company's independent accounting firm in connection with the auditing or review of such financial statements, the cost of any such audit or review to be paid by the Company.

(b) Restrictions.

(i) The Manager acknowledges that the Company intends to conduct its operations so as not to become regulated as an investment company under the Investment Company Act, and agrees to use commercially reasonable efforts to cooperate with the Company's efforts to conduct its operations so as not to become regulated as an investment company under the Investment Company Act. The Manager shall refrain from any action that, in its reasonable judgment made in good faith, (a) is not in compliance with the Investment Guidelines, (b) would cause the Company to fail to maintain its exclusion from status as an

investment company under the Investment Company Act, or (c) would violate any law, rule or regulation of any governmental body or agency having jurisdiction over the Company or that would otherwise not be permitted by the Company's Operating Agreement. If the Manager is ordered to take any such action by the Board of Directors, the Manager shall promptly notify the Board of Directors of the Manager's judgment that such action would adversely affect such status or violate any such law, rule or regulation or the Operating Agreement.

(ii) The Manager shall require each seller or transferor of investment assets to the Company to make such representations and warranties regarding such assets as may, in the reasonable judgment of the Manager, be necessary and appropriate or as may be advised by the Board of Directors and consistent with standard industry practice. In addition, the Manager shall take such other action as it deems necessary or appropriate or as may be advised by the Board of Directors and consistent with standard industry practice with regard to the protection of the Investments.

(iii) The Company shall not invest in joint ventures with the Manager or any Affiliate thereof, unless (a) such Investment is made in accordance with the Investment Guidelines and (b) such Investment is approved in advance by a majority of the Independent Directors.

(c) *Board of Directors Review and Approval.* Subject to the terms of Ellington's Compliance Policies and the Company's conflicts of interest policy as it may exist from time to time, the Board of Directors will periodically review the Investment Guidelines and the Company's portfolio of Investments but will not review each proposed Investment; provided that the Company may not acquire any Investment, sell any Investment, or engage in any co-investment that, pursuant to the terms of the Compliance Policies or the Company's conflicts of interest policy, requires the approval of a majority of the Independent Directors unless such transaction has been so approved. If a majority of the Independent Directors determine in their periodic review of transactions that a particular transaction does not comply with the Investment Guidelines, then a majority of the Independent Directors will consider what corrective action, if any, is appropriate. The Manager shall be permitted to rely upon the direction of the Secretary of the Company to evidence approval of the Board of Directors or the Independent Directors with respect to a proposed Investment.

(d) *Investment and Risk Management Committee.* The Manager shall maintain its investment and risk management committee (the "Investment and Risk Management Committee"), which as of the date hereof consists of the Company's Chief Executive Officer and President, Chief Investment Officers, Chief Financial Officer and Chief Operating Officer. The Investment and Risk Management Committee shall continue to advise and consult with the Manager with respect to the Company's investment policies, investment portfolio holdings, financing and leveraging strategies and the Investment Guidelines. The Investment and Risk Management Committee shall continue to meet as regularly as necessary to perform its duties, as determined by the Investment and Risk Management Committee, in its sole discretion.

(e) *Insurance.* The Manager, or Ellington on behalf of the Manager, shall obtain, as soon as reasonably practicable, and shall thereafter maintain "errors and omissions" insurance coverage and such other insurance coverage which is customarily carried by managers

performing functions similar to those of the Manager under this Agreement with respect to assets similar to the assets of the Company, in an amount which is comparable to that customarily maintained by other managers or servicers of similar assets.

(f) *Tax Filings*. The Manager shall (i) assemble, maintain and provide to the firm designated by the Company to prepare tax returns on behalf of the Company and its subsidiaries (the "Tax Preparer") information and data required for the preparation of federal, state, local and foreign tax returns, any audits, examinations or administrative or legal proceedings related thereto or any contractual tax indemnity rights or obligations of the Company and its subsidiaries and supervise the preparation and filing of such tax returns, the conduct of such audits, examinations or proceedings and the prosecution or defense of such rights, (ii) provide factual data reasonably requested by the Tax Preparer or the Company with respect to tax matters, (iii) assemble, record, organize and report to the Company data and information with respect to the Investments relative to taxes and tax returns in such form as may be reasonably requested by the Company, (iv) supervise the Tax Preparer in connection with the preparation, filing or delivery to appropriate persons, of applicable tax information reporting forms with respect to the Investments and transactions involving the real estate (including, without limitation, information reporting forms, whether on Form 1099 or otherwise with respect to sales, interest received, interest paid, partnership reports and other relevant transactions); it being understood that, in the context of the foregoing, the Company shall rely on its own tax advisers in the preparation of its tax returns and the conduct of any audits, examinations or administrative or legal proceedings related thereto and that, without limiting the Manager's obligation to provide the information, data, reports and other supervision and assistance provided herein, the Manager will not be responsible for the preparation of such returns or the conduct of such audits, examinations or other proceedings.

8. Compensation.

(a) *Base Management Fee*. With respect to each fiscal quarter, the Manager shall receive a base management fee equal to the Quarterly Base Management Fee Amount. Within 45 days following the last day of each fiscal quarter, the Manager shall make available the quarterly calculation of the base management fee to the Company with respect to such quarter, and the Company shall pay the Manager the base management fee for such quarter in cash within 15 business days thereafter; *provided, however*, that such base management fee may be offset by the Company against amounts due to the Company by the Manager.

(b) *Quarterly Incentive Fee*. In addition to the base management fee, the Manager shall receive an incentive fee with respect to each fiscal quarter in an amount equal to the Quarterly Incentive Fee Amount.

(c) *Computation and Payment of Quarterly Incentive Fee*. Within 45 days after the end of each fiscal quarter, the Manager will compute the incentive fee with respect to such fiscal quarter, and the Company will pay the incentive fee with respect to such fiscal quarter within 15 business days following the delivery to the Company of the Manager's written statement setting forth the computation of the incentive fee for such fiscal quarter. A minimum of 10% of each incentive fee payable to the Manager hereunder will be paid by the Company in Common Shares, with the balance paid in cash. The Manager may, in its sole discretion, elect to

receive a greater percentage of its incentive fee in the form of Common Shares. Notwithstanding the foregoing, the Manager may not elect to receive Common Shares as payment of its incentive fee except in accordance with all applicable securities exchange rules and securities laws (including prohibitions on insider trading). The number of Common Shares to be received by the Manager will be based on the fair market value of such Common Shares. Common Shares delivered as payment of the incentive fee will be immediately vested; provided that the Manager agrees not to sell such Common Shares prior to one year after the date such shares are issued to the Manager, and provided further that such transfer restriction will immediately terminate if this Agreement is terminated for any reason.

(d) *Valuation of Incentive Fee Shares.* Common Shares payable as incentive fee shall be valued as follows:

(i) If such shares are traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the shares on such exchange over the thirty (30) calendar day period ending three (3) calendar days prior to the date of issuance of such shares;

(ii) if such shares are actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sales price as applicable over the thirty (30) calendar day period ending three (3) calendar days prior to the date of issuance of such shares;

(iii) if such shares are traded on PORTAL, the value shall be deemed to be the average of the sales price reported on PORTAL over the thirty (30) calendar day period ending three (3) calendar days prior to the date of issuance of such shares; and

(iv) if there is no active public market for such shares and such shares are not traded on PORTAL, the value shall be the fair market value thereof, as reasonably determined in good faith by the Board of Directors of the Company.

(e) If at any time the Manager shall, in connection with a determination of fair market value made by the Board of Directors pursuant to clause (iv) of Section 8(d) above, (i) dispute such value in good faith by more than five percent (5%), and (ii) such dispute cannot be resolved between the Independent Directors and the Manager within ten (10) business days after the Manager provides written notice to the Company of such dispute (the "Valuation Notice"), then the matter shall be resolved by an independent appraiser of recognized standing selected jointly by the Independent Directors and the Manager within not more than twenty (20) days after the Valuation Notice. In the event the Independent Directors and the Manager cannot agree with respect to such selection within the aforesaid twenty (20) day time-frame, the Independent Directors shall select one independent appraiser and the Manager shall select another independent appraiser within five (5) business days after the expiration of the twenty (20) day period, with one additional such appraiser (the "Last Appraiser") to be selected by the appraisers so designated within five (5) business days after their selection. Any valuation decision made by the appraisers shall be deemed final and binding upon the Board of Directors and the Manager and shall be delivered to the Manager and the Company within not more than fifteen (15) days after the selection of the Last Appraiser. The expenses of the appraisal shall be paid by the party

with the estimate that deviated the furthest from the final valuation decision made by the appraisers and split by the parties if the difference between each of their estimates and the final valuation decision made by the appraisers is exactly the same.

(f) Notwithstanding the provisions of Sections 8(a), (8(b) and 8(c), in the event that the Company acquires or invests in (i) any equity of a CDO at issuance that is managed, structured or originated by Ellington, the Manager or any of their Affiliates, (ii) any investment fund, account or other investment that is managed, structured or originated by Ellington, the Manager or any of their Affiliates or (iii) a participating interest in the debt securities of an issuer of debt for which Ellington, the Manager or any of their Affiliates has received an origination fee, then in each such case the Quarterly Base Management Fee Amount and Quarterly Incentive Fee Amount payable by the Company to the Manager will in the aggregate be reduced by (or the Manager will otherwise rebate to the Company) an amount equal to the portion of any management fees, origination fees or structuring fees payable to the Manager, Ellington or their Affiliates that is allocable to the Company's equity investment or participating interest, as the case may be, in such CDO, investment fund, other investment or debt securities for the same periods.

9. Expenses. The Company shall bear all of its operating expenses, except those specifically required to be borne by the Manager under this Agreement. The expenses required to be borne by the Company include, but are not limited to:

(a) issuance and transaction costs incident to the acquisition, disposition and financing of Investments;

(b) legal, regulatory, compliance, tax, accounting, consulting, auditing, administrative fees and expenses and fees and expenses for other similar services rendered to the Company by third-party service providers retained by the Manager;

(c) the compensation and expenses of the Company's directors and the cost of liability insurance to indemnify the Company's directors and officers;

(d) the costs associated with the establishment and maintenance of any credit facilities and other indebtedness of the Company (including commitment fees, accounting fees, legal fees, closing costs, etc.);

(e) expenses associated with securities offerings of the Company, including an Initial Public Offering;

(f) expenses relating to the payment of distributions;

(g) expenses connected with communications to holders of the Company's securities and in complying with the continuous reporting and other requirements of the Exchange Act, the SEC and other governmental bodies;

(h) transfer agent, registrar and exchange listing fees;

- (i) the costs of printing and mailing proxies, reports and other materials to the Company's shareholders;
- (j) costs associated with any computer software or hardware, electronic equipment, or purchased information technology services from third party vendors that is used solely for the Company;
- (k) costs and out of pocket expenses incurred by directors, officers, employees or other agents of the Manager for travel on the Company's behalf;
- (l) the portion of any costs and expenses incurred by the Manager or its Affiliates with respect to market information systems and publications, research publications and materials that are allocable to the Company in accordance with the expense allocation policies of Ellington;
- (m) settlement, clearing, and custodial fees and expenses;
- (n) all taxes and license fees;
- (o) all insurance costs incurred with respect to insurance policies obtained in connection with the operation of the Company's business, including but not limited to insurance covering activities of the Manager and its employees relating to the performance of the Manager's duties and obligations under this Agreement;
- (p) costs and expenses incurred in contracting with third parties for the servicing and special servicing of assets of the Company;
- (q) all other actual out of pocket costs and expenses relating to the Company's business and investment operations, including, without limitation, the costs and expenses of acquiring, owning, protecting, maintaining, developing and disposing of Investments, including appraisal, reporting, audit and legal fees;
- (r) any judgment or settlement of pending or threatened proceedings (whether civil, criminal or otherwise) against the Company or any Subsidiary, or against any trustee, director or officer of the Company or of any Subsidiary in his capacity as such for which the Company or any Subsidiary is required to indemnify such trustee, director or officer by any court or governmental agency, or settlement of pending or threatened proceedings;
- (s) the costs of maintaining compliance with all federal, state and local rules and regulations, including securities regulations, or any other regulatory agency, all taxes and license fees and all insurance costs incurred on the Company's behalf;
- (t) expenses relating to any office or office facilities, including disaster backup recovery sites and facilities, maintained expressly for the Company and separate from offices of the Manager;
- (u) the costs of the wages, salaries and benefits incurred by the Manager with respect to the Dedicated Officers described in Section 3(a) above; *provided* that the amount of

such wages, salaries and benefits paid to the Dedicated Officers shall be subject to the approval of the Compensation Committee of the Board of Directors; and

(v) all other costs and expenses approved by the Board of Directors.

Other than as expressly provided above, the Company will not be required to pay any portion of the rent, telephone, utilities, office furniture, equipment, machinery and other office, internal and overhead expenses of the Manager and its Affiliates. In particular, the Manager is not entitled to be reimbursed for wages, salaries and benefits of its officers and employees, other than as described in Section 9(u) above.

Subject to any required Board of Directors approval, the Manager may retain, for and on behalf, and at the sole cost and expense, of the Company, such services of non-Affiliate third party accountants, legal counsel, appraisers, insurers, brokers, transfer agents, registrars, developers, investment banks, financial advisors, banks and other lenders and others as the Manager deems necessary or advisable in connection with the management and operations of the Company. The provisions of this Section 9 shall survive the expiration or earlier termination of this Agreement to the extent such expenses have previously been incurred or are incurred in connection with such expiration or termination.

10. Expense Reports and Reimbursements. The Manager shall prepare a statement documenting the operating expenses of the Company incurred during each fiscal quarter, and deliver the same to the Company within 60 days following the end of the applicable fiscal quarter. Such expenses incurred by the Manager on behalf of the Company shall be reimbursed by the Company within 60 days following delivery of the expense statement by the Manager; provided, however, that such reimbursements may be offset by the Manager against amounts due to the Company from the Manager. The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement.

11. Limits of Manager Responsibility; Indemnification.

(a) Pursuant to this Agreement, the Manager will not assume any responsibility other than to render the services called for hereunder in good faith and will not be responsible for any action of the Board of Directors in following or declining to follow its advice or recommendations. The Manager, Ellington, EMG Holdings and their Affiliates, who may provide services hereunder or pursuant to the Services Agreement, their directors, officers, members, shareholders, managers, Investment and Risk Management Committee members, employees, agents successors and assigns will not be liable to the Company, any Subsidiary, any of their directors, officers, shareholders, managers, owners or partners except by reason of acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard of the Manager's duties under this Agreement, as determined by a final non-appealable order of a court of competent jurisdiction.

(b) The Company hereby agrees to indemnify, defend and hold harmless the Manager, Ellington, EMG Holdings and their Affiliates, officers, directors, members, shareholders, managers, Investment and Risk Management Committee members, employees, agents, successors and assigns (collectively, "Manager Indemnified Parties") from and against all liabilities, judgments, costs, charges, losses, expenses and claims, including attorneys' fees,

charges and expenses and expert witness fees, of any nature, kind or description, arising out of claims by third parties caused by (i) acts or omissions of any Manager Indemnified Party not constituting bad faith, willful misconduct, gross negligence or reckless disregard of the Manager's duties under this Agreement or (ii) claims by the employees of the Manager relating to the terms and conditions of their employment with the Manager. For the avoidance of doubt, none of the Manager Indemnified Parties will be liable for (i) trade errors that may result from ordinary negligence, such as errors in the investment-decision process (e.g. a transaction was effected in violation of the Company's Investment Guidelines) or in the trade process (e.g. a buy order was entered instead of a sell order or the wrong security was purchased or sold or the security was purchased or sold at the wrong price) or (ii) acts or omissions of any Manager Indemnified Party made or taken in accordance with written advice provided to the Manager Indemnified Parties by specialized, reputable, professional consultants selected, engaged or retained by the Manager, Ellington, EMG Holdings and their Affiliates with commercially reasonable care, including without limitation counsel, accountants, investment bankers, financial advisers, and appraisers (absent bad faith, gross negligence, willful misconduct or fraud by a Manager Indemnified Party). Notwithstanding the foregoing, no provision of this Agreement will constitute a waiver or limitation of the Company's rights under federal or state securities laws.

(c) The Manager hereby agrees to indemnify the Company and its directors and officers with respect to all liabilities, judgments, costs, charges, losses, expenses and claims, including attorney's fees, charges and expenses and expert witness fees, of any nature, kind or description, arising out of (i) claims by third parties based on acts or omissions of the Manager constituting bad faith, willful misconduct, gross negligence or reckless disregard of the Manager's duties under this Agreement, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction or (ii) claims by the Manager's employees relating to the terms and conditions of their employment with the Manager.

(d) The party seeking indemnity ("Indemnitee") will promptly notify the party against whom indemnity is claimed ("Indemnitor") of any claim for which it seeks indemnification; provided, however, that the failure to so notify the Indemnitor will not relieve Indemnitor from any liability which it may have hereunder, except to the extent such failure actually prejudices the Indemnitor. The Indemnitor shall have the right to assume the defense and settlement of such claim; provided that, Indemnitor notifies Indemnitee of its election to assume such defense and settlement within (30) days after the Indemnitee gives the Indemnitor notice of the claim. In such case the Indemnitee will not settle or compromise such claim, and the Indemnitor will not be liable for any such settlement made without its prior written consent. If Indemnitor is entitled to, and does, assume such defense by delivering the aforementioned notice to Indemnitee, Indemnitee will (i) have the right to approve Indemnitor's counsel (which approval will not be unreasonably withheld or delayed), (ii) be obligated to cooperate in furnishing evidence and testimony and in any other manner in which Indemnitor may reasonably request and (iii) be entitled to participate in (but not control) the defense of any such action, with its own counsel and at its own expense.

(e) Reasonable expenses (including attorney's fees) incurred by an Indemnitee in defense or settlement of a claim that may be subject to a right of indemnification hereunder may be advanced by the Company to such Indemnitee as such expenses are incurred

prior to the final disposition of such claim; provided that, Indemnitee undertakes to repay such amounts if it shall be determined ultimately by a court of competent jurisdiction that Indemnitee was not entitled to be indemnified hereunder.

(f) The Manager, Ellington, EMG Holdings and their Affiliates shall remain entitled to exculpation and indemnification from the Company pursuant to this Section 11 (subject to the limitations set forth herein) with respect to any matter arising prior to the termination of this Agreement and shall have no liability to the Company in respect of any matter arising after such termination unless such matter arose out of events or circumstances that occurred prior to such termination.

12. **No Joint Venture.** The Company and the Manager are not partners or joint venturers with each other and nothing in this Agreement shall be construed to make the Company and the Manager partners or joint venturers or impose any liability as such on either of them.

13. **Term; Termination.**

(a) *Term.* This Agreement shall remain in full force through December 31, 2011, unless terminated by the Company or Manager as set forth below, and shall be renewed automatically for successive one year periods thereafter, until this Agreement is terminated in accordance with the terms hereof.

(b) *Non-Renewal.* Either party may elect not to renew this Agreement at the expiration of the initial term or any renewal term for any or no reason by notice to the other party at least 180 days, but not more than 270 days, prior to the end of the term. Upon a non-renewal of this Agreement by the Company pursuant to this section, the Company will pay the Manager the Termination Fee.

(c) *Termination by the Company for Cause.* At the option of the Company and at any time during the term of this Agreement, this Agreement shall be and become terminated upon 30 days' written notice of termination from the Board of Directors to the Manager, without payment of the Termination Fee, if any of the following events shall occur:

(i) the Manager shall commit a material breach of any provision of this Agreement (including the failure of the Manager to use reasonable efforts to comply with the Company's Investment Guidelines), which such material breach continues uncured for a period of 30 days after written notice of such breach;

(ii) the Manager in its corporate capacity (as distinguished from the acts of any employees of the Manager which are taken without the complicity of the board of directors or executive officers of the Manager) shall commit any act of fraud, misappropriation of funds, or embezzlement against the Company or shall be grossly negligent in the performance of its duties under this Agreement;

(iii)(A) the Manager shall commence any case, proceeding or other action (1) under any existing or future law of any jurisdiction, domestic or foreign, relating to

bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (2) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or the Manager shall make a general assignment for the benefit of its creditors; or (B) there shall be commenced against the Manager any case, proceeding or other action of a nature referred to in clause (A) above which (1) results in the entry of an order for relief or any such adjudication or appointment or (2) remains undismissed, undischarged or unbonded for a period of 90 days; or (C) the Manager shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (A) or (B) above; or (D) the Manager shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(iv) upon a Change of Control of the Manager.

(d) *Termination by the Company Based on Performance.* The Independent Directors will review the Manager's performance annually at the Board's regularly scheduled meeting during the Company's third fiscal quarter, and, within 30 days after such Board meeting, this Agreement may be terminated upon the affirmative vote of at least two-thirds of the Independent Directors, or by the affirmative vote of the holders of at least a majority of the outstanding Common Shares, based upon unsatisfactory performance by the Manager that is materially detrimental to the Company or a determination by the Independent Directors that the management fees payable to the Manager hereunder are not fair, subject to the Manager's right to prevent such a termination by accepting a mutually acceptable reduction of such management fees. The Board of Directors must provide at least 60 days', but not more than 120 days', prior notice to the Manager of any termination under this Section 13(d). Upon a termination of this Agreement pursuant to this Section 13(d), the Company will pay the Manager the Termination Fee.

(e) *Termination by Manager.*

(i) The Manager may terminate this Agreement effective upon 60 days prior written notice of termination to the Company in the event that the Company shall default in the performance or observance of any material term, condition or covenant in this Agreement and such default shall continue for a period of 30 days after written notice thereof specifying such default and requesting that the same be remedied in such 30 day period.

(ii) The Manager may terminate this Agreement in the event that the Company becomes regulated as an investment company under the Investment Company Act, with such termination deemed to occur immediately prior to such event.

(iii) Upon the termination of this Agreement pursuant to this Section 13(e), but in the case of a termination under clause (ii) only if the Manager was not at fault for the Company becoming regulated as an investment company under the Investment Company Act, the Company will pay the Manager the Termination Fee.

(f) *Survival*. If this Agreement is terminated pursuant to this Section 13, such termination shall be without any further liability or obligation of either party to the other, except as otherwise expressly provided herein.

14. Action Upon Termination or Expiration of Term. From and after the effective date of termination of this Agreement pursuant to Section 13 herein, the Manager shall not be entitled to compensation for further services under this Agreement but shall be paid all compensation accruing to the date of termination, reimbursement for all Expenses and the Termination Fee, if applicable. For the avoidance of doubt, if the date of termination occurs other than at the end of a fiscal quarter, compensation to the Manager accruing to the date of termination shall also include: (i) base management fees equal to the Quarterly Base Management Fee Amount for such final fiscal quarter, taking into account only the portion of such final fiscal quarter that this Agreement was in effect, and with appropriate adjustments to all relevant definitions and (ii) incentive fees equal to the Quarterly Incentive Fee Amount for such final fiscal quarter, taking into account any Net Income only for the portion of such final quarter that this Agreement was in effect, with appropriate adjustments to all relevant definitions. Upon such termination or expiration, the Manager shall reasonably promptly:

(a) after deducting any accrued compensation and reimbursement for Expenses to which it is then entitled, pay over to the Company all money collected and held for the account of the Company pursuant to this Agreement;

(b) deliver to the Board of Directors a full accounting, including a statement showing all payments collected and all money held by it, covering the period following the date of the last accounting furnished to the Board of Directors with respect to the Company and through the termination date; and

(c) deliver to the Board of Directors all property and documents of the Company provided to or obtained by the Manager pursuant to or in connection with this Agreement, including all copies and extracts thereof in whatever form, then in the Manager's possession or under its control.

15. Assignment. The Manager may not assign its duties under this Agreement unless such assignment is consented to in writing by a majority of the Company's Independent Directors. However, the Manager may assign to one or more of its Affiliates performance of any of its responsibilities hereunder without the approval of the Company's Independent Directors so long as the Manager remains liable for any such Affiliate's performance and such assignment does not require the Company's approval under the Investment Advisers Act of 1940.

16. Release of Money or other Property Upon Written Request. The Manager agrees that any money or other property of the Company or any Subsidiary held by the Manager under this Agreement shall be held by the Manager as custodian for the Company or any Subsidiary, and the Manager's records shall be clearly and appropriately marked to reflect the ownership of such money or other property by the Company. Upon the receipt by the Manager of a written request signed by a duly authorized officer of the Company requesting the Manager to release to the Company any money or other property then held by the Manager for the account of the Company under this Agreement, the Manager shall release such money or other property to

the Company within a reasonable period of time, but in no event later than thirty (30) days following such request. The Manager, Ellington, EMG Holdings and their Affiliates, directors, officers, managers and employees will not be liable to the Company, any Subsidiary, the Manager or any of their directors, officers, shareholders, managers, employees, owners or partners for any acts or omissions by the Company in connection with the money or other property released to the Company in accordance with the terms hereof. The Company shall indemnify the Manager, Ellington, EMG Holdings and their Affiliates, officers, directors, Investment and Risk Management Committee members, employees, agents and successors and assigns against any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever which arise in connection with the Manager's release of such money or other property to the Company in accordance with the terms of this Section 16. Indemnification pursuant to this Section 16 shall be in addition to any right of the Manager to indemnification under Section 11.

17. **Notices.** Unless expressly provided otherwise in this Agreement, all notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made and received when delivered against receipt or upon actual receipt of (a) personal delivery, (b) delivery by a reputable overnight courier, (c) delivery by facsimile transmission but only if such transmission is confirmed, or (d) delivery by registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

The Company:

Ellington Financial LLC
53 Forest Avenue – Suite 301
Old Greenwich, CT 06870
Attn: Laurence Penn, Chief Executive Officer
Facsimile: 203-698-0869

With a copy to:

Ellington Financial LLC
53 Forest Avenue – Suite 301
Old Greenwich, CT 06870
Attn: Chief Operating Officer
Facsimile: 203-698-0869

The Manager:

Ellington Financial Management LLC
53 Forest Avenue – Suite 301
Old Greenwich, CT 06870
Attn: Michael Vranos, Chief Executive Officer
Facsimile: 203-698-0869

with a copy to:

Ellington Management Group, L.L.C.
53 Forest Avenue – Suite 301
Old Greenwich, CT 06870
Attn: General Counsel
Facsimile: 203-698-0869

Any party may change the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 17 for the giving of notice.

18. Binding Nature of Agreement; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns as provided in this Agreement.

19. Entire Agreement; Amendments. This Agreement contains the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter of this Agreement. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms of this Agreement. This Agreement may not be modified or amended other than by an agreement in writing signed by the parties hereto.

20. Governing Law. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of New York without giving effect to such state's laws and principles regarding the conflict of interest laws (other than Section 5-1401 of the general obligations Law of the State of New York).

21. Indulgences, Not Waivers. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

22. Titles Not to Affect Interpretation. The titles of sections, paragraphs and subparagraphs contained in this Agreement are for convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation of this Agreement.

23. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts of this Agreement,

individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

24. **Severability.** The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

25. **Principles of Construction.** Words used herein regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires. All references to recitals, sections, paragraphs and schedules are to the recitals, sections, paragraphs and schedules in or to this Agreement unless otherwise specified.

26. **Use of Name.** The Company acknowledges that it has adopted its name through the permission of the Manager. The Manager hereby consents to the non-exclusive use by the Company of the name "Ellington Financial LLC" so long as the Manager serves as the manager of the Company. The Company agrees to indemnify and hold harmless the Manager, Ellington, EMG Holdings and their Affiliates from and against any and all costs, losses, claims, damages or liabilities, joint or several, including, without limitation, attorney's fees and disbursements, which may arise out of the Company's use or misuse of the name "Ellington Financial LLC" or out of any breach of or failure to comply with this Section 26.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE COMPANY:

ELLINGTON FINANCIAL LLC

By: /s/ Laurence Penn

Name: Laurence Penn

Title: Chief Executive Officer and President

THE MANAGER:

ELLINGTON FINANCIAL MANAGEMENT LLC

By: /s/ Michael W. Vranos

Name: Michael W. Vranos

Title: Chief Executive Officer and President

[Signature Page to Management Agreement]

INVESTMENT GUIDELINES OF ELLINGTON FINANCIAL LLC

Capitalized terms used but not defined herein shall have the meanings ascribed thereto in that certain Amended and Restated Management Agreement, dated as of July 1, 2009, as may be amended from time to time (the "Management Agreement"), by and between Ellington Financial LLC (the "Company") and Ellington Financial Management LLC (the "Manager").

1. No investment shall be made that would cause the Company to fail to qualify as a partnership under the Internal Revenue Code of 1986, as amended;
2. No investment shall be made that would cause the Company to be regulated as an investment company under the Investment Company Act;
3. The Company shall not enter into Cross Transactions, Principal Transactions or Split Price Executions with the Manager or any of its Affiliates unless (i) such transaction is otherwise in accordance with these guidelines and the Management Agreement and (ii) the terms of such transaction are at least as favorable to the Company as to the Manager or such Affiliate (as applicable);
4. The Company shall use leverage as described in the registration statement on Form S-11 relating to the Initial Public Offering (the "IPO Registration Statement").
5. Any proposed investment that is outside those targeted or other asset classes or targeted platforms or opportunities mentioned or otherwise described in or contemplated by the IPO Registration Statement must be approved by at least a majority of the Independent Directors.
6. Any loan transaction to or from the Company, on the one hand, and the Manager and its affiliates, on the other hand, must be approved by at least a majority of the Independent Directors.

These investment guidelines may be changed by the Company's board of directors without the approval of its shareholders.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of August 17, 2007, by and between Ellington Financial LLC, a Delaware limited liability company (together with any successor entity thereto, the "Company"), Friedman, Billings, Ramsey & Co., Inc., a Delaware corporation ("FBR"), and Ellington Financial Management LLC, a Delaware limited liability company (the "Manager"), for the benefit of (i) FBR, (ii) the purchasers of the Company's common shares representing limited liability company interests (the "Common Shares"), as participants ("Participants") in the offering by the Company of its Common Shares (the "Offering") pursuant to the terms of the Purchase/Placement Agreement (the "Purchase/Placement Agreement"), dated as of August 10, 2007, by and among the Company, FBR, and the Manager, (iii) the Manager and (iv) the direct and indirect designees and transferees of FBR, each of the Participants and the Manager.

This Agreement is made pursuant to the Purchase/Placement Agreement in connection with the purchase and sale or placement of an aggregate of 12,500,000 Common Shares (plus an additional 2,500,000 Common Shares to cover additional allotments, if any). In order to induce FBR to enter into the Purchase/Placement Agreement, the Company has agreed to provide the registration rights provided for in this Agreement to FBR, the Participants, and their respective direct and indirect transferees. The execution of this Agreement is a condition to the closing of the transactions contemplated by the Purchase/Placement Agreement.

The parties hereby agree as follows:

1. **Definitions**

As used in this Agreement, the following terms shall have the following meanings:

Accredited Investor Shares: Shares initially sold by the Company pursuant to the Purchase/Placement Agreement and the subscription agreement attached as Annex III or Annex IV to the Offering Memorandum to "accredited investors" (within the meaning of Rule 501(a) promulgated under the Securities Act) as Participants.

Agreement: As defined in the preamble.

Affiliate: As to any specified Person, shall mean (i) any Person who is an "affiliate" as that term is defined in Rule 12b-2 of the general rules and regulations under the Exchange Act, (ii) any executive officer, director, trustee or general partner of such Person and (iii) any legal entity for which such Person acts as an executive officer, director, trustee or general partner.

Business Day: With respect to any act to be performed hereunder, each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York or other applicable places where such act is to occur are authorized or obligated by applicable law, regulation or executive order to close.

Closing Date: August 17, 2007 or such other time or such other date as FBR and the Company may agree.

Commission: The Securities and Exchange Commission.

Common Shares: As defined in the preamble.

Company: As defined in the preamble.

Controlling Person: As defined in Section 6(a) hereof.

End of Suspension Notice: As defined in Section 5(b) hereof.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

FBR: As defined in the preamble.

Holder: Each Participant and its direct or indirect transferees, so long as such Participant or transferee owns any Registrable Shares, and the Manager and its direct or indirect designees or transferees, so long as the Manager or any such designee or transferee owns any Management Agreement Shares.

Indemnified Party: As defined in Section 6(c) hereof.

Indemnifying Party: As defined in Section 6(c) hereof.

IPO Registration Statement: As defined in Section 2(a) hereof.

Liabilities: As defined in Section 6(a) hereof.

Management Agreement: That certain management agreement dated August 17, 2007 by and between the Company and the Manager.

Management Agreement Shares: The Common Shares issued to the Manager or its designees pursuant to Section 8 of the Management Agreement.

Manager: As defined in the preamble, and any successor thereto.

NASD: The National Association of Securities Dealers, Inc.

No Objections Letter: As defined in Section 4(t) hereof.

Offering: As defined in the preamble.

Offering Memorandum: The Offering Memorandum of the Company dated August 10, 2007 pursuant to which the Rule 144A Shares, the Regulation S Shares and the Accredited Investor Shares are offered and sold.

Participant: As defined in the preamble.

Person: An individual, partnership, corporation, trust, unincorporated organization, government or agency or political subdivision thereof, or any other legal entity.

Proceeding: An action, claim, suit or proceeding (including without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or, to the knowledge of the Person subject thereto, threatened.

Prospectus: The prospectus included in any Registration Statement, including any preliminary prospectus, and all other amendments and supplements to any such prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference, if any, in such prospectus and any "issuer free writing prospectus" as defined in Rule 433 under the Securities Act relating to any Registration Statement.

Purchase/Placement Agreement: As defined in the preamble, as amended from time to time.

Purchaser Indemnitee: As defined in Section 6(a) hereof.

Registrable Shares: The Shares and the Management Agreement Shares, upon original issuance thereof, and at all times subsequent thereto, including upon the transfer thereof by the original holder or any subsequent holder and any shares or other securities issued in respect of such Registrable Shares by reason of or in connection with any stock dividend, stock distribution, stock split, purchase in any rights offering or in connection with any exchange for or replacement of such Registrable Shares or any combination of shares, recapitalization, merger or consolidation, or any other equity securities issued pursuant to any other pro rata distribution with respect to the Common Shares, until, in the case of any such Registrable Share, the earliest to occur of (i) the date on which it has been registered effectively pursuant to the Securities Act and disposed of in accordance with the Registration Statement relating to it, (ii) the date on which either it is distributed to the public pursuant to Rule 144 (or any similar provision then in effect) or is saleable pursuant to Rule 144(k) promulgated by the Commission pursuant to the Securities Act or (iii) the date on which it is sold to the Company or any of its subsidiaries; *provided, however*, that executive officers, directors, partners, members or other Affiliates of the Company or the Manager whose Shares or Management Agreement Shares cease to be Registrable Shares hereunder shall have the additional registration rights set forth in Exhibit A of this Agreement beginning on the date that such Shares or Management Agreement Shares cease to be Registrable Shares hereunder and until such time as such Shares and Management Agreement Shares may be resold without restriction or limitation (including limits on amount of securities sold) under Rule 144.

Registration Expenses: Any and all fees and expenses incident to the performance of or compliance with this Agreement, including, without limitation: (i) all Commission, securities exchange, NASD registration, listing, inclusion and filing fees, (ii) all fees and expenses incurred in connection with compliance with international, federal or state securities or blue sky laws (including, without limitation, any registration, listing and filing fees and reasonable fees and disbursements of counsel in connection with blue sky qualification of any of the Registrable Shares and the preparation of a blue sky memorandum and compliance with the rules of the NASD), (iii) all expenses in preparing or assisting in preparing, word processing, duplicating, printing, delivering and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements, certificates and any other documents relating to the performance under and compliance with this Agreement, (iv) all fees and expenses incurred in connection with the listing or inclusion of any of the Registrable Shares on any securities exchange or The Nasdaq Stock Market pursuant to Section 4(n) hereof, (v) the fees and disbursements of counsel for the Company and of the independent public accountants of the Company (including, without limitation, the expenses of any special audit and “cold comfort” letters required by or incident to such performance), (vi) reasonable fees and disbursements of one counsel, reasonably acceptable to the Company, for the Holders, selected by the Holders holding a majority of the Registrable Shares (such counsel, “Selling Holders’ Counsel”) and (vii) any fees and disbursements customarily paid in issues and sales of securities (including the fees and expenses of any experts retained by the Company in connection with any Registration Statement); *provided, however*, that Registration Expenses shall exclude brokers’ or underwriters’ discounts and commissions and transfer taxes or transfer fees, if any, relating to the sale or disposition of Registrable Shares by a Holder and the fees and expenses of any counsel to the Holders, except as provided for in clause (vi) above.

Registration Statement: Any registration statement of the Company that covers the resale of Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto and all material incorporated by reference or deemed to be incorporated by reference, if any, in such registration statement.

Regulation 14A: Regulation 14A promulgated by the Commission under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such regulation.

Regulation S: Regulation S (Rules 901-905) promulgated by the Commission under the Securities Act, as such rules may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such regulation.

Regulation S Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to “non-U.S. persons” (in accordance with Regulation S) in an “offshore transaction” (in accordance with Regulation S).

Rule 144: Rule 144 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A: Rule 144A promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 144A Shares: Shares initially resold by FBR pursuant to the Purchase/Placement Agreement to “qualified institutional buyers” (as such term is defined in Rule 144A).

Rule 158: Rule 158 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 174: Rule 174 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 415: Rule 415 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 424: Rule 424 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 429: Rule 429 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Rule 433: Rule 433 promulgated by the Commission pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission as a replacement thereto having substantially the same effect as such rule.

Securities Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission thereunder.

Selling Holders' Counsel: Counsel for the Holders that is selected by the Holders holding a majority of the Registrable Shares included in any Registration Statement.

Shares: The Common Shares being offered and sold pursuant to the terms and conditions of the Purchase/Placement Agreement.

Shelf Registration Statement: As defined in Section 2(b) hereof.

Suspension Event: As defined in Section 5(b) hereof.

Suspension Notice: As defined in Section 5(b) hereof.

Underwritten Offering: A sale of securities of the Company to an underwriter or underwriters for reoffering to the public.

2. **Registration Rights**

(a) *IPO Registration*. If the Company elects, in its sole discretion, to file a registration statement on Form S-1 or such other form under the Securities Act providing for the initial public offering of Common Shares (the "IPO Registration Statement"), the Company will notify each Holder of the filing within five (5) Business Days after such filing and afford each Holder an opportunity to include in the IPO Registration Statement all or any part of the Registrable Shares then held by such Holder. Each Holder desiring to include in the IPO Registration Statement all or part of the Registrable Shares held by such Holder shall, within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Shares such Holder wishes to include in the IPO Registration Statement. Any election by any Holder to include any Registrable Shares in the IPO Registration Statement will not affect the inclusion of such Registrable Shares in the Shelf Registration Statement until such Registrable Shares have been sold under the IPO Registration Statement; *provided, however*, that at such time, the Company shall have the right to remove from the Shelf Registration Statement the Registrable Shares sold pursuant to the IPO Registration Statement.

(i) *Right to Terminate IPO Registration*. At any time, the Company shall have the right to terminate or withdraw the IPO Registration Statement referred to in this Section 2(a) prior to its effectiveness, whether or not any Holder has elected to include Registrable Shares in such registration; *provided, however*, the Company must provide each Holder that elected to include any Registrable Shares in such IPO Registration Statement prompt written notice of such termination. Furthermore, in the event the IPO Registration Statement is not declared effective within ninety (90) days following the initial filing of the IPO Registration Statement, unless a road show for the Underwritten Offering pursuant to the IPO Registration Statement is actually in progress at such time, the Company shall promptly provide a new written notice to all Holders giving them another opportunity to elect to include Registrable Shares in the pending IPO Registration

Statement. Each Holder receiving such notice shall have the same election rights afforded such Holder as described in clause (a) above.

(ii) *Selection of Underwriter.* The Company shall have the sole right to select the managing underwriter(s) for its initial public offering, regardless of whether any Registrable Securities are included in the IPO Registration Statement or otherwise.

(iii) *Underwriting.* The Company shall notify all Holders of the managing underwriter(s) for the Underwritten Offering proposed under the IPO Registration Statement. The right of any such Holder's Registrable Shares to be included in the IPO Registration Statement pursuant to Section 2(a) shall be conditioned upon such Holder's participation in such Underwritten Offering and the inclusion of such Holder's Registrable Shares in the Underwritten Offering to the extent provided herein. All Holders proposing to distribute their Registrable Shares through such Underwritten Offering shall enter into an underwriting agreement in customary form with the managing underwriter(s) selected for such underwriting and complete and execute any questionnaires, powers of attorney, indemnities, securities escrow agreements and other documents reasonably required under the terms of such underwriting, and furnish to the Company such information as the Company may reasonably request in writing for inclusion in the Registration Statement; *provided, however*, that no Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and such Holder's intended method of distribution and any other representation, warranty or agreement required by law or reasonably requested by the underwriters. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation on the number of shares to be included, then the managing underwriter(s) may exclude shares (including Registrable Shares) from the IPO Registration Statement and Underwritten Offering, and any shares included in such IPO Registration Statement and Underwritten Offering shall be allocated first, to the Company, and second, to each of the Holders requesting inclusion of their Registrable Shares in such IPO Registration Statement (on a pro rata basis based on the total number of Registrable Shares then held by each such Holder who is requesting inclusion); *provided, however*, that the number of Registrable Shares to be included in the IPO Registration Statement shall not be reduced unless all other securities of the Company held by (i) executive officers, directors, partners, members and other Affiliates of the Company and the Manager; and (ii) other holders of the Company's capital stock with registration rights that are inferior (with respect to such reduction) to the registration rights of the Holders set forth herein, are first entirely excluded from the Underwritten Offering and registration; *provided, further, however*, that Holders of Registrable Shares shall be permitted to include Registrable Shares comprising at least 25% of the total securities included in the Underwritten Offering proposed under the IPO Registration Statement.

By electing to include the Registrable Shares in the IPO Registration Statement, the Holder of such Registrable Shares shall be deemed to have agreed not to effect any sale or distribution of securities of the Company of the same or similar class or classes of the securities included in the IPO Registration Statement (other than the Registrable Shares sold in the

Underwritten Offering pursuant to the IPO Registration Statement) or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 or Rule 144A under the Securities Act, during such periods as reasonably requested (but in no event for a period of sixty (60) days following the effective date of the IPO Registration Statement for all Holders that hold Common Shares or securities convertible into or exchangeable or exercisable for Common Shares other than the executive officers, directors, partners, members and other Affiliates of the Company and the Manager and (y) one hundred eighty (180) days following the effective date of the IPO Registration Statement for all executive officers, directors, partners, members and other Affiliates of the Company and the Manager that hold Common Shares or securities convertible into or exercisable for Common Shares) by the representatives of the underwriters, if an Underwritten Offering, or by the Company in any other registration.

If any Holder disapproves of the terms of any such Underwritten Offering, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the IPO Registration Statement. Any Registrable Shares excluded or withdrawn from such Underwritten Offering shall be excluded and withdrawn from the IPO Registration Statement.

(b) Obligation to File Resale Shelf Registration Statement.

(i) If the Company completes an initial public offering of its Common Shares pursuant to an IPO Registration Statement prior to the third anniversary (3rd) anniversary of the date of this Agreement, the Company shall be required to file, within sixty (60) days after the Closing date of the initial public offering, a shelf Registration Statement on Form S-1 or such other form under the Securities Act then available to the Company providing for the resale of any Registrable Shares pursuant to Rule 415 from time to time by the Holders (a "Shelf Registration Statement"), and the Company shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable after filing; and

(ii) If the Company has not completed an initial public offering of Common Shares prior to the third (3rd) anniversary of the date of this Agreement, the Company shall call a special meeting of its shareholders in accordance with the applicable provisions of the operating agreement of the Company solely for the purpose of considering and voting upon a proposal to approve the filing by the Company of a Shelf Registration Statement. If the proposal is approved in accordance with the applicable provisions of the operating agreement of the Company, the Company shall be required to file the Shelf Registration Statement within sixty (60) days after the date of the special meeting of shareholders, and the Company shall use its commercially reasonable efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as practicable after filing.

(iii) Any Shelf Registration Statement shall provide for the resale from time to time, and pursuant to any method or combination of methods legally available (including, without limitation, an Underwritten Offering, a direct sale to purchasers or a sale through

brokers or agents, which may include sales over the internet) by the Holders of any and all Registrable Shares.

(c) *Expenses.* The Company shall pay all Registration Expenses in connection with the registration of the Registrable Shares pursuant to this Agreement. Each Holder participating in a registration pursuant to this Section 2 shall bear such Holder's proportionate share (based on the total number of Registrable Shares sold in such registration) of all discounts and commissions payable to underwriters or brokers and all transfer taxes and transfer fees in connection with a registration of Registrable Shares pursuant to this Agreement.

(d) *Forfeiture of Management Fees.* If the Company does not file a Shelf Registration Statement registering the resale of the Registrable Shares as required under Section 2(b)(i) or 2(b)(ii), as applicable, other than as a result of the Commission being unable to accept such filings, the Manager shall forfeit the base management fee it is entitled to receive pursuant to the Management Agreement for a period commencing from and after the applicable date by which the Company was required to file the Shelf Registration Statement until the Shelf Registration Statement is filed, and the Company shall defer all incentive management fee payments to be paid to the Manager pursuant to the Management Agreement from and after the applicable date by which the Company was required to file the Shelf Registration Statement until the Shelf Registration Statement is filed.

3. Rules 144 and 144A Reporting

With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the sale of the Registrable Shares to the public without registration, the Company agrees to:

(a) use its commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public, so long as any Holder owns any Registrable Shares;

(b) use its commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required to be filed by the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements);

(c) if the Company is not required to file reports and other documents under the Securities Act and the Exchange Act, it will make available other information as required by, and so long as necessary to permit sales of Registrable Shares pursuant to, Rule 144 or Rule 144A, and in any event shall make available (either by mailing a copy thereof, by posting on the Company's website or by press release) to each Holder a copy of:

(i) the Company's annual consolidated financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in accordance with U.S. generally accepted accounting principles, accompanied by an audit report of the Company's independent

accountants, no later than ninety (90) days after the end of each fiscal year of the Company; and

(ii) the Company's unaudited quarterly financial statements (including at least balance sheets, statements of profit and loss, statements of stockholders' equity and statements of cash flows) prepared in a manner consistent with the preparation of the Company's annual financial statements, no later than forty-five (45) days after the end of the Company's first three fiscal quarters;

(d) hold, a reasonable time after the availability of such financial statements and upon reasonable notice to the Holders and FBR (either by mail, by posting on the Company's website or by press release), a quarterly investor conference call to discuss such financial statements, which call also will include an opportunity for the Holders to ask questions of management with regard to such financial statements, and will also cooperate with, and make management reasonably available to, FBR personnel in connection with making Company information available to investors; and

(e) so long as any Holder owns any Registrable Shares, to furnish to the Holder promptly upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company for an offering of its securities to the general public), and of the Securities Act and the Exchange Act (at any time after it has become subject to the reporting requirements of the Exchange Act), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company, and take such further actions, as a Holder may reasonably request in availing itself of any rule or regulation of the Commission allowing a Holder to sell any such Registrable Shares without registration.

4. Registration Procedures

In connection with the obligations of the Company with respect to any registration pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect or cause to be effected the registration of the Registrable Shares under the Securities Act to permit the sale of such Registrable Shares by the Holder or Holders in accordance with the Holder's or Holders' intended method or methods of resale and distribution, and the Company shall:

(a) notify FBR and Selling Holders' Counsel, in writing, at least ten (10) Business Days prior to filing a Registration Statement, of its intention to file a Registration Statement with the Commission and, at least five (5) Business Days prior to filing, provide a copy of the Registration Statement to FBR, its counsel, and Selling Holders' Counsel for review and comment; prepare and file with the Commission, as specified in this Agreement, any Registration Statement, which Registration Statement (x) shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith and (y) shall be reasonably acceptable to FBR, its counsel and Selling Holders' Counsel; notify FBR and Selling Holders' Counsel in writing, at least five (5) Business Days prior to filing of any amendment or supplement to such Registration

Statement and, at least three (3) Business Days prior to filing, provide a copy of such amendment or supplement to FBR, its counsel and Selling Holders' Counsel for review and comment; promptly following receipt from the Commission, provide to FBR, its counsel and Selling Holders' Counsel copies of any comments made by the staff of the Commission relating to such Registration Statement and of the Company's responses thereto for review and comment; and use its commercially reasonable efforts to cause such Registration Statement to become effective as soon as practicable after filing and to remain effective, subject to Section 5 hereof, until the earlier of (i) such time as all Registrable Shares covered thereby have been sold in accordance with the intended distribution of such Registrable Shares, (ii) there are no Registrable Shares outstanding or (iii) the second anniversary of the effective date of such Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided, however*, that the Company shall not be required to cause the IPO Registration Statement to remain effective for any period longer than ninety (90) days following the effective date of the IPO Registration Statement (subject to extension as provided in Section 5(c) hereof); *provided, further*, that if the Company has an effective Shelf Registration Statement on Form S-11 under the Securities Act and becomes eligible to use Form S-3 or such other short-form registration statement form under the Securities Act, the Company may, upon thirty (30) Business Days prior written notice to all Holders, register any Registrable Shares registered but not yet distributed under the effective Shelf Registration Statement on such a short-form Shelf Registration Statement and, once the short-form Shelf Registration Statement is declared effective, de-register such shares under the previous Registration Statement or transfer the filing fees from the previous Registration Statement (such transfer pursuant to Rule 429, if applicable) unless any Holder registered under the initial Shelf Registration Statement notifies the Company within twenty (20) Business Days of receipt of the Company notice that such a registration under a new Registration Statement and de-registration of the initial Shelf Registration Statement would interfere with its distribution of Registrable Shares already in progress;

(b) subject to Section 4(i) hereof, (i) prepare and file with the Commission such amendments and post-effective amendments to each such Registration Statement as may be necessary to keep such Registration Statement effective for the period described in Section 4(a) hereof; (ii) cause each Prospectus contained therein to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 or any similar rule that may be adopted under the Securities Act; and (iii) comply with the provisions of the Securities Act with respect to the disposition of all securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) furnish to the Holders, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Shares; the Company consents, subject to Section 5 hereof, to the use of such Prospectus, including each preliminary Prospectus, by the Holders, if any, in connection with the offering and sale of the Registrable Shares covered by any such Prospectus;

(d) use its commercially reasonable efforts to register or qualify, or obtain exemption from registration or qualification for, all Registrable Shares by the time the applicable Registration Statement is declared effective by the Commission under all applicable state

securities or “blue sky” laws of such jurisdictions as FBR or any Holder of Registrable Shares covered by a Registration Statement shall reasonably request in writing, keep each such registration or qualification or exemption effective during the period such Registration Statement is required to be kept effective pursuant to Section 4(a) hereof and do any and all other acts and things that may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Shares owned by such Holder; *provided, however*, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in such jurisdiction where it would not otherwise be required to qualify but for this Section 4(d) and except as may be required by the Securities Act, (ii) subject itself to taxation in any such jurisdiction, or (iii) submit to the general service of process in any such jurisdiction;

(e) use its commercially reasonable efforts to cause all Registrable Shares covered by such Registration Statement to be registered and approved by such other governmental agencies or authorities as may be necessary to enable the Holders thereof to consummate the disposition of such Registrable Shares; *provided, however*, that the Company shall not be required to take any action to comply with this Section 4(e) if it would require the Company or any of its subsidiaries to (i) qualify generally to do business in any jurisdiction or to register as a broker or dealer in such jurisdiction where it would not otherwise be required to qualify but for this Section 4(e) and except as may be required by the Securities Act, (ii) subject itself to taxation in any such jurisdiction, or (iii) submit to the general service of process in any such jurisdiction;

(f) notify FBR and each Holder with Registrable Shares covered by a Registration Statement promptly and, if requested by FBR or any Holder, confirm such advice in writing (i) when such Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective or upon the filing of a supplement to any prospectus, (ii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of such Registration Statement or the initiation of any proceedings for that purpose, (iii) of any request by the Commission or any other federal, state or foreign governmental authority for amendments or supplements to such Registration Statement or related Prospectus or for additional information, and (iv) of the happening of any event during the period such Registration Statement is effective as a result of which such Registration Statement or the related Prospectus or any document incorporated by reference therein contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (which information shall be accompanied by an instruction to suspend the use of the Prospectus (such instruction to be provided in the same manner as a Suspension Notice) until the requisite changes have been made, at which time notice of the end of suspension shall be delivered in the same manner as an End of Suspension Notice);

(g) use its commercially reasonable efforts to avoid the issuance of, or if issued, to obtain the withdrawal of, any order enjoining or suspending the use or effectiveness of a Registration Statement or suspending of the qualification (or exemption from qualification) of any of the Registrable Shares for sale in any jurisdiction, as promptly as practicable;

(h) upon request, furnish to each requesting Holder of Registrable Shares covered by a Registration Statement, without charge, at least one conformed copy of such Registration

Statement and any post-effective amendment or supplement thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(i) except as provided in Section 5 hereof, upon the occurrence of any event contemplated by Section 4(f)(iv) hereof, use its commercially reasonable efforts to promptly prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Shares, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and upon request, promptly furnish to each requesting Holder a reasonable number of copies of each such supplement or post-effective amendment;

(j) if requested by the representative of the underwriters, if any, or any Holders of Registrable Shares being sold in connection with such Underwritten Offering, (i) as promptly as practicable incorporate in a Prospectus supplement or post-effective amendment such material information as the representative of the underwriters, if any, or such Holders indicate in writing relates to them or that they reasonably request be included therein and (ii) use its commercially reasonable efforts to make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(k) in the case of an Underwritten Offering, use its commercially reasonable efforts to furnish to each Holder of Registrable Shares covered by such Registration Statement and the underwriters a signed counterpart, addressed to each such Holder and the underwriters, of: (i) an opinion of counsel for the Company, dated the date of each closing under the underwriting agreement, reasonably satisfactory to such Holder and the underwriters; and (ii) a "comfort" letter, dated the effective date of such Registration Statement and the date of each closing under the underwriting agreement, signed by the independent public accountants who have certified the Company's financial statements included in such Registration Statement, covering substantially the same matters with respect to such Registration Statement (and the Prospectus included therein) and with respect to events subsequent to the date of such financial statements, as are customarily covered in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other financial matters as such Holder and the underwriters may reasonably request;

(l) enter into customary agreements (including in the case of an Underwritten Offering, an underwriting agreement in customary form and reasonably satisfactory to the Company) and take all other reasonable action in connection therewith in order to expedite or facilitate the distribution of the Registrable Shares included in such Registration Statement and, in the case of an Underwritten Offering, make representations and warranties to the Holders covered by such Registration Statement and to the underwriters in such form and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same to the extent customary if and when requested;

(m) use its commercially reasonable efforts to make available for inspection by representatives of the Holders and the representative of any underwriters participating in any disposition pursuant to a Registration Statement and any special counsel or accountants retained by such Holders or underwriters, all financial and other records, pertinent corporate documents and properties of the Company and cause the respective officers, directors and employees of the Company to supply all information reasonably requested by any such representatives, the representative of the underwriters, counsel thereto or accountants in connection with a Registration Statement; *provided, however*, that such records, documents or information that the Company determines, in good faith, to be confidential and notifies such representatives, representative of the underwriters, counsel thereto or accountants are confidential shall not be disclosed by the representatives, representative of the underwriters, counsel thereto or accountants unless (i) the disclosure of such records, documents or information is necessary to avoid or correct a misstatement or omission in a Registration Statement or Prospectus, (ii) the release of such records, documents or information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, or (iii) such records, documents or information have been generally made available to the public;

(n) use its commercially reasonable efforts (including, without limitation, seeking to cure any deficiencies cited by the exchange or market in the Company's listing or inclusion application) to list or include all Registrable Shares on the New York Stock Exchange or The Nasdaq Stock Market;

(o) use its commercially reasonable efforts to prepare and file in a timely manner all documents and reports required by the Exchange Act and, to the extent the Company's obligation to file such reports pursuant to Section 15(d) of the Exchange Act expires prior to the expiration of the effectiveness period of the Registration Statement as required by Section 4(a) hereof, the Company shall register the Registrable Shares under the Exchange Act and shall maintain such registration through the effectiveness period required by Section 4(a) hereof;

(p) provide a CUSIP number for all Registrable Shares, not later than the effective date of the Registration Statement;

(q) (i) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, (ii) make generally available to its stockholders, as soon as reasonably practicable, earnings statements covering at least 12 months that satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 (or any similar rule promulgated under the Securities Act) thereunder, but in no event later ninety (90) days after the end of each fiscal year of the Company and (iii) not file any Registration Statement or Prospectus or amendment or supplement to such Registration Statement or Prospectus to which any Holder of Registrable Shares covered by any Registration Statement shall have reasonably objected on the grounds that such Registration Statement or Prospectus or amendment or supplement does not comply in all material respects with the requirements of the Securities Act, such Holder having been furnished with a copy thereof at least two (2) Business Days prior to the filing thereof; *provided* that the Company may request effectiveness of such Registration Statement following such time as the Company shall have used its commercially reasonable efforts to resolve any such issue with the objecting Holder and shall have advised the Holder in writing of its reasonable belief that such filing complies with the requirements of the Securities Act;

(r) provide and cause to be maintained a registrar and transfer agent for all Registrable Shares covered by any Registration Statement from and after a date not later than the effective date of such Registration Statement;

(s) in connection with any sale or transfer of the Registrable Shares (whether or not pursuant to a Registration Statement) that will result in the security being delivered no longer being Registrable Shares, cooperate with the Holders and the representative of the underwriters, if any, to facilitate the timely preparation and delivery of certificates representing the Registrable Shares to be sold, which certificates shall not bear any transfer restrictive legends (other than as required by the Company's certificate of formation and operating agreement) and to enable such Registrable Shares to be in such denominations and registered in such names as the representative of the underwriters, if any, or the Holders may request at least two (2) Business Days prior to any sale of the Registrable Shares;

(t) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(b) hereof, prepare and, within one Business Day of such filing with the Commission, file with the NASD all forms and information required or requested by the NASD in order to obtain written confirmation from the NASD that the NASD does not object to the fairness and reasonableness of the underwriting terms and arrangements (or any deemed underwriting terms and arrangements) (each such written confirmation, a "No Objections Letter") relating to the resale of Registrable Shares pursuant to the Shelf Registration Statement, including, without limitation, information provided to the NASD through its COBRADesk system, and pay all costs, fees and expenses incident to the NASD's review of the Shelf Registration Statement and the related underwriting terms and arrangements, including, without limitation, all filing fees associated with any filings or submissions to the NASD and the legal expenses, filing fees and other disbursements of FBR and any other NASD member that is the holder of, or is affiliated or associated with an owner of, Registrable Shares included in the Shelf Registration Statement (including in connection with any initial or subsequent member filing);

(u) in connection with the initial filing of a Shelf Registration Statement and each amendment thereto with the Commission pursuant to Section 2(b) hereof, provide to FBR and its representatives, the opportunity to conduct due diligence, including, without limitation, an inquiry of the Company's financial and other records, and make available members of its management for questions regarding information which FBR may request in order to fulfill any due diligence obligation on its part;

(v) upon effectiveness of the first Registration Statement filed under this Agreement, the Company will take such actions and make such filings as are necessary to effect the registration of the Common Stock under the Exchange Act simultaneously with or as soon as reasonably practicable following the effectiveness of the Registration Statement; and

(w) in the case of an Underwritten Offering, use its commercially reasonable efforts to cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter and its counsel (including any "qualified independent underwriter," if applicable) that is required to be retained in accordance with the rules and regulations of the NASD).

The Company may require the Holders to furnish to the Company such information regarding the proposed distribution by such Holder of such Registrable Shares as the Company may from time to time reasonably request in writing or as shall be required to effect the registration of the Registrable Shares, and no Holder shall be entitled to be named as a selling stockholder in any Registration Statement and no Holder shall be entitled to use the Prospectus forming a part thereof if such Holder does not provide such information to the Company. Any Holder that sells Registrable Shares pursuant to a Registration Statement or as a selling stockholder pursuant to an Underwritten Offering shall be required to be named as a selling stockholder in the related prospectus and to deliver a prospectus to purchasers. Each Holder further agrees to furnish promptly to the Company in writing all information required from time to time to make the information previously furnished by such Holder not misleading.

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(f)(ii), 4(f)(iii) or 4(f)(iv) hereof, such Holder will immediately discontinue disposition of Registrable Shares pursuant to a Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus. If so directed by the Company, such Holder will deliver to the Company (at the expense of the Company) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Shares current at the time of receipt of such notice.

5. Black-Out Period

(a) Subject to the provisions of this Section 5 and a good faith determination by a majority of the independent members of the Board of Directors of the Company that it is in the best interests of the Company to suspend the use of the Registration Statement, following the effectiveness of a Registration Statement (and the filings with any international, federal or state securities commissions), the Company, by written notice to FBR and the Holders, may direct the Holders to suspend sales of the Registrable Shares pursuant to a Registration Statement for such times as the Company reasonably may determine is necessary and advisable (but in no event for more than an aggregate of ninety (90) days in any rolling twelve (12)-month period commencing on the Closing Date), if any of the following events shall occur: (i) the representative of the underwriters of an Underwritten Offering of primary shares by the Company has advised the Company that the sale of Registrable Shares pursuant to the Registration Statement would have a material adverse effect on the Company's primary Underwritten Offering; (ii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith that (A) the offer or sale of any Registrable Shares would materially impede, delay or interfere with any proposed financing, offer or sale of securities, acquisition, corporate reorganization or other significant transaction involving the Company, (B) after the advice of counsel, the sale of Registrable Shares pursuant to the Registration Statement would require disclosure of non-public material information not otherwise required to be disclosed under applicable law, and (C) (x) the Company has a bona fide business purposes for preserving the confidentiality of such transaction, (y) disclosure would have a material adverse effect on the Company or the Company's ability to consummate such transaction, or (z) renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause the Registration Statement (or such filings) to become effective or to promptly amend or supplement the Registration Statement on a post-effective

basis, as applicable; or (iii) the majority of the independent members of the Board of Directors of the Company shall have determined in good faith that it is required by law, rule or regulation or that it is in the best interests of the Company to supplement the Registration Statement or file a post-effective amendment to the Registration Statement in order to incorporate information into the Registration Statement for the purpose of (1) including in the Registration Statement any prospectus required under Section 10(a)(3) of the Securities Act; (2) reflecting in the prospectus included in the Registration Statement any facts or events arising after the effective date of the Registration Statement (or of the most-recent post-effective amendment) that, individually or in the aggregate, represents a fundamental change in the information set forth therein; or (3) including in the prospectus included in the Registration Statement any material information with respect to the plan of distribution not disclosed in the Registration Statement or any material change to such information. Upon the occurrence of any such suspension, the Company shall use its commercially reasonable efforts to cause the Registration Statement to become effective or to promptly amend or supplement the Registration Statement on a post-effective basis or to take such action as is necessary to make resumed use of the Registration Statement compatible with the Company's best interests, as applicable, so as to permit the Holders to resume sales of the Registrable Shares as soon as possible.

(b) In the case of an event that causes the Company to suspend the use of a Registration Statement (a "Suspension Event"), the Company shall give written notice (a "Suspension Notice") to FBR and the Holders to suspend sales of the Registrable Shares and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing and the Company is using its commercially reasonable efforts and taking all reasonable steps to terminate suspension of the use of the Registration Statement as promptly as possible. The Holders shall not effect any sales of the Registrable Shares pursuant to such Registration Statement (or such filings) at any time after it has received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). If so directed by the Company, each Holder will deliver to the Company (at the expense of the Company) all copies other than permanent file copies then in such Holder's possession of the Prospectus covering the Registrable Shares at the time of receipt of the Suspension Notice. The Holders may recommence effecting sales of the Registrable Shares pursuant to the Registration Statement (or such filings) following further notice to such effect (an "End of Suspension Notice") from the Company, which End of Suspension Notice shall be given by the Company to the Holders and FBR in the manner described above promptly following the conclusion of any Suspension Event and its effect.

(c) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice pursuant to this Section 5 (or a suspension instruction pursuant to Section 4(f) hereof), the Company agrees that it shall extend the period of time during which the applicable Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the Holders of the Suspension Notice to and including the date of receipt by the Holders of the End of Suspension Notice (or similar notice pursuant to Section 4(f) hereof) and copies of the supplemented or amended Prospectus necessary to resume sales.

6. **Indemnification and Contribution**

(a) The Company agrees to indemnify and hold harmless (i) each Holder of Registrable Shares and any underwriter (as determined in the Securities Act) for such Holder (including, if applicable, FBR), (ii) each Person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act), any such Person described in clause (i) (any of the Persons referred to in this clause (ii) being hereinafter referred to as a “Controlling Person”), and (iii) the respective officers, directors, partners, employees, representatives and agents of any such Person or any Controlling Person (any Person referred to in clause (i), (ii) or (iii) may hereinafter be referred to as a “Purchaser Indemnitee”), to the fullest extent lawful, from and against any and all losses, claims, damages, judgments, actions, out-of-pocket expenses, and other liabilities (the “Liabilities”), including without limitation and as incurred, reimbursement of all reasonable costs of investigating, preparing, pursuing or defending any claim or action, or any investigation or proceeding by any governmental agency or body, commenced or threatened, including the reasonable fees and expenses of counsel to any Purchaser Indemnitee, joint or several, based upon, arising out of or in connection with any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus (as amended or supplemented if the Company shall have furnished to such Purchaser Indemnitee any amendments or supplements thereto), or any preliminary Prospectus or any other document used to sell the Shares, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except insofar as such Liabilities arise out of or are based upon (i) any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to any Purchaser Indemnitee furnished to the Company or any underwriter in writing by such Purchaser Indemnitee expressly for use therein, or (ii) any untrue statement contained in or omission from a preliminary Prospectus if a copy of the Prospectus (as then amended or supplemented, if the Company shall have furnished to or on behalf of the Holder participating in the distribution relating to the relevant Registration Statement any amendments or supplements thereto) was not sent or given by or on behalf of such Holder to the Person asserting any such Liabilities who purchased Shares, if such Prospectus (or Prospectus as amended or supplemented) is required by law to be sent or given at or prior to the written confirmation of the sale of such Shares to such Person and the untrue statement contained in or omission from such preliminary Prospectus was corrected in the Prospectus (or the Prospectus as amended or supplemented). The Company shall notify the Holders promptly of the institution, threat or assertion of any claim, proceeding (including any governmental investigation), or litigation of which it shall have become aware in connection with the matters addressed by this Agreement which involves the Company or a Purchaser Indemnitee. The indemnity provided for herein shall remain in full force and effect regardless of any investigation made by or on behalf of any Purchaser Indemnitee.

(b) In connection with any Registration Statement in which a Holder of Registrable Shares is participating, such Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, each Person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act and the respective partners, directors, officers, members, representatives, employees and agents of such Person or Controlling Person to the same extent as the foregoing indemnity from the Company to each

Purchaser Indemnitee, but only with reference to untrue statements or omissions or alleged untrue statements or omissions made in reliance upon and in conformity with information relating to such Purchaser Indemnitee furnished to the Company in writing by such Purchaser Indemnitee expressly for use in any Registration Statement or Prospectus, any amendment or supplement thereto or any preliminary Prospectus and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company or any Company Indemnified Person for any legal or other expenses reasonably incurred by the Company or such Company Indemnified Person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any Company Indemnified Person. Notwithstanding any other provision of this Section 6(b), the liability of any Purchaser Indemnitee pursuant to this paragraph shall in no event exceed the net proceeds received by such Purchaser Indemnitee from sales of Registrable Shares giving rise to such obligations.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Person in respect of which indemnity may be sought pursuant to paragraph (a) or (b) above, such Person (the "Indemnified Party"), shall promptly notify the Person against whom such indemnity may be sought (the "Indemnifying Party"), in writing of the commencement thereof (but the failure to so notify an Indemnifying Party shall not relieve it from any liability which it may have under this Section 6, except to the extent the Indemnifying Party is materially prejudiced by the failure to give notice), and the Indemnifying Party, upon request of the Indemnified Party, shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may reasonably designate in such proceeding and shall pay the reasonable fees and expenses actually incurred by such counsel related to such proceeding. Notwithstanding the foregoing, in any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed in writing to the contrary, (ii) the Indemnifying Party failed within a reasonable time after notice of commencement of the action to assume the defense and employ counsel reasonably satisfactory to the Indemnified Party, (iii) the Indemnifying Party and its counsel do not actively and vigorously pursue the defense of such action or (iv) the named parties to any such action (including any impleaded parties), include both such Indemnified Party and the Indemnifying Party, or any Affiliate of the Indemnifying Party, and such Indemnified Party shall have been reasonably advised by counsel that, either (x) there may be one or more legal defenses available to it which are different from or additional to those available to the Indemnifying Party or such Affiliate of the Indemnifying Party or (y) a conflict may exist between such Indemnified Party and the Indemnifying Party or such Affiliate of the Indemnifying Party (in which case the Indemnifying Party shall not have the right to assume nor direct the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel), for all such Indemnified Parties, which firm shall be designated in writing by those Indemnified Parties who sold a majority of the Registrable Shares sold by all such Indemnified Parties and any such separate firm for the

Company, the directors, the officers and such control Persons of the Company as shall be designated in writing by the Company). The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify any Indemnified Party from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraphs (a) and (b) of this Section 6 is for any reason held to be unavailable to an Indemnified Party in respect of any Liabilities referred to therein (other than by reason of the exceptions provided therein) or is insufficient to hold harmless a party indemnified thereunder, then each Indemnifying Party under such paragraphs, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities (i) in such proportion as is appropriate to reflect the relative benefits of the Indemnified Party on the one hand and the Indemnifying Party(ies) on the other in connection with the statements or omissions that resulted in such Liabilities, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Indemnifying Party(ies) and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and any Purchaser Indemnitees on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by such Purchaser Indemnitees and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation (even if such Indemnified Parties were treated as one entity for such purpose), or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph 6(d) above. The amount paid or payable by an Indemnified Party as a result of any Liabilities referred to paragraph 6(d) shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses actually incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, in no event shall a Purchaser Indemnitee be required to contribute any amount in excess of the amount by which proceeds received by such Purchaser Indemnitee from sales of Registrable Shares exceeds the amount of any damages that such Purchaser Indemnitee has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. For purposes of this Section 6, each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act) FBR or a Holder of Registrable Shares shall have the same rights to contribution as FBR or such Holder, as the case may be, and each Person, if any, who controls (within the meaning of Section 15 of the Act or Section 20(a) of the

Exchange Act) the Company, and each officer, director, partner, employee, representative, agent or manager of the Company shall have the same rights to contribution as the Company. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties, notify each party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 6 or otherwise, except to the extent that any party is materially prejudiced by the failure to give notice. No Person guilty of gross negligence, willful misconduct, bad faith or fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act), shall be entitled to contribution from any Person who was not guilty of gross negligence, willful misconduct, bad faith or fraudulent misrepresentation.

(f) The indemnity and contribution agreements contained in this Section 6 will survive the sale of the Shares or Additional Shares pursuant to such Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any Indemnified Party and will be in addition to any liability which the Indemnifying Parties may otherwise have to the Indemnified Parties referred to above. The Purchaser Indemnitee's obligations to contribute pursuant to this Section 6 are several in proportion to the respective number of Shares sold by each of the Purchaser Indemnitees hereunder and not joint.

7. Market Stand-off Agreement

Each Holder hereby agrees that it shall not, unless otherwise notified by the Company or an underwriter of securities of the Company, directly or indirectly sell, offer to sell (including without limitation any short sale), grant any option or otherwise transfer or dispose of any Registrable Shares or other Common Shares of the Company or any securities convertible into or exchangeable or exercisable for Common Shares of the Company then owned by such Holder (other than to donees or partners of the Holder who agree to be similarly bound) for a period (x) in the case of all Holders of the Management Agreement Shares, of up to one hundred eighty (180) days following the effective date of an IPO Registration Statement of the Company filed under the Securities Act; and (y) in the case of all other Holders, of up to sixty (60) days following the effective date of an IPO Registration Statement of the Company filed under the Securities Act; *provided, however*, that:

(a) the restrictions above shall not apply to Registrable Shares sold pursuant to the IPO Registration Statement;

(b) all executive officers, directors, partners and members of the Company and the Manager, together with certain Affiliates of the Company reasonably designated by the Underwriters in any Underwritten Offering, then holding Common Shares of the Company or securities convertible into or exchangeable or exercisable for Common Shares of the Company enter into similar agreements for not less than the entire time period required of the Holders of the Management Agreement Shares hereunder;

(c) the Holders shall be allowed any concession or proportionate release allowed to any executive officers, directors, partners, members or other Affiliates of the Company and the Manager that entered into similar agreements (with such proportion being determined by dividing the number of shares being released with respect to such executive officer, director, partner, member or other Affiliate by the total number of issued and outstanding shares held by such executive officer, director, partner, member or other Affiliate); *provided*, that nothing in this Section 7(c) shall be construed as a right to proportionate release for the executive officers, directors, partners, members or other Affiliates of the Company and the Manager upon the expiration of the 60-day period applicable to all Holders other than the executive officers, directors, partners, members or other Affiliates of the Company and the Manager; and

(d) this Section 7 shall not be applicable if a Shelf Registration Statement of the Company filed under the Securities Act has been declared effective prior to the filing of an IPO Registration Statement.

In order to enforce the foregoing covenant, the Company shall have the right to place restrictive legends on the certificates representing the securities subject to this Section 7 and to impose stop transfer instructions with respect to the Registrable Shares and such other securities of each Holder (and the securities of every other Person subject to the foregoing restriction) until the end of such period.

8. Termination of the Company's Obligation

The Company shall have no further obligations pursuant to this Agreement at such time as no Registrable Shares are outstanding; *provided, however*, that the Company's obligations under Sections 3, 6 and 9 of this Agreement and Exhibit A to this Agreement shall remain in full force and effect following such time.

9. Limitations on Subsequent Registration Rights

From and after the date of this Agreement, the Company shall not, without the prior written consent of Holders beneficially owning not less than a majority of the then outstanding Registrable Shares (*provided, however*, that for purposes of this Section 9, Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company or the Manager shall not be deemed to be outstanding), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include such securities in any Registration Statement filed pursuant to the terms hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of his securities will not reduce the amount of Registrable Shares of the Holders that is included, or (b) to have his securities registered on a registration statement that could be declared effective prior to, or within one hundred eighty (180) days of, the effective date of any Registration Statement filed pursuant to this Agreement.

10. Miscellaneous

(a) Remedies. In the event of a breach by the Company of any of its obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights provided herein or, in the case of FBR, in the Purchase/Placement Agreement, or granted by law,

including recovery of damages, will be entitled to specific performance of its rights under this Agreement. Subject to Section 6 hereof, the Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given, without the written consent of the Company and Holders beneficially owning not less than a majority of the then outstanding Registrable Shares; *provided, however*, that for purposes of this Section 10(b), Registrable Shares that are owned, directly or indirectly, by an Affiliate of the Company or the Manager shall not be deemed to be outstanding. No amendment shall be deemed effective unless it applies uniformly to all Holders. Notwithstanding the foregoing, a waiver or consent to or departure from the provisions hereof with respect to a matter that relates exclusively to the rights of a Holder whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders may be given by such Holder; *provided* that the provisions of this sentence may not be amended, modified or supplemented except in accordance with the provisions of the immediately preceding sentence.

(c) Notices. All notices and other communications, provided for or permitted hereunder shall be made in writing by delivered by facsimile (with receipt confirmed), overnight courier or registered or certified mail, return receipt requested, or by telegram:

(i) if to a Holder, at the most current address given by the transfer agent and registrar of the Shares to the Company;

(ii) if to the Company at the offices of the Company at 53 Forest Avenue, Suite 301, Old Greenwich, CT 06870, Attention: Chief Compliance Officer (facsimile: (203) 698-0388); and

(iii) if to FBR, 1001 Nineteenth Street North, 18th Floor, Arlington, VA 22209.

(d) Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, including, without limitation and without the need for an express assignment or assumption, subsequent Holders. The Company agrees that the Holders shall be third party beneficiaries to the agreements made hereunder by FBR and the Company, and each Holder shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights hereunder; *provided, however*, that such Holder fulfills all of its obligations hereunder.

(e) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be

deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE COURT IN THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING IN NEW YORK IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO UNDER APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

(h) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties hereto that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(i) Entire Agreement. This Agreement (including Exhibit A hereto), together with the Purchase/Placement Agreement, is intended by the parties hereto as a final expression of their agreement, and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein.

(j) Registrable Shares Held by the Company, the Manager, or their Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Shares is required hereunder, Registrable Shares held by the Company, the Manager or their Affiliates shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) Adjustment for Stock Splits, etc. Wherever in this Agreement there is a reference to a specific number of shares or liquidated damages payable with respect to any Registrable Shares, then upon the occurrence of any subdivision, combination, or stock dividend of such shares, the specific number of shares or amount of liquidated damages payable with respect to any Registrable Shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of stock by such subdivision, combination, or stock dividend.

(l) Survival. This Agreement is intended to survive the consummation of the transactions contemplated by the Purchase/Placement Agreement. The indemnification and contribution obligations under Section 6 of this Agreement shall survive the termination of the Company's obligations under Section 2 of this Agreement.

(m) Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the prevailing party, as determined by the court, shall be entitled to recover its reasonable attorneys' fees in addition to any other available remedy.

(n) Stock Legend. In addition to any other legend that may appear on the stock certificates evidencing the Registrable Shares, for so long as any Shares or Management Agreement Shares remain Registrable Shares, each stock certificate evidencing such Registrable Shares shall contain a legend to the following effect: "THE SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO AND ENTITLED TO THE BENEFITS OF A CERTAIN REGISTRATION RIGHTS AGREEMENT, DATED AUGUST 17, 2007."

[Signature Page Follows.]

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

ELLINGTON FINANCIAL LLC

By: _____
Name: _____
Title: _____

ELLINGTON FINANCIAL MANAGEMENT LLC

By: _____
Name: _____
Title: _____

FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

ADDITIONAL REGISTRATION RIGHTS AGREEMENTS

1. Definitions. Capitalized terms used herein but not defined herein shall have the meaning ascribed to such terms in the Registration Rights Agreement to which this Exhibit A is attached (the “Registration Rights Agreement”).

2. Piggyback Rights. Executive officers, directors, partners, members or other Affiliates of the Company or the Manager who hold Registrable Shares and any Permitted Transferees (as hereinafter defined) (collectively, the “Covered Persons”) shall have the unlimited right to piggyback on to any registration statement of the Company (other than a registration statement on Form S-4 or Form S-8 or any successor form), subject to the following cutbacks only in Underwritten Offerings: (i) in the event of an underwritten initial public offering, the managing underwriter(s) may exclude entirely the shares of the Covered Persons, if the managing underwriter(s) determine in good faith that marketing factors require a limitation on the number of such shares to be included in such offering, and (ii) in the event of any other underwritten offering, the managing underwriter(s) may exclude the shares of the Covered Persons to the same extent and in the same proportion that shares of holders (other than the Company) are excluded, if the managing underwriter(s) determine in good faith that marketing factors require a limitation on the number of shares to be included in such offering. For the avoidance of doubt, the Covered Persons shall only have the rights described herein with respect to Common Shares issued in connection with the offering pursuant to the Purchase/Placement Agreement or pursuant to the Management Agreement.

3. Demand Rights. The Covered Persons also shall have the right to require the Company to prepare, file and maintain at all times such number of registration statements as are specified in the next sentence of this Section 3 exclusively for the resale of the Shares or Management Agreement Shares held by Covered Persons that cease to be Registrable Shares if such shares may not be resold without restriction or limitation (including limits on amount of securities sold) under Rule 144 (the “Additional Registration Shares”). The Covered Persons shall be entitled to (i) up to three registrations on Form S-3 once the Company becomes eligible to register such Shares or Management Agreement Shares on Form S-3 or any successor or replacement form and (ii) if, after the Company has been subject to the requirements of Section 12 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and has filed all material required to be filed pursuant to Section 13, 14 or 15(d) of the Exchange Act, for a period of at least twelve (12) calendar months, the Company is not then eligible to use Form S-3 or any successor or replacement form, a single registration on such other form as the Company is then eligible to use.

4. Exercise Procedures. Notwithstanding anything herein or in the Registration Rights Agreement to the contrary, the demand rights described above may only be exercised upon request of Covered Persons, in the case of clause (i), who hold in the aggregate at least twenty percent (20%) of all shares which continue to be Additional Registration Shares and, in the case of clause (ii), who hold in the aggregate at least one-third of all shares which continue to be Additional Registration Shares.

5. Registration Procedures. The Company shall use its commercially reasonable efforts to effect or cause to be effected the registration of the Additional Registration Shares under the Securities Act of 1933, as amended (the "Securities Act"), to permit the resale of the Additional Registration Shares by the Covered Persons.

6. Expenses. The Company shall bear all expenses of registration, including its professional fees and registration and filing fees with the SEC, state securities administrators and applicable stock exchanges, and printing, word processing and delivery and distribution fees with respect to any registration statement, prospectus (preliminary or final), or any amendments or supplements thereto, and reasonable fees and disbursements of one counsel to the Covered Persons; *provided, however*, the Company shall not be liable for the underwriting discounts and commissions associated with the sale of the Additional Registration Shares.

7. Successors and Assigns; Permitted Transferees. The agreements in this Exhibit A shall inure to the benefit of and be binding upon the successors and assigns of each of the Company and the Covered Persons. For purposes of this Exhibit A, the term "Permitted Transferee" shall mean each person or entity to whom Covered Persons who hold Registrable Shares transfer any Shares or Management Agreement Shares if such shares may not be resold by the Permitted Transferee without restriction or limitation (including limits on amounts of securities sold) under Rule 144.

8. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless (i) the Covered Persons and (ii) each person, if any, who controls the Covered Persons within the meaning of the Securities Act or the Exchange Act, and (iii) the respective officers, directors, partners, employees, representatives and agents of the Covered Persons or any person who controls any of the foregoing (each person referred to in clause (i), (ii) or (iii) are referred to collectively as the "Indemnified Parties"), from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, judgments, expenses, liabilities or actions relating to purchases and sales of the Additional Registration Shares) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, judgments, expenses, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a registration statement or prospectus, including any document incorporated by reference therein, or in any amendment or supplement thereto or in any preliminary prospectus relating to such registration statement, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; *provided, however*, that (i) the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or prospectus, or in any amendment or supplement thereto or in any preliminary prospectus relating to such registration statement, in reliance upon and in conformity with written information pertaining to the Covered Persons or furnished to the Company by or on

behalf of the Covered Persons specifically for inclusion therein and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to such registration statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of the Covered Persons from whom the person asserting any such losses, claims, damages or liabilities purchased the Additional Registration Shares concerned, to the extent that a prospectus relating to such Additional Registration Shares was required to be delivered by the Covered Persons under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of the Covered Persons results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Additional Registration Shares to such person, a copy of the final prospectus if the Company had previously furnished copies thereof to the Covered Persons; *provided further, however*, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party. The Company shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Covered Persons if requested by such Covered Persons.

(b) In connection with any registration statement in which a Covered Person is participating and as a condition to such participation, such Covered Person, severally and not jointly, will indemnify and hold harmless the Company, its officers, directors, partners, employees, representatives, agents and investment advisers and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (the “Company Indemnified Persons”) from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in such registration statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to such registration statement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Covered Person or furnished to the Company by or on behalf of such Covered Person specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company or any Company Indemnified Person for any legal or other expenses reasonably incurred by the Company or such Company Indemnified Person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Covered Person may otherwise have to the Company or any Company Indemnified Person. Notwithstanding any other provision of this Section 8(b), no Covered Person shall be required to contribute any amount in excess of the amount by which the net proceeds received by such Covered Person from the sale of the Additional Registration Shares pursuant to such registration statement exceeds the amount of damages which such Covered Person has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided further* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who may, unless (in the reasonable judgment of counsel to the indemnifying party) a potential conflict exists, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses, other than reasonable costs incurred at the request of the indemnifying party. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes any unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Covered Person or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 8(d), no Covered Person shall be required to contribute any amount in excess of the amount by which the net proceeds received by such Covered Person from the sale of the Additional Registration Shares pursuant to such registration statement exceeds the amount of damages which such

Covered Person has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of gross negligence, willful misconduct, bad faith or fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of gross negligence, willful misconduct, bad faith or fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

9. *Black-Out Periods.* For the avoidance of doubt, the additional rights and registration statements described in this Exhibit A shall be subject to the black-out periods described in Section 5 of the Registration Rights Agreement.

10. *Termination of the Company's Obligations.* The agreements contained in this Exhibit A shall survive the sale of the Additional Registration Shares pursuant to a registration statement and shall remain in full force and effect, regardless of any termination or cancellation of the Registration Rights Agreement or any investigation made by or on behalf of any indemnified party.

Power of Attorney

Know all by these presents, that the undersigned hereby constitutes and appoints Michael Vranos, Laurence Penn, Daniel M. Margolis, Lisa Mumford and each of them, jointly and severally, as the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned, any and all forms filed with the Securities and Exchange Commission, including but not limited to Schedule 13D or Schedule 13G (together with Schedule 13D, the "Forms") in accordance with Section 13 of the Securities Exchange Act of 1934 and the rules thereunder;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any of such Forms and timely file such form with the United States Securities and Exchange Commission and any stock exchange or similar authority; and
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power and substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer an officer, director or stockholder of the Company or is otherwise no longer required to file the Forms, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 14th day of February, 2011.

MICHAEL W. VRANOS

/s/ Michael W. Vranos

VC INVESTMENTS L.L.C.

By: /s/ Michael W. Vranos

Name: Michael W. Vranos

Title: Managing Member

EMG HOLDINGS, L.P.

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Designated Person

ELLINGTON CAPITAL MANAGEMENT, L.L.C.

By: Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

ELLINGTON MORTGAGE PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

NEW ELLINGTON CREDIT PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

NEW ELLINGTON PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

ELLINGTON FINANCIAL MANAGEMENT LLC

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Executive Vice President

Joint Filing Agreement

February 14, 2011

In accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, Michael W. Vranos, VC Investments LLC, EMG Holdings, L.P., Ellington Capital Management, LLC, Ellington Mortgage Partners, L.P., New Ellington Credit Partners, L.P., New Ellington Partners, L.P. and Ellington Financial Management LLC each hereby agree to the joint filing of this Statement on Schedule 13D (including any and all amendments hereto). In addition, each party to this Agreement expressly authorizes each other party to this Agreement to file on its behalf any and all amendments to such Statement on Schedule 13D. A copy of this Agreement shall be attached as an exhibit to the Statement on Schedule 13D filed on behalf of each of the persons hereto, to which this Agreement relates.

This Agreement may be executed in multiple counterparts, each of which shall constitute an original, one and the same instrument.

MICHAEL W. VRANOS

/s/ Michael W. Vranos

VC INVESTMENTS L.L.C.

By: /s/ Michael W. Vranos

Name: Michael W. Vranos

Title: Managing Member

EMG HOLDINGS, L.P.

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Title: Designated Person

ELLINGTON CAPITAL MANAGEMENT, L.L.C.

By: Laurence E. Penn

Name: Laurence E. Penn

Title: Vice Chairman

ELLINGTON MORTGAGE PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn
Name: Laurence E. Penn
Title: Vice Chairman

NEW ELLINGTON CREDIT PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn
Name: Laurence E. Penn
Title: Vice Chairman

NEW ELLINGTON PARTNERS, L.P.

By: Ellington Management Group, L.L.C.,
as its Investment Manager

By: /s/ Laurence E. Penn
Name: Laurence E. Penn
Title: Vice Chairman

ELLINGTON FINANCIAL MANAGEMENT LLC

By: /s/ Laurence E. Penn
Name: Laurence E. Penn
Title: Executive Vice President