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

# FORM 8-K

**CURRENT REPORT**
**PURSUANT TO SECTION 13 OR 15(d) OF THE**
**SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **December 8, 2021**

# ELLINGTON FINANCIAL INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **001-34569** | **26-0489289** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**53 Forest Avenue**
**Old Greenwich, CT 06870**
(Address and zip code of principal executive offices)

Registrant's telephone number, including area code: **(203) 698-1200**

**Not Applicable**
(Former Name or Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

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

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

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

| **Title of Each Class** | **Trading Symbol(s)** | **Name of Each Exchange on Which Registered** |
|---|---|---|
| Common Stock, $0.001 par value per share | EFC | The New York Stock Exchange |
| 6.750% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock | EFC PR A | The New York Stock Exchange |
| 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock | EFC PR B | The New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

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

**Item 1.01 Entry into a Material Definitive Agreement.**

*Underwriting Agreement*

On December 8, 2021, Ellington Financial Inc. (the "Company") and Ellington Financial Management LLC (the "Manager") entered into an underwriting agreement (the "Underwriting Agreement") with Piper Sandler & Co., as representative of the several underwriters named therein (the "Underwriters"), relating to the offer and sale of 4,400,000 shares of Series B Preferred Stock (as defined below). Pursuant to the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to 660,000 additional shares of Series B Preferred Stock, which the Underwriters exercised with respect to 400,000 additional shares on December 10, 2021. The closing of the offering of 4,800,000 shares of Series B Preferred Stock (including the 400,000 shares being issued pursuant to the Underwriters' option) is expected to occur on December 13, 2021.

The Underwriting Agreement contains customary representations, warranties and covenants of the Company and the Manager, indemnification rights and obligations of the parties and termination provisions. Pursuant to the Underwriting Agreement, the Company agreed to indemnify the Underwriters against certain specified types of liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"), to contribute to payments the Underwriters may be required to make in respect of these liabilities and to reimburse the Underwriters for certain expenses. In the ordinary course of business, the Underwriters or their affiliates have from time to time in the past provided, and may from time to time in the future provide, investment banking services to the Company for which they have in the past received, and may in the future receive, customary fees.

The offering of Series B Preferred Stock is being made pursuant to the Company's shelf registration statement on Form S-3 (File No. 333-254762) (the "Registration Statement"), which was declared effective by the Securities and Exchange Commission on April 9, 2021.

The foregoing description of the material terms of the Underwriting Agreement is qualified in its entirety by reference to the full text of the Underwriting Agreement, a copy of which is attached hereto as Exhibit 1.1 and incorporated herein by reference.

*Amendment to Operating Agreement of Operating Partnership*

In connection with the closing of the offering of the Series B Preferred Stock, the Limited Liability Company Operating Agreement of Ellington Financial Operating Partnership LLC (the "Operating Partnership") was amended to provide for the issuance of up to 5,060,000 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Units (liquidation preference $25.00 per unit) (the "Series B Preferred Units"). Such amendment is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein. The Company will contribute the net proceeds from the sale of the Series B Preferred Stock to the Operating Partnership in exchange for the same number of Series B Preferred Units. The Series B Preferred Units have economic terms that mirror the terms of the Series B Preferred Stock. The issuance of the Series B Preferred Units is exempt from registration pursuant to Section 4(a)(2) of the Securities Act.

**Item 3.03 Material Modification to Rights of Security Holders.**

On December 10, 2021, the Company filed a Certificate of Designations (the "Certificate of Designations") with the Secretary of State of the State of Delaware to designate 5,060,000 shares of the Company's authorized preferred stock as shares of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, par value $0.001 per share, with a liquidation preference of $25.00 per share ("Series B Preferred Stock"), with the designations, powers, rights, preferences, qualifications, limitations and restrictions as set forth in the Certificate of Designations. The Certificate of Designations became effective upon filing on December 10, 2021.

The Certificate of Designations provides that the Company will pay, when, as and if declared by the Company's board of directors, out of funds legally available for the payment of dividends, cumulative cash dividends based on the stated liquidation preference of $25.00 per share at a rate equal to (i) from and including the original issue date to, but excluding, January 30, 2027 (the "First Reset Date"), 6.250% per annum (equivalent to $1.5625 per annum per share of the Series B Preferred Stock) and (ii) from and including First Reset Date, during each Reset Period (as defined below), the five-year treasury rate (as defined in the Certificate of Designations) as of the most recent Reset Dividend Determination Date plus 4.99% per annum. A "Reset Date" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date, whether or not a business day. A "Reset Period" means the period from, and including, the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from, and including, each Reset Date to, but excluding, the next following Reset Date. A "Reset Dividend Determination Date" means, in respect of any Reset Period, the day falling three business days prior to the beginning of such Reset Period.

The Series B Preferred Stock ranks senior to the Company's common stock with respect to rights to the payment of dividends and the distribution of assets upon the liquidation, dissolution or winding up of the Company.

The Series B Preferred Stock will not be redeemable before January 30, 2027, except under circumstances where it is necessary to allow the Company to maintain its qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes and except upon the occurrence of a Change of Control (as defined in the Certificate of Designations). On or after January 30, 2027, the Company may, at its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series B Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price equal to $25.00 per share of the Series B Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

Upon the occurrence of a Change of Control, the Company may, as its option, upon not less than 30 nor more than 60 days' written notice, redeem the Series B Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

The Series B Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by the Company or converted into the Company's common stock in connection with a Change of Control by the holders of the Series B Preferred Stock.

Upon the occurrence of a Change of Control, each holder of the Series B Preferred Stock will have the right (subject to the Company's election to redeem the Series B Preferred Stock in whole or in part, as described above, prior to the Change of Control Conversion Date (as defined in the Certificate of Designations)) to convert some or all of the shares of the Series B Preferred Stock held by such holder on the Change of Control Conversion Date into a number of shares of the Company's common stock per share of Series B Preferred Stock determined by formula, in each case, on the terms and subject to the conditions described in the Certificate of Designations, including provisions for the receipt, under specified circumstances, of alternative consideration.

There are restrictions on ownership of the Series B Preferred Stock intended to allow the Company to qualify and maintain its qualification as a REIT. Holders of Series B Preferred Stock generally have no voting rights, but have limited voting rights if the Company fails to pay dividends for six or more quarterly dividend periods (whether or not consecutive) and under certain other circumstances.

The foregoing description of the terms of the Series B Preferred Stock is qualified in its entirety by reference to the Certificate of Designations, a copy of which is filed as Exhibit 3.4 to the Company's Form 8-A filed on December 10, 2021 and is incorporated herein by reference. A copy of the form of a certificate representing the Series B Preferred Stock is filed as Exhibit 4.2 to the Company's Form 8-A filed on December 10, 2021 and is incorporated herein by reference.

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

The information set forth above under Item 3.03 of this report is hereby incorporated by reference into this Item 5.03.

*Cautionary Statement Regarding Forward-Looking Statements*

*This Current Report on Form 8-K contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "may," "expect," "project," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. Our results can fluctuate from month to month depending on a variety of factors, some of which are beyond our control and/or are difficult to predict, including, without limitation, changes in interest rates, changes in mortgage default rates and prepayment rates, and other changes in market conditions and economic trends, including the ongoing spread and economic effects of the novel coronavirus (COVID-19). Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A of our Annual Report on Form 10-K, as amended, which can be accessed through the link to our SEC filings under "For Our Shareholders" on our website (www.ellingtonfinancial.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Forms 10-Q, 10-K and 8-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.*

**Item 9.01 Financial Statements and Exhibits.**

A copy of the opinion of Vinson & Elkins, L.L.P. with respect to the legality of the issuance and sale of the Series B Preferred Stock in the offering is filed herewith as Exhibit 5.1, and thereby automatically incorporated by reference into the Registration Statement, in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act.

(d) Exhibits. The following exhibits are being filed with this Current Report on Form 8-K.

| Exhibit No. | Description |
|---|---|
| 1.1 | Underwriting Agreement, dated as of December 8, 2021, by and among Ellington Financial Inc. and Ellington Financial Managen LLC, on the one hand, and Piper Sandler & Co., as representative of the several underwriters named therein, on the other hand. |
| 3.1 | Certificate of Designations of Ellington Financial Inc., designating the Company's 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, par value $0.001 per share (incorporated herein by reference to Exhibit 3.4 of Ellington Financial Inc.'s Form filed on December 10, 2021). |
| 4.1 | Form of certificate representing the 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock of Ellington Fina Inc. (incorporated herein by reference to Exhibit 4.2 of Ellington Financial Inc.'s Form 8-A filed on December 10, 2021). |
| 5.1 | Opinion of Vinson & Elkins L.L.P. as to the legality of the Series B Preferred Stock. |
| 10.1 | Second Amendment to Limited Liability Company Operating Agreement of Ellington Financial Operating Partnership LLC, by a between the Company, Ellington Financial Operating Partnership LLC and EMG Holdings, L.P., dated as of January 1, 2013. |
| 23.1 | Consent of Vinson & Elkins L.L.P. (included in Exhibit 5.1). |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURE**

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

**ELLINGTON FINANCIAL INC.**

Date: December 13, 2021

By: /s/ JR Herlihy
JR Herlihy
Chief Financial Officer

**Exhibit 1.1**

**4,400,000 Shares of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock**
**(Liquidation preference $25.00 per share)**

**ELLINGTON FINANCIAL INC.**

# UNDERWRITING AGREEMENT

December 8, 2021

Piper Sandler & Co.
As Representative of the Several Underwriters,

c/o Piper Sandler & Co.
1251 Avenue of the Americas, 6th Floor
New York, NY 10020

Dear Sirs:

1. *Introductory*. Ellington Financial Inc., a Delaware corporation (the "**Company**"), agrees with the several Underwriters named in Schedule A hereto (the "**Underwriters**") for whom Piper Sandler & Co. is acting as representative (the "**Representative**") to issue and sell to the several Underwriters 4,400,000 shares (the "**Firm Securities**") of its 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, liquidation preference $25.00 per share, a series of the Company's preferred stock, $0.001 par value per share (the "**Securities**"), and also agrees to issue and sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than 660,000 additional Securities (the "**Optional Securities**"), as set forth below. The terms of the Securities will be set forth in a certificate of designations (the "**Certificate of Designations**") to be filed by the Company with the Secretary of State of the State of Delaware. The Firm Securities and the Optional Securities are herein collectively called the "**Offered Securities**."

2. *Representations and Warranties of the Company and the Manager*.

(a) The Company represents and warrants to, and agrees with, the several Underwriters that:

(i) *Filing and Effectiveness of Registration Statement; Certain Defined Terms*. The Company has filed with the Commission a registration statement on Form S-3 (No. 333-254762) covering the registration of the Offered Securities under the Act, including a related preliminary prospectus or prospectuses. At any particular time, this initial registration statement, as amended, in the form then on file with the Commission, including all material then incorporated by reference therein, all information contained in the registration statement (if any) filed pursuant to Rule 462(b) and then deemed to be a part of the initial registration statement, and all 430B Information and all 430C Information, if any, that in any case has not then been superseded or modified, shall be referred to as the "**Initial Registration Statement**." The Company may also have filed, or may file with the Commission, a Rule 462(b) registration statement covering the registration of Offered Securities. At any particular time, this Rule 462(b) registration statement, in the form then on file with the Commission, including the contents of the Initial Registration Statement incorporated by reference therein and including all 430B Information and all 430C Information, if any, that in any case has not then been superseded or modified, shall be referred to as the "**Additional Registration Statement.**"

As of the time of execution and delivery of this agreement (this "**Agreement**"), the Initial Registration Statement has been declared effective under the Act and is not proposed to be amended, and no stop order suspending the effectiveness of the Initial Registration Statement has been issued by the Commission and to the knowledge of the Company no proceedings for that purpose have been instituted or threatened by the Commission. Any Additional Registration Statement has or will become effective upon filing with the Commission pursuant to Rule 462(b) and is not proposed to be amended. The Offered Securities all have been or will be duly registered under the Act pursuant to the Initial Registration Statement and, if applicable, the Additional Registration Statement.

For purposes of this Agreement:

"**430B Information**," with respect to any registration statement, means information included in a prospectus then deemed, or retroactively deemed, to be a part of such registration statement pursuant to Rule 430B.

"**430C Information**," with respect to any registration statement, means information included in a prospectus then deemed to be a part of such registration statement pursuant to Rule 430C.

"**Act**" means the Securities Act of 1933, as amended.

"**Applicable Time**" means 5:15 p.m. (Eastern time) on December 8, 2021.

"**Closing Date"** has the meaning defined in Section 3 hereof.

"**Commission**" means the Securities and Exchange Commission.

"**Effective Time**" with respect to the Initial Registration Statement or, if filed prior to the execution and delivery of this Agreement, the Additional Registration Statement, means the date and time as of which such Registration Statement was declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c). If an Additional Registration Statement has not been filed prior to the execution and delivery of this Agreement but the Company has advised the Representative that it proposes to file one, "**Effective Time**" with respect to such Additional Registration Statement means the date and time as of which such Registration Statement is filed and becomes effective pursuant to Rule 462(b).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Final Prospectus**" means the Statutory Prospectus that discloses the public offering price, other 430B Information and 430C Information, if any, and other final terms of the Offered Securities and otherwise satisfies Section 10(a) of the Act.

"**General Use Issuer Free Writing Prospectus**" means any Issuer Free Writing Prospectus that is intended for general distribution to prospective investors, as evidenced by its being so specified in Schedule B to this Agreement.

"**Issuer Free Writing Prospectus**" means any "issuer free writing prospectus," as defined in Rule 433, relating to the Offered Securities in the form filed or required to be filed with the Commission or, if not required to be filed, in the form retained in the Company's records pursuant to Rule 433(g).

"**Limited Use Issuer Free Writing Prospectus**" means any Issuer Free Writing Prospectus that is not a General Use Issuer Free Writing Prospectus.

The Initial Registration Statement and the Additional Registration Statement (if any) are referred to collectively as the "**Registration Statements**" and individually as a "**Registration Statement**." A "**Registration Statement**" with reference to a particular time means the Initial Registration Statement and any Additional Registration Statement as of such time. A "**Registration Statement**" without reference to a time means such Registration Statement as of its Effective Time. For purposes of the foregoing definitions, 430B Information and 430C Information, if any, in each case with respect to a Registration Statement, shall be considered to be included in such Registration Statement as of the time specified in Rule 430B or Rule 430C under the Act, respectively. Any reference in this Agreement to a Registration Statement, any preliminary prospectus supplement, the Final

Prospectus or the Statutory Prospectus, shall be deemed to refer to and include the documents incorporated by reference therein as of the Effective Time of such Registration Statement or the date of such preliminary prospectus supplement, the Final Prospectus or the Statutory Prospectus, as the case may be.

"**Rules and Regulations**" means the rules and regulations of the Commission.

"**Securities Laws**" means, collectively, the Sarbanes-Oxley Act of 2002, as amended ("**Sarbanes-Oxley**"), the Act, the Exchange Act, the Rules and Regulations, the auditing principles, rules, standards and practices applicable to auditors of "issuers" (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board, as applicable, and the rules of the New York Stock Exchange ("**Exchange Rules**").

"**Statutory Prospectus**" with reference to a particular time means the prospectus included in a Registration Statement immediately prior to that time, including any document incorporated by reference therein and any 430B Information or 430C Information with respect to such Registration Statement. For purposes of the foregoing definition, 430B Information and 430C Information, if any, shall be considered to be included in the Statutory Prospectus as of the actual time that form of prospectus is filed with the Commission pursuant to Rule 424(b) or Rule 462(c) and not retroactively.

"**Testing-the-Waters Communication**" means any oral or written communication prepared by the Company or consented to by the Company with potential investors undertaken in reliance on Rule 163B under the Act.

"**Written Testing-the-Waters Communication**" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act.

Unless otherwise specified, a reference to a "rule" is to the indicated rule under the Act.

(ii) *Compliance with Act Requirements*. (A) (1) At their respective Effective Times, (2) on the date of this Agreement and (3) on each Closing Date, each of the Initial Registration Statement and the Additional Registration Statement (if any) conformed and will conform in all material respects to the requirements of the Act and the Rules and Regulations and did not and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading and (B) on its date, at the time of filing of the Final Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Time of the Additional Registration Statement in which the Final Prospectus is included, and on each Closing Date, the Final Prospectus will conform in all material respects to the requirements of the Act and the Rules and Regulations and will not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any such document in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information (as defined in Section 8(b) hereof).

(iii) *Ineligible Issuer Status*. (A) At the time of the initial filing of the Registration Statement and (B) at the date of this Agreement, the Company was not and is not an "ineligible issuer," as defined in Rule 405.

(iv) *General Disclosure Package*. As of the Applicable Time, as of the First Closing Date and any Optional Closing Date, none of (A) the General Use Issuer Free Writing Prospectus(es) issued at or prior to the Applicable Time and the preliminary prospectus supplement, dated December 8, 2021, including the base prospectus dated April 9, 2021 (which is the most recent Statutory Prospectus distributed to investors generally) and the other information, if any, stated in Schedule B to this Agreement to be included in the General Disclosure Package, all considered together (collectively, the "**General Disclosure Package**"), (B) any individual Limited Use Issuer Free Writing Prospectus and (C) any individual Written Testing-the-Waters Communication, when considered together with the General Disclosure Package, included any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from any Statutory Prospectus or any Issuer Free Writing Prospectus made in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the

Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information (as defined in Section 8(b) hereof).

(v) *Issuer Free Writing Prospectuses*. Each Issuer Free Writing Prospectus, as of its issue date and at all subsequent times through the completion of the public offer and sale of the Offered Securities or until any earlier date that the Company notified or notifies the Representative as described in the next sentence, did not, does not and will not include any information that conflicted, conflicts or will conflict with the information then contained in the Registration Statement that has not been superseded or modified. If at any time following the issuance of an Issuer Free Writing Prospectus and through and including the time when a prospectus relating to the Offered Securities is (or but for the exemption in Rule 172 would be) required to be delivered under the Act by any Underwriter or dealer, there occurred or occurs an event or development as a result of which such Issuer Free Writing Prospectus conflicted or would conflict with the information then contained in the Registration Statement or as a result of which such Issuer Free Writing Prospectus, if republished immediately following such event or development, would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (i) the Company has promptly notified or will promptly notify the Representative and (ii) the Company has promptly amended or will promptly amend or supplement such Issuer Free Writing Prospectus to eliminate or correct such conflict, untrue statement or omission.

(vi) *Good Standing of the Company*. The Company has been duly incorporated under the laws of the State of Delaware and is existing and in good standing under the laws of the State of Delaware, with the corporate power and authority to own its properties and conduct its business as described in the General Disclosure Package and to execute and deliver this Agreement and the Certificate of Designations; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a material adverse effect on the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries taken as a whole (a "**Company Material Adverse Effect**").

(vii) *Subsidiaries*. Each subsidiary of the Company has been duly incorporated or organized, and is existing and in good standing under the laws of its jurisdiction of incorporation or organization, with the requisite power and authority to own its properties and conduct its business as described in the General Disclosure Package; and each subsidiary of the Company is duly qualified to do business as a foreign corporation, limited liability company or limited partnership, as the case may be, and is in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a Company Material Adverse Effect; all of the issued and outstanding capital stock, limited liability company interests or limited partnership interests, as applicable, of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock, limited liability company interests or limited partnership interests, as applicable, of each subsidiary owned by the Company, directly or through subsidiaries, are owned free from liens, encumbrances and defects. There are no direct or indirect significant consolidated subsidiaries of the Company that are not listed on Schedule C hereto and, except as disclosed in the General Disclosure Package, each subsidiary of the Company is a wholly-owned subsidiary, direct or indirect, of the Company.

(viii) *Offered Securities*. The Offered Securities and all outstanding Securities or other equity interests of the Company, including the shares of the Company's common stock, $0.001 par value per share (the "**Common Stock**"), issuable upon conversion of the Offered Securities (the "**Conversion Securities**"), have been duly authorized; the authorized equity capitalization of the Company, including the Securities and the Common Stock, is as set forth in the General Disclosure Package and the Final Prospectus; all outstanding equity interests of the Company are, and (x) the Conversion Securities, when issued upon conversion of the Offered Securities in accordance with the terms of the Certificate of Designations, and (y) the Offered Securities, when issued and delivered by the Company and paid for in accordance with this Agreement on each Closing Date, will be, validly issued, fully paid and nonassessable; the Securities (including the Offered Securities) and the Conversion Securities conform in all material respects to the information in the General Disclosure Package and to the description of such Securities and Conversion Securities contained in the Final Prospectus; the stockholders of the Company have no preemptive or similar rights with respect to the Securities or the Conversion Securities; and none of the outstanding shares of Common Stock have been issued in violation of any preemptive or similar rights of any security holder arising by operation of law, under the certificate of incorporation, bylaws or other organizational documents, each as amended as of the date hereof (collectively "**Organizational Documents**"), of

the Company, under any agreement to which the Company is a party or otherwise; and except as disclosed in or contemplated by both the General Disclosure Package and the Final Prospectus, there are no outstanding (a) securities or obligations of the Company convertible into or exchangeable for any Common Stock, (b) warrants, rights or options to subscribe for or purchase from the Company any such shares of Common Stock or any such convertible or exchangeable securities or obligations, (c) long-term incentive plans, capital share bonus or other long-term incentive plans or arrangements and the options or other rights granted thereunder or (d) obligations of the Company to issue or sell any shares of Common Stock, any such convertible or exchangeable securities or obligations, or any such warrants, rights or options. The Company has not, directly or indirectly, offered or sold any of the Offered Securities by means of any "prospectus" or made any offer (within the meaning of the Act and the Rules and Regulations) in connection with the offer or sale of the Offered Securities, in each case, other than by the means of the preliminary prospectus supplement referred to in Section 2(a)(iv) hereof. The Company has reserved for future issuance a sufficient number of shares of Common Stock to be issued upon conversion of the Offered Securities.

*(ix) Certificate of Designations*. The holder of the Offered Securities will have the rights, preferences and priorities of the Offered Securities as set forth in the Certificate of Designations upon filing with the Secretary of State of the State of Delaware. The Certificate of Designations will be in full force and effect on or prior to each Closing Date and will comply with all applicable requirements under the Delaware General Corporation Law. The Certificate of Designations will conform to the description thereof contained in the General Disclosure Package and the Final Prospectus. The form of certificate for the Securities will be in valid and sufficient form in compliance with the laws of the State of Delaware and applicable New York Stock Exchange requirements.

*(x) Other Offerings*. Except as disclosed in the General Disclosure Package, the Company has not sold, issued or distributed any Securities during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or Regulation S of, the Act.

(xi) *Finder's and Other Fees*. Except with respect to the Underwriters pursuant to this Agreement, neither the Company nor any of its subsidiaries has incurred any liability for any finder's fees or similar payments in connection with the transactions contemplated hereby, and neither the Company nor any of its subsidiaries has paid or agreed to pay any person any compensation for soliciting another person to purchase any securities of the Company (except as contemplated hereby).

(xii) *LTIP Units*. With respect to the long-term incentive plan units (the "**LTIP Units**") granted pursuant to the equity-based compensation plans of the Company (the "**Company Incentive Plans**"), (A) each grant of an LTIP Unit was duly authorized no later than the date on which the grant of such LTIP Unit was by its terms to be effective (the "**Grant Date**") by all necessary corporate action, including, as applicable, approval by the Board of Directors of the Company (the "**Board**") (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (B) each such grant was made in accordance with the terms of the Company Incentive Plans, the Limited Liability Company Operating Agreement of Ellington Financial Operating Partnership LLC and all other applicable laws and regulatory rules or requirements, and (C) each such grant was properly accounted for in accordance with generally accepted accounting principles in the United States ("**GAAP**") in the consolidated financial statements (including the related notes) of the Company and all other applicable laws. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company of granting, LTIP Units prior to, or otherwise coordinating the grant of LTIP Units with, the release or other public announcement of material information regarding the Company or its subsidiaries or their results of operations or prospects.

(xiii) *Registration Rights*. Except as disclosed in the General Disclosure Package, and except for the registration rights conferred by that certain Registration Rights Agreement dated as of August 17, 2007, by and between the Company, Friedman, Billings, Ramsey & Co., Inc. and the Manager (as defined below), there are no persons with registration or other similar rights to have any securities registered by the Company or any of its subsidiaries (collectively, "**registration rights**") and such registration rights have been duly waived or complied with.

(xiv) *Listing*. As of the Closing Date, an application for the listing of the Offered Securities shall have been submitted to the New York Stock Exchange.

(xv) *Absence of Further Requirements*. No consent, approval, authorization, or order of, or filing with, any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency is required for the consummation of the transactions contemplated by this Agreement and the Certificate of Designations in connection with the offering, issuance and sale of the Offered Securities by the Company or any of its subsidiaries, except (A) for the filing of the Final Prospectus pursuant to, and within the time period required by, Rule 424(b), (B) the filing of the Certificate of Designations with the Secretary of State of the State of Delaware and (C) such as have been obtained or made and such as may be required under state securities or blue sky laws of the various jurisdictions in which the Offered Securities are being offered or FINRA.

(xvi) *Title to Property*. Each of the Company and its subsidiaries owns or leases under valid, existing and enforceable leases all such properties as are necessary to the conduct of their businesses as presently operated and as proposed to be operated as described in the General Disclosure Package. Except as disclosed in the General Disclosure Package, neither the Company nor any of its subsidiaries owns any real property. The Company and its subsidiaries have good title to all personal property owned by them free and clear of any and all liens, encumbrances, charges or defects except such as are described in the General Disclosure Package or such as do not (individually or in the aggregate) materially affect the value of such property or materially interfere with the use made or proposed to be made of such property by the Company and its subsidiaries. Neither the Company nor any of its subsidiaries has received any notice of any material claim of any sort instituted by anyone adverse to the rights of the Company or any of its subsidiaries under any such leases.

(xvii) *Absence of Defaults and Conflicts Resulting from Transaction*. The execution, delivery and performance by the Company of this Agreement and the Certificate of Designations and performance by the Company of the Seventh Amended and Restated Management Agreement, effective as of March 13, 2018, between the Company and Ellington Financial Management, LLC (the "**Manager**") (the "**Management Agreement**"), and the issuance, sale and delivery of the Offered Securities and the Conversion Securities, if any, by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, and compliance by the Company with the terms and provisions hereunder and thereunder will not (A) violate or conflict with any provision of the Organizational Documents of the Company or its subsidiaries, (B) conflict with, or result in any breach of or constitute a default under (nor constitute any event which with notice, lapse of time, or both would constitute a breach of, or default under) ("**Default**") any provision of any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or its subsidiaries is a party or by which it or its respective properties may be bound or are subject, or (C) violate or conflict with any federal, state, local or foreign law, regulation or rule or any decree, judgment, permit or order applicable to the Company or its subsidiaries, except in the case of clauses (B) and (C) for such violations, conflicts, breaches or Defaults which would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect or result in the creation or imposition of any material lien, charge, claim or encumbrance upon any property or asset of the Company or any of its subsidiaries.

(xviii) *Absence of Existing Defaults and Conflicts*. Neither the Company nor any of its subsidiaries is (A) in violation of its Organizational Documents, (B) in breach of or in Default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which it or its assets may be bound or are subject or (C) in violation of any federal, state, local or foreign law, regulation or rule or any decree, judgment, permit or order applicable to the Company or any of its subsidiaries, except with respect to clauses (B) and (C) only, for such breaches, Defaults or violations which would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect.

(xix) *Authorization of Agreement*. This Agreement has been duly authorized, executed and delivered by the Company.

(xx) *Authorization of Management Agreement.* The Management Agreement has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and by general principles of equity.

(xxi) *Possession of Licenses and Permits*. Each of the Company and its subsidiaries has all necessary licenses, permits, certificates, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary licenses, permits, certificates, authorizations, consents and approvals from other persons required in order to conduct its respective

business as described in both the General Disclosure Package and the Final Prospectus, except to the extent that any failure to have any such licenses, permits, certificates, authorizations, consents or approvals, to make any such filings or to obtain any such licenses, permits, certificates, authorizations, consents or approvals would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect; neither the Company nor any of its subsidiaries is in violation of, or in Default under, any such license, permit, certificate, authorization, consent or approval, the effect of which would have a Company Material Adverse Effect.

(xxii) *Possession of Intellectual Property*. Each of the Company and its subsidiaries owns or possesses or can obtain or acquire on reasonable terms from the Manager and its affiliates such licenses or other rights to use all patents, trademarks, service marks, trade names, copyrights, software and design licenses, trade secrets, manufacturing processes, other intangible property rights and know-how (collectively "**Intangibles**"), as are necessary to entitle the Company and its subsidiaries to conduct the Company's business described in the General Disclosure Package and the Final Prospectus, and neither the Company nor any of its subsidiaries has received written notice of any infringement of or conflict with (and, upon due inquiry, neither the Company nor any of its subsidiaries knows of any such infringement of or conflict with) asserted rights of others with respect to any Intangibles which could have a Company Material Adverse Effect.

(xxiii) *Data Security*. (A) The Company and its subsidiaries have materially complied and are presently in material compliance with all internal policies implemented by the Company or any public-facing policies authored by the Company, all contractual obligations binding on the Company or any of its subsidiaries, and all laws, statutes and regulations, and to the Company's knowledge, judgments, orders or rules of any court or arbitrator or other governmental or regulatory authority binding the Company or any of its subsidiaries, in each case, relating to the collection, use, transfer, import, export, storage, protection, disposal and disclosure by the Company or any of its subsidiaries of personal, personally identifiable household, or regulated data ("**Data Security Obligations**", and such data, "**Data**"); (B) the Company has not received any written notification or complaint regarding, and is unaware of any other facts that, individually or in the aggregate, would reasonably indicate material non-compliance with, any Data Security Obligation; (C) there is no action, suit or proceeding by or before any court or governmental agency, authority or body pending or threatened alleging non-compliance by the Company with any Data Security Obligation; (D) the Company and each of its subsidiaries have taken commercially reasonable technical and organizational measures necessary to protect the information technology systems owned or controlled by the Company or any of its subsidiaries (including any Data processed thereon or otherwise processed by the Company) and used in connection with the operation of the Company's and its subsidiaries' businesses; (E) without limiting the foregoing, the Company and its subsidiaries have used reasonable efforts to establish and maintain, and have established and maintained reasonable information technology, information security, cyber security and data protection controls, policies and procedures, designed to protect against and prevent a breach, destruction, loss, unauthorized distribution, use, access, disablement, misappropriation or modification, or other compromise or misuse of any information technology system or Data used in connection with the operation of the Company's and its subsidiaries' businesses ("**Breach**"); and (F) to the Company's knowledge, there has been no such material Breach, and the Company and its subsidiaries have not been notified of, and have no knowledge of any event or condition that would reasonably be expected to result in, any such material Breach.

*(xxiv) Compliance with Laws*. Neither the Company nor any of its subsidiaries has violated, or received notice of any violation with respect to, any law, rule, regulation, order decree or judgment applicable to it and its business, including those relating to transactions with affiliates, environmental, safety or similar laws, federal or state laws relating to discrimination in the hiring, promotion or pay of employees, federal or state wages and hours law, the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), or the rules and regulations promulgated thereunder, that, if determined adversely, would have a Company Material Adverse Effect.

*(xxv) Anti-Corruption Laws*. (A) None of the Company or any of its subsidiaries or affiliates, nor to the Company's knowledge, any director, officer, or employee thereof, nor any agent or representative of the Company or of any of its subsidiaries or affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("**Government Official**") in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (B) the Company and each of its subsidiaries and affiliates have

conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (C) neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(xxvi) *Anti-Money Laundering Laws*. The operations of the Company and each of its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and each of its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(xxvii) *Compliance with OFAC.* None of the Company or any of its subsidiaries, nor to the knowledge of the Company, any director, officer, or employee thereof, nor, to the Company's knowledge, any agent, affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is, or is owned or controlled by one or more Persons that are:

(1) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (**"OFAC"**), the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, **"Sanctions"**), or

(2) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria).

None of the Company or any of its subsidiaries will, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities or business of or with any person or entity or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions or (ii) in any other manner that will result in a violation of Sanctions by any person or entity (including any person or entity participating in the offering, whether as underwriter, advisor, investor or otherwise). The Company and each of its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any person or entity, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions

(xxviii) *No Restrictions on Payments by Subsidiaries.* No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, (i) from paying any dividends to the Company, (ii) from making any other distribution on such subsidiary's limited partnership or limited liability company interests, (iii) from repaying to the Company any loans or advances to such subsidiary from the Company or (iv) from transferring any of such subsidiary's material properties or assets to the Company or any other subsidiary of the Company.

(xxix) *Accurate Tax Disclosure*. The statements in the General Disclosure Package and the Final Prospectus under the heading "Material U.S. Federal Income Tax Considerations," and in the Company's Annual Report on Form 10-K under the headings "Item 1A. Risk Factors—U.S. Federal Income Tax Risks," and "Item 1. Business—Operating and Regulatory Structure—Tax Requirements," insofar as such statements constitute summaries of legal matters, agreements or documents discussed therein are correct in all material respects and fairly summarize such legal matters, agreements or documents.

(xxx) *Exhibits*. There are no legal or governmental proceedings, contracts, agreements, leases, or other documents of a character required to be described in the General Disclosure Package or to be filed as exhibits to the Registration Statement which are not described or filed as required.

(xxxi) *Absence of Manipulation.* Other than permitted activity pursuant to Regulation M and Rule 10b-18 under the Exchange Act, neither the Company nor any of its subsidiaries, nor any of their respective officers,

directors, representatives or affiliates have taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in, or which has constituted, under the Act, the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities.

(xxxii) *Statistical and Market Related Data*. Any third party statistical and market related data included or incorporated by reference in a Registration Statement, the General Disclosure Package or the Final Prospectus are based on or derived from sources that the Company believed to be reliable and accurate as of the respective dates that such data were included in the Registration Statement, General Disclosure Package or Final Prospectus.

(xxxiii) *Internal Controls of the Company and Compliance with the Sarbanes-Oxley Act*. Except as set forth in the Registration Statement, the General Disclosure Package or the Final Prospectus, the Company, its subsidiaries and the Board are in compliance with all applicable provisions of Sarbanes-Oxley and all applicable Exchange Rules. The Company maintains a system of internal controls, including, but not limited to, disclosure controls and procedures, internal controls over accounting matters and financial reporting, an internal audit function and legal and regulatory compliance controls (collectively, "**Internal Controls**") that comply with the Securities Laws and are sufficient to provide reasonable assurances that (A) transactions are executed in accordance with management's general or specific authorizations, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization, (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (E) the interactive data in eXtensible Business Reporting Language included or incorporated by reference in the Registration Statement fairly presents the information called for therein in all material respects. The Internal Controls are overseen by the Audit Committee (the "**Audit Committee**") of the Board in accordance with Exchange Rules. The Company has not publicly disclosed or reported to the Audit Committee or the Board, and as of the date hereof the Company does not reasonably expect to publicly disclose or report to the Audit Committee or the Board, a significant deficiency, material weakness, change in Internal Controls or fraud involving management or other employees who have a significant role in Internal Controls, any violation of, or failure to comply with, the Securities Laws, or any matter which, if determined adversely, would have a Company Material Adverse Effect.

(xxxiv) *Litigation*. Except as disclosed in the General Disclosure Package, there are no pending actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject, which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate, have a Company Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement or the Management Agreement, or which are otherwise material and adverse in the context of the sale of the Offered Securities; and no such actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) are to the knowledge of the Company, threatened or contemplated; other than the Underwriters, neither the Company nor any of its subsidiaries has authorized anyone to make any representations regarding the offer and sale of the Offered Securities, or regarding the Company or any of its subsidiaries in connection therewith; the Company has not received notice of any order or decree preventing the use of the General Disclosure Package or the Final Prospectus or any amendment or supplement thereto, and no proceeding for that purpose has commenced or is pending or, to the Company's knowledge, is contemplated.

(xxxv) *Financial Statements of the Company*. The financial statements included or incorporated by reference in each Registration Statement and the General Disclosure Package present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with GAAP applied on a consistent basis. The Company and its consolidated subsidiaries, taken as a whole, do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations or any "variable interest entities" within the meaning of Accounting Standards Codification 810), not disclosed in the Registration Statement, the General Disclosure Package and the Final Prospectus. There are no financial statements that are required to be included in the Registration Statement, the General Disclosure Package or the Final Prospectus that are not included as required. The interactive data in eXtensible Business Reporting Language incorporated by reference in the General Disclosure Package and the Final Prospectus fairly presents the information called for therein in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto.

(xxxvi) *Testing-the-Waters Materials*. The Company (A) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications with the consent of the Representative with entities that are qualified institutional buyers within the meaning of Rule 144A under the Act or institutions that are accredited investors within the meaning of Rule 501 under the Act and (B) has not authorized anyone other than the Representative to engage in Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communication.

(xxxvii) *Real Estate Investment Trust Status.* Commencing with its taxable year ended December 31, 2019, the Company has been organized and operated in conformity with the requirements for qualification and taxation as a "real estate investment trust" (a "REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, and the Treasury regulations thereunder (the "Code"), and the Company's current and proposed method of operation as described in the General Disclosure Package and the Final Prospectus will enable the Company to meet, on a continuing basis, the requirements for qualification and taxation as a REIT under the Code, and no actions have been taken (or not taken which are required to be taken) by the Company which would reasonably be expected to cause such qualification and taxation to be lost. The Company currently intends to continue to operate in a manner which would permit it to qualify and be taxed as a REIT under the Code. The Company has no current intention of changing its operations or engaging in activities which would reasonably be expected to cause it to fail to qualify, or make economically undesirable its continued qualification, as a REIT under the Code.

(xxxviii) *Accountants*. PricewaterhouseCoopers LLP, who have expressed their opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) included as a part of the Registration Statement, the General Disclosure Package and the Final Prospectus, are independent registered public accountants with respect to the Company as required by the Act and the Exchange Act and the rules and regulations of the Commission and the Public Company Accounting Oversight Board (United States).

(xxxix) *No Material Adverse Change in Business*. Except as disclosed in the General Disclosure Package, since the end of the period covered by the latest audited financial statements included or incorporated by reference in the General Disclosure Package (A) there has been no change, nor any development or event involving a prospective change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries, taken as a whole, that is material and adverse, (B) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital shares, (C) there has been no material adverse change in the capital shares, short-term indebtedness, long-term indebtedness, net current assets or net assets of the Company and its subsidiaries, (D) there has been no material transaction entered into and there is no material transaction that is probable of being entered into by the Company other than transactions in the ordinary course of business, (E) there has been no obligation, direct or contingent, that is material to the Company taken as a whole, incurred by the Company, except obligations incurred in the ordinary course of business and (F) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority.

(xl) *Investment Company Act*. The Company and its subsidiaries are not, and, upon the issuance and sale of the Offered Securities and the application of the net proceeds thereof as described in the General Disclosure Package and the Final Prospectus under the caption "Use of Proceeds," will not be required to register as an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**").

(xli) *Tax Filings*. Except where such failure to file or pay an assessment or lien would not, individually or in the aggregate, have a Company Material Adverse Effect or where such matters are the result of a pending bona fide dispute with taxing authorities, (A) the Company and each of its subsidiaries has duly prepared and timely filed any and all federal, state, foreign and other tax returns that are required to be filed by it, if any, (and all such returns are correct and complete) and has paid or made provision for the payment of all taxes, assessments, governmental or other similar charges, including without limitation, all sales and use taxes and all taxes which the Company and each of its subsidiaries is obligated to withhold from amounts owing to employees, creditors and third parties, with respect to the periods covered by such tax returns (whether or not such amounts are shown as due on any tax return), (B) no deficiency assessment with respect to a proposed adjustment of the Company's or each of its subsidiaries' federal, state, local or foreign taxes is pending or, to the best of the

Company's or each of its subsidiaries' knowledge, threatened; (C) since the date of the most recent audited financial statements, the Company has not incurred any liability for taxes other than in the ordinary course of its business; and (D) there is no tax lien, whether imposed by any federal, state, foreign or other taxing authority, outstanding against the assets, properties or business of the Company except for such a tax lien for any tax, assessment, governmental or other similar charge, which is not yet due and payable.

(xlii) *Insurance*. The Company and its subsidiaries are insured by insurers with appropriately rated claims paying abilities against such losses and risks and in such amounts as are prudent and customary for the businesses in which they are engaged; all policies of such insurance are in full force and effect, except where the failure to maintain such insurance in full force and effect would not have a Company Material Adverse Effect; the Company and its subsidiaries are in compliance with the terms of such policies and instruments in all material respects; there are no material claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; neither the Company nor any of its subsidiaries has been refused any insurance coverage applied for; neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Company Material Adverse Effect, except as set forth in or contemplated in the General Disclosure Package.

(xliii) *Policies and Guidelines*. The Company's and its subsidiaries' conflicts of interest, investment allocation and operating policies and investment guidelines described in the General Disclosure Package and the Final Prospectus accurately reflect in all material respects the current intentions of the Company and its subsidiaries with respect to the operation of its business.

(xliv) *Broker-Dealer*. Except with respect to a subsidiary of the Company that has filed a New Member Application with FINRA as of the date of this Agreement, neither the Company nor any of its subsidiaries (A) is required to register as a "broker" or "dealer" in accordance with the provisions of the Exchange Act or the Rules and Regulations thereunder, or (B) directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, or has any other affiliation (within the meaning of FINRA Rule 5121) with, any member firm of FINRA, except as disclosed in the General Disclosure Package.

(xlv) *Documents Incorporated by Reference*. The documents incorporated by reference in the Registration Statement, the Final Prospectus or any amendment or supplement thereto, when they were or are filed with the Commission under the Act or the Exchange Act, as the case may be, conformed or will conform in all material respects with the requirements of the Act and the Exchange Act, as applicable, and, when read together with the other information in the Final Prospectus, (i) at the time the Initial Registration Statement became effective, (ii) at the earlier of the time the Final Prospectus was first used and the date and time of the first contract of sale of Shares in this offering and (iii) at the Applicable Time, did not and will not contain an 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 not misleading.

(xlvi) *Related Party Transactions*. Except as disclosed in the General Disclosure Package, no relationship, direct or indirect, exists between or among the Company or any of its subsidiaries on the one hand, and the trustees, officers, or stockholders of the Company or any of its subsidiaries on the other hand, that is required by the Securities Act to be described in the General Disclosure Package and which is not so described.

(b) The Manager represents and warrants to, and agrees with, the several Underwriters that:

(i) *Certain Information*. The information contained or incorporated by reference in the Registration Statement, the General Disclosure Package and the Final Prospectus specifically insofar as it pertains directly to the Manager (collectively, the "**Manager Package**") is true and correct in all material respects.

(ii) *Good Standing of the Manager*. The Manager has been duly organized as a limited liability company and is existing and in good standing under the laws of the State of Delaware, with limited liability company power and authority to own its properties and conduct its business as described in the General Disclosure Package and to execute and deliver this Agreement; and the Manager is duly qualified to do business as a foreign limited liability company in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to so qualify or be in good standing would not reasonably be expected to result in a material adverse effect on the condition (financial

or otherwise), results of operations, business, properties or prospects of the Manager (a "**Manager Material Adverse Effect**"). The Manager does not own or control, directly or indirectly, any subsidiaries.

(iii) *Finder's and Other Fees*. Except with respect to the Underwriters pursuant to this Agreement, the Manager has not incurred any liability for any finder's fees or similar payments in connection with the transactions contemplated hereby, nor has the Manager paid or agreed to pay any person any compensation for soliciting another person to purchase any securities of the Company (except as contemplated hereby).

(iv) *Absence of Further Requirements*. No consent, approval, authorization, or order of, or filing with, any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency is required for the consummation of the transactions contemplated by this Agreement and the Certificate of Designations in connection with the offering, issuance and sale of the Offered Securities by the Company or any of its subsidiaries, except the filing of the Certificate of Designations with the Secretary of State of the State of Delaware, and such as have been obtained or made and such as may be required under state securities or blue sky laws of the various jurisdictions in which the Offered Securities are being offered or FINRA

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(v) *Absence of Defaults and Conflicts Resulting from Transaction*. The execution, delivery and performance by the Manager of this Agreement and the performance of the Management Agreement and the Services Agreement, dated August 17, 2007, as amended and restated October 7, 2009, between the Manager and Ellington Management Group, L.L.C. ("**Ellington**") (the "**Services Agreement**"), by the Manager and the issuance, sale and delivery of the Offered Securities and the Conversion Securities, if any, by the Company and the consummation by the Manager of the transactions contemplated hereby and thereby, and compliance by the Manager with the terms and provisions hereunder and thereunder will not (A) violate or conflict with any provision of the Organizational Documents of the Manager, (B) conflict with, or result in any breach of or constitute a Default under any provision of any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Manager is a party or by which it or its respective properties may be bound or are subject, or (C) violate or conflict with any federal, state, local or foreign law, regulation or rule or any decree, judgment, permit or order applicable to the Manager, except in the case of clauses (B) and (C) for such violations, conflicts, breaches or Defaults which would not, individually or in the aggregate, reasonably be expected to have a Manager Material Adverse Effect or result in the creation or imposition of any material lien, charge, claim or encumbrance upon any property or asset of the Manager.

(vi) *Absence of Existing Defaults and Conflicts*. The Manager is not (A) in violation of its Organizational Documents, (B) in breach of or in Default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, license, indenture, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Manager is a party or by which it or its assets may be bound or are subject or (C) in violation of any federal, state, local or foreign law, regulation or rule or any decree, judgment, permit or order applicable to the Manager, except with respect to clauses (B) and (C), for such breaches, Defaults or violations which would not, individually or in the aggregate, reasonably be expected to result in a Manager Material Adverse Effect.

(vii) *Authorization of Agreement*. This Agreement has been duly authorized, executed and delivered by the Manager.

(viii) *Management Agreement and Services Agreement*. Each of the Management Agreement and the Services Agreement has been duly authorized, executed and delivered by the Manager and constitutes a legal, valid and binding agreement of the Manager enforceable against the Manager in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and by general principles of equity.

(ix) *Possession of Licenses and Permits*. The Manager has all necessary licenses, permits, certificates, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary licenses, permits, certificates, authorizations, consents and approvals from other persons required in order to conduct its business as described in the General Disclosure Package and the Final Prospectus, except to the extent that any failure to have any such licenses, permits, certificates, authorizations, consents or approvals, to make any such filings or to obtain any such licenses, permits, certificates, authorizations, consents or approvals would not, individually or in the aggregate, reasonably

be expected to have a Manager Material Adverse Effect; to its knowledge, the Manager is not in violation of, or in Default under, any such license, permit, certificate, authorization, consent or approval, the effect of which could have a Manager Material Adverse Effect.

(x) *No Material Adverse Change in Business*. Except as disclosed in the General Disclosure Package, subsequent to the respective dates as of which information is given in the General Disclosure Package (A) there has been no change, nor any development or event involving a prospective change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Manager that is material and adverse or that would affect the Manager's ability to perform its obligations under this Agreement, the Management Agreement or the Services Agreement, (B) there has been no material adverse change in the capital shares, limited liability company interests, short-term indebtedness, long-term indebtedness, net current assets or net assets of the Manager and (C) there has been no transaction, other than in the ordinary course of business, which is material to the Manager, contemplated or entered into, by the Manager.

(xi) *Possession of Intellectual Property*. The Manager or its affiliates own or possess such licenses or other rights to use all Intangibles as are necessary to entitle the Manager to conduct its business as described in the General Disclosure Package and the Final Prospectus, and the Manager has not received written notice of any infringement of or conflict with (and, upon due inquiry, the Manager has no knowledge of any such infringement of or conflict with) asserted rights of others with respect to any Intangibles which would have a Manager Material Adverse Effect.

(xii) *Absence of Manipulation*. Other than permitted activity pursuant to Regulation M and Rule 10b-18 under the Exchange Act, neither the Manager nor any of its affiliates have taken, directly or indirectly, any action that is designed to or that has constituted or that would reasonably be expected to cause or result in, or which has constituted, under the Act, the Exchange Act or otherwise, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities.

(xiii) *Litigation*. Except as disclosed in the General Disclosure Package, there are no pending actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) to which the Manager is a party or of which any property or assets of the Manager is the subject, which, if determined adversely to the Manager, would, individually or in the aggregate, have a Manager Material Adverse Effect, or would materially and adversely affect the ability of the Manager to perform its obligations under this Agreement, the Management Agreement or the Services Agreement or which are otherwise material and adverse in the context of the sale of the Offered Securities; and no such actions, suits or proceedings (including any inquiries or investigations by any court or governmental agency or body, domestic or foreign) are to the knowledge of the Manager, threatened or contemplated; other than the Underwriters, the Manager has not authorized anyone to make any representations regarding the offer and sale of the Offered Securities, or regarding the Company, any of its subsidiaries or the Manager in connection therewith; the Manager has not received notice of any order or decree preventing the use of the General Disclosure Package or the Final Prospectus or any amendment or supplement thereto, and no proceeding for that purpose has commenced or is pending or, to its knowledge, is contemplated.

(xiv) *Investment Advisers Act*. The Manager is not prohibited by the Investment Advisers Act of 1940, as amended, or the rules and regulations thereunder, from performing under the Management Agreement and as described in the Registration Statement, the General Disclosure Package and the Final Prospectus.

(xv) *Internal Controls of the Manager*. The Manager maintains a system of internal controls in place sufficient to provide that (A) the transactions that may be effectuated by the Manager under the Management Agreement are executed in accordance with its management's general or specific authorization and (B) access to the Company's assets is permitted only in accordance with management's general or specific authorization.

(c) *Certificates*. Any certificate signed by any officer of the Company, any of its subsidiaries or the Manager delivered to the Representative or to counsel for the Representative pursuant to or in connection with this Agreement shall be deemed a representation and warranty by the Company, such subsidiary, or the Manager, as the case may be, to the Representative as to the matters covered thereby.

(d) *No Reliance*. Neither the Company nor the Manager has relied upon the Underwriters or legal counsel for the Underwriters for any legal, accounting, regulatory or tax advice in connection with the offering and sale of the Offered

Securities, and the Company and the Manager have consulted their own legal, accounting, regulatory and tax advisors to the extent they deemed appropriate.

3. *Purchase, Sale and Delivery of Offered Securities*. On the basis of the representations, warranties and agreements and subject to the terms and conditions set forth herein, the Company agrees to sell to the several Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price of $24.2125 per share, the respective number of Firm Securities set forth opposite the names of the Underwriters in Schedule A hereto.

The Company will deliver the Firm Securities to or as instructed by the Representative for the accounts of the several Underwriters in a form reasonably acceptable to the Representative against payment of the purchase price by the Underwriters in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Representative drawn to the order of the Company at the office of Ropes & Gray LLP (unless another place shall be agreed upon by the Representative and the Company), at 9:00 a.m., New York time, on December 13, 2021, or at such other time not later than seven full business days thereafter as the Representative and the Company determine, such time being herein referred to as the "First Closing Date." For purposes of Rule 15c6-1 under the Exchange Act, the First Closing Date (if later than the otherwise applicable settlement date) shall be the settlement date for payment of funds and delivery of securities for all the Offered Securities sold pursuant to the offering. Certificates representing any certificated Firm Securities so to be delivered or evidence of their issuance will be made available for checking at the above office of Ropes & Gray LLP at least 24 hours prior to the First Closing Date.

In addition, solely for the purpose of covering over-allotments made in connection with the offering of the Firm Securities, upon written notice from the Representative given to the Company from time to time (but on not more than two separate occasions) not more than 30 days subsequent to the date of the Final Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per share to be paid for the Firm Securities, less an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Securities but not payable on the Optional Securities. The Company agrees to sell to the Underwriters the number of shares of Optional Securities specified in such notice and the Underwriters agree, severally and not jointly, to purchase such Optional Securities. Such Optional Securities shall be purchased for the account of each Underwriter in the same proportion as the number of shares of Firm Securities set forth opposite such Underwriter's name in Schedule A hereto bears to the total number of shares of Firm Securities (subject to adjustment by the Representative to eliminate fractions). No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time on not more than two occasions and to the extent not previously exercised may be surrendered and terminated at any time upon notice by the Representative to the Company.

Each time for the delivery of and payment for the Optional Securities, being herein referred to as an "Optional Closing Date," which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a "Closing Date"), shall be determined by the Representative but shall be not later than five full business days after written notice of election to purchase Optional Securities is given. The Company will deliver the Optional Securities being purchased on each Optional Closing Date to or as instructed by the Representative for the accounts of the several Underwriters in a form reasonably acceptable to the Representative against payment of the purchase price therefor in Federal (same day) funds by wire transfer to an account at a bank acceptable to the Representative drawn to the order of the Company at the office of Ropes & Gray LLP (unless another place shall be agreed upon by the Representative and the Company). Certificates representing any certificated Optional Securities being purchased on each Optional Closing Date or evidence of their issuance will be made available for checking at the office of Ropes & Gray LLP at a reasonable time in advance of such Optional Closing Date.

4. *Offering by Underwriters*. It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Final Prospectus.

5. *Certain Agreements of the Company and the Manager*. The Company and, for so long as the Manager is the manager of the Company, the Manager, jointly and severally, agree with the several Underwriters that:

(a) *Additional Filings*. Unless filed pursuant to Rule 462(c) as part of the Additional Registration Statement in accordance with the next sentence, the Company will file the Final Prospectus, in a form approved by the Representative, with the Commission pursuant to and in accordance with the time periods specified by Rule 424(b) and not later than the second business day following the execution and delivery of this Agreement. The Company will advise the Representative promptly of any such filing pursuant to Rule 424(b) and provide satisfactory evidence to the Representative of such timely filing. If an Additional Registration Statement is necessary to register a portion of the Offered Securities under the Act but the Effective Time thereof has not occurred as of the execution and delivery of this Agreement, the Company will file the Additional Registration Statement or, if filed, will file a post-effective amendment thereto with the Commission pursuant to and in

accordance with Rule 462(b) on or prior to 10:00 P.M., New York time, on the date of this Agreement or, if earlier, on or prior to the time the Final Prospectus is finalized and distributed to any Underwriter, or will make such filing at such later date as shall have been consented to by the Representative.

(b) *Filing of Amendments; Response to Commission Requests*. The Company will promptly advise the Representative of any proposal to amend or supplement at any time the Initial Registration Statement, any Additional Registration Statement or any Statutory Prospectus and will not effect such amendment or supplementation without the Representative's consent after the Representative has been furnished in advance a copy thereof and given a reasonable opportunity to review and comment thereon; and the Company will also advise the Representative promptly of (i) the effectiveness of any Additional Registration Statement (if its Effective Time is subsequent to the execution and delivery of this Agreement), (ii) any amendment or supplementation of a Registration Statement or any Statutory Prospectus, (iii) any request by the Commission or its staff for any amendment to any Registration Statement, for any supplement to any Statutory Prospectus or for any additional information, (iv) the institution by the Commission of any stop order proceedings in respect of a Registration Statement or the threatening of any proceeding for that purpose, and (v) the receipt by the Company of any notification with respect to the suspension of the qualification of the Offered Securities in any jurisdiction or the institution or threatening of any proceedings for such purpose. The Company will use its reasonable best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(c) *Continued Compliance with Securities Laws*. If, at any time when a prospectus relating to the Offered Securities is (or but for the exemption in Rule 172 would be) required to be delivered under the Act by any Underwriter or dealer, any event occurs as a result of which the Final Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Registration Statement or supplement the Final Prospectus to comply with the Act, the Company will promptly notify the Representative of such event and will promptly prepare and file with the Commission and furnish, at its own expense, to the Underwriters and the dealers and any other dealers upon request of the Representative, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither the Representative's consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 7 hereof.

(d) *Rule 158*. As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the Effective Time of the Initial Registration Statement (or, if later, the Effective Time of the Additional Registration Statement) which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act. For the purpose of the preceding sentence, "**Availability Date**" means the day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Time on which the Company is required to file its Form 10-Q for such fiscal quarter except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "**Availability Date**" means the day after the end of such fourth fiscal quarter on which the Company is required to file its Form 10-K.

(e) *Furnishing of Registration Statement and Prospectuses*. The Company has furnished or will furnish to the Representative copies of each Registration Statement (of which are or will be signed and will include all exhibits), each related Statutory Prospectus, and, so long as a prospectus relating to the Offered Securities is (or but for the exemption in Rule 172 would be) required to be delivered under the Act, the Final Prospectus and all amendments and supplements to such documents, in each case in such quantities as the Representative may reasonably request. The Final Prospectus shall be so furnished on the business day following the execution and delivery of this Agreement at a time reasonably requested by the Representative, or as otherwise agreed by the Representative. All other documents shall be so furnished as soon as reasonably practicable. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) *Blue Sky Qualifications*. The Company will arrange for the qualification of the Offered Securities for sale under the laws of such jurisdictions as the Representative designates and will maintain such qualification in effect so long as required for the distribution thereof; except that in no event shall the Company be obligated in connection therewith to qualify as a foreign corporation or to execute a general consent to service of process in any such jurisdiction.

(g) *Reporting Requirements*. During the period of three years hereafter, the Company will furnish to the Representative and, upon request, to each of the other Underwriters, as soon as reasonably practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Representative (i) as soon as reasonably practicable, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as the Representative may reasonably request. However, so long as the Company is subject to the reporting requirements of either

Section 13 or Section 15(d) of the Exchange Act and is timely filing reports with the Commission on its Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**"), it is not required to furnish such reports or statements to the Representative or the other Underwriters.

(h) *Payment of Expenses*. The Company will pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including but not limited to any filing fees and other expenses (including the reasonable fees and disbursement of counsel to the Underwriters) incurred in connection with qualification of the Offered Securities for sale under foreign securities laws or the state securities or blue sky laws as provided in Section 5(f) and the preparation and printing of memoranda relating thereto, costs and expenses relating to investor presentations or any "road show" in connection with the offering and sale of the Offered Securities including, without limitation, any travel expenses of the Company's officers and employees and any other expenses of the Company incurred in connection therewith, fees and expenses incident to listing the Offered Securities or the Conversion Securities on the New York Stock Exchange and for clearance, settlement and book-entry transfer through The Depository Trust Company ("**DTC**"), fees and expenses associated with the filing of the Certificate of Designations with the Secretary of State of the State of Delaware, fees and expenses in connection with the registration of the Offered Securities under the Exchange Act, any fees charged by rating agencies for rating the Securities and expenses incurred in distributing preliminary prospectuses and the Final Prospectus (including any amendments and supplements thereto) to the Underwriters and for expenses incurred for preparing, printing and distributing any Issuer Free Writing Prospectuses to investors or prospective investors.

(i) *Use of Proceeds*. The Company will use the net proceeds received by it from the sale of the Offered Securities in the manner described in the "Use of Proceeds" section of the General Disclosure Package.

(j) *Absence of Manipulation*. Other than permitted activity pursuant to Regulation M and Rule 10b-18 under the Exchange Act, neither the Company nor the Manager will take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, stabilization or manipulation of the price of any securities of the Company to facilitate the sale or resale of the Offered Securities.

(k) *Taxes*. The Company will pay, and will indemnify and hold harmless the Underwriters against, any taxes, including documentary, stamp or similar transfer taxes, in connection with the preparation, issue, sale and delivery of the Offered Securities and on the execution and delivery of this Agreement.

(l) *Final Term Sheet*. The Company will prepare a final term sheet substantially in the form set forth in Annex A hereto (the "**Final Term Sheet**") reflecting the final terms of the offering, and shall file with the Commission such Final Term Sheet as an Issuer Free Writing Prospectus pursuant to Rule 433 prior to the close of business within two business days after the date hereof; provided that the Company shall furnish the Underwriters with copies of such Final Term Sheet a reasonable amount of time prior to such proposed filing and will not use or file any such document to which the Underwriters or counsel to the Underwriters shall reasonably object

(m) *Restriction on Sale of Securities by the Company*. For the period specified below (the "**Lock-Up Period**"), the Company will not, directly or indirectly, take any of the following actions, without the prior written consent of the Representative, with respect to its Securities, any other shares of preferred stock of the Company or any securities convertible into or exchangeable or exercisable for any of its Securities ("**Lock-Up Securities**"): (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of Lock-Up Securities, (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase Lock-Up Securities, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of Lock-Up Securities, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in Lock-Up Securities within the meaning of Section 16 of the Exchange Act or (v) file with the Commission a registration statement under the Act relating to Lock-Up Securities, or publicly announce the intention to take any such action, except with respect to (a) the issuance of the Offered Securities to be sold hereunder, (b) any shares of Common Stock issued or issuable in connection with any acquisition, merger, consolidation or joint venture, (c) any Securities issued or issuable by the Company upon the exercise of an option or conversion of an LTIP Unit outstanding on the date hereof and referred to in both the General Disclosure Package and the Final Prospectus, (d) issuances of options or grants of restricted securities under the Company Incentive Plans (as such plans are described in both the General Disclosure Package and the Final Prospectus) or (e) the filing of a registration statement on Form S-8 to register any securities issued or issuable under the Company Incentive Plans (as such plans are described in both the General Disclosure Package and the Final Prospectus). In addition, except as contemplated in the immediately preceding sentence, the Company will not grant any person any registration or other similar rights to have any Lock-Up Securities registered by the Company or any of its subsidiaries during the Lock-Up Period. The Lock-Up Period will commence on the date hereof and continue for 30 days after the date hereof or such earlier date that the Representative consents to in writing.

The restrictions contained in the preceding paragraph shall not apply to the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act, provided that (i) no transfer of Securities under such plan occurs during the Lock-up Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Securities may be made under such plan during the Lock-up Period.

(n) *Sarbanes-Oxley Act*. The Company will comply with all effective applicable provisions of Sarbanes-Oxley.

(o) *Investment Company*. The Company shall not invest or otherwise use the proceeds received by the Company from its sale of the Offered Securities, and the Company and each of its subsidiaries will conduct its affairs, in such a manner so as to ensure that neither the Company nor any of its subsidiaries will be required to register as an "investment company" or an entity "controlled" by an investment company within the meaning of the Investment Company Act.

(p) *Real Estate Investment Trust.* The Company will use its best efforts to continue to be operated and organized in conformity with the requirements for qualification and taxation as a REIT under the Code for all subsequent taxable years, unless the Board determines in good faith that it is no longer in the best interests of the Company or the Company's stockholders to maintain the Company's qualification as a REIT under the Code.

(q) *Listing*. The Company will use its reasonable best efforts to list the Offered Securities on the New York Stock Exchange within 30 days after the Closing Date and, upon such listing, will use its best efforts to maintain such listing and to satisfy the requirements for such continued listing.

(r) *Testing-the-Waters Materials*. If at any time following the distribution of any Written Testing-the-Waters Communication when delivery of a Prospectus is required under the Act there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication would include an untrue statement of a material fact or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission

(s) *Certificate of Designations*. On or prior to the First Closing Date, the Company shall have filed the Certificate of Designations with the Secretary of State of the State of Delaware and the Certificate of Designations shall be effective.

(t) *Form 8-A Registration Statement.* On or prior to the First Closing Date, the Company shall have filed the Form 8-A Registration Statement relating to the Offered Securities with the Commission pursuant to Section 12 of the Exchange Act (the "**Form 8-A Registration Statement**") and the Form 8-A Registration Statement shall be effective.

(u) *Conversion Securities*. The Company shall reserve for future issuance a requisite number of shares of Conversion Securities in respect of the Offered Securities then outstanding.

6. *Free Writing Prospectuses*. The Company represents and agrees that, unless it obtains the prior consent of the Representative, and each Underwriter represents and agrees that, unless it obtains the prior consent of the Company and the Representative, it has not made and will not make any offer relating to the Offered Securities that would constitute an Issuer Free Writing Prospectus, or that would otherwise constitute a "free writing prospectus," as defined in Rule 405, in each case required to be filed with the Commission; provided, however, that prior to the preparation of the Final Prospectus or the Final Term Sheet in accordance with Section 5, the Underwriters are authorized to use the information with respect to the final terms of the offering in communications orally, or with respect to the preliminary and final terms of the offering distributed via Bloomberg, conveying information relating to the offering to investors. Any such free writing prospectus consented to by the Company and the Representative is hereinafter referred to as a "**Permitted Free Writing Prospectus**." The Company represents that it has treated and agrees that it will treat each Permitted Free Writing Prospectus as an "issuer free writing prospectus," as defined in Rule 433, and has complied and will comply with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including timely Commission filing where required, legending and record keeping.

7. *Conditions of the Obligations of the Underwriters*. The obligations of the several Underwriters to purchase and pay for the Firm Securities on the First Closing Date and the Optional Securities to be purchased on each Optional Closing Date will be subject to the accuracy of the representations and warranties of the Company herein (as though made on such Closing Date), to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) *Accountants' Comfort Letter*. The Representative shall have received customary comfort letters, dated the date hereof, as of the First Closing Date and any Optional Closing Date, of PricewaterhouseCoopers LLP, in each case in form and substance satisfactory to the Representative and containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in each of the General Disclosure Package, the Final Prospectus and the Registration Statement; provided that the letter delivered on the First Closing Date shall use a "cut-off" date of no more than three business days prior to the First Closing Date.

(b) *Effectiveness of Registration Statement*. If the Effective Time of the Additional Registration Statement (if any) is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or, if earlier, the time the Final Prospectus is finalized and distributed to any Underwriter, or shall have occurred at such later time as shall have been consented to by the Representative. The Final Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) hereof. Prior to such Closing Date, no stop order suspending the effectiveness of a Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Representative, shall be contemplated by the Commission.

(c) *No Material Adverse Change*. Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries, taken as a whole, or the Manager which, in the judgment of the Representative, is material and adverse and makes it impractical or inadvisable to market the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as that term is defined in Section 3(a)(62) of the Exchange Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating) or any announcement that the Company has been placed on negative outlook; (iii) any change in either U.S. or international financial, political or economic conditions or currency exchange rates or exchange controls the effect of which is such as to make it, in the judgment of the Representative, impractical to market or to enforce contracts for the sale of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market; (iv) any suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum or maximum prices for trading on such exchange; (v) any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (vi) any banking moratorium declared by any U.S. federal or New York authorities; (vii) any major disruption of settlements of securities, payment, or clearance services in the United States or any other country where such securities are listed; or (viii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of the Representative, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency is such as to make it impractical or inadvisable to market the Offered Securities or to enforce contracts for the sale of the Offered Securities.

(d) *Opinions of Counsel*. The Representative shall have received the following each dated such Closing Date, (i) (x) a written opinion of Vinson & Elkins L.L.P., corporate counsel to the Company ("Company Counsel") and (y) a written negative assurance letter from Company Counsel, in the forms attached hereto as Exhibit A-1 and Exhibit A-2, respectively, (ii) a written opinion of Hunton Andrews Kurth LLP, tax counsel to the Company, in the form attached hereto as Exhibit B and (iii) a written opinion of Hunton Andrews Kurth LLP, Investment Company Act counsel to the Company, in the form attached hereto as Exhibit C.

(e) *Opinion of Daniel Margolis, Esq.* The Representative shall have received the opinion, dated such Closing Date, of Daniel Margolis, Esq., General Counsel of Ellington, in the form attached hereto as Exhibit D.

(f) *Opinion of Counsel for Underwriters.* The Representative shall have received from Ropes & Gray LLP, counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to such matters as the Representative may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) *Company Officer's Certificates*. The Representative shall have received a certificate, dated such Closing Date, of an executive officer of the Company and a principal financial or accounting officer of the Company in which such officers shall state that: the representations and warranties of the Company in this Agreement are true and correct (as though made on and as of such Closing Date); the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date; no stop order suspending the effectiveness of any Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the best of their knowledge, are contemplated by

the Commission; the Additional Registration Statement (if any) satisfying the requirements of subparagraphs (1) and (3) of Rule 462(b) was timely filed pursuant to Rule 462(b), including payment of the applicable filing fee in accordance with Rule 111(a) or (b) of Regulation S-T of the Commission; and, subsequent to the respective dates of the most recent financial statements in the General Disclosure Package, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or otherwise), results of operations, business, properties or prospects of the Company and its subsidiaries taken as a whole except as set forth in the General Disclosure Package or as described in such certificate.

(h) *Manager Officer's Certificate*. The Representative shall have received a certificate, dated such Closing Date, of an executive officer of the Manager and a principal financial or accounting officer of the Manager, in which such officers shall state that the representations and warranties of the Manager in this Agreement are true and correct (as though made on and as of such Closing Date); and the Manager has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date.

(i) *CFO Certificate*. The Representative shall have received a certificate, dated as of the date hereof and as of such Closing Date, of the Chief Financial Officer of the Company in a form acceptable to the Representative.

(j) *Certificate of Designations.* At the First Closing Date, the Certificate of Designations shall have been filed with and accepted by the Secretary of State of the State of Delaware.

(k) *Form 8-A Registration Statement*. At the First Closing Date, the Form 8-A Registration Statement shall have been filed with the Commission and the Form 8-A Registration Statement shall be effective.

(l) *DTC*. At the First Closing Date, the Offered Securities shall have been declared eligible for clearance and settlement through DTC.

*(m) Listing*. Subsequent to the execution and delivery of this Agreement and prior to the First Closing Date, the Company shall have submitted an application to the New York Stock Exchange to list the Offered Securities on the New York Stock Exchange.

The Company will furnish the Representative with such conformed copies of such opinions, certificates, letters and documents as the Representative reasonably requests. The Representative may, in its sole discretion, waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder, whether in respect of an Optional Closing Date or otherwise.

8. *Indemnification and Contribution.* (a) *Indemnification of Underwriters by the Company.* The Company will indemnify and hold harmless each Underwriter, its partners, members, directors, officers, employees, agents, affiliates and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each, an "**Indemnified Party**"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject, under the Act, the Exchange Act, other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any part of any Registration Statement at any time or arise out of or are based upon the omission or alleged omission of a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Statutory Prospectus as of any time, the Final Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication (or any amendment or supplement to any of the foregoing) or arise out of or are based upon the omission or alleged omission of a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and will reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending against any loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such Indemnified Party is a party thereto), whether threatened or commenced, and in connection with the enforcement of this provision with respect to any of the above as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representative specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the Underwriter Information (as defined in subsection (b) below).

(b) *Indemnification of the Company*. Each Underwriter will severally and not jointly indemnify and hold harmless the Company, each of its directors and each of its officers who signs a Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (each, an "**Underwriter Indemnified Party**"), against any losses, claims, damages or liabilities to which such Underwriter Indemnified Party may become subject, under the Act, the Exchange Act, other Federal or state statutory law or regulation or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Statutory Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication (or any supplement or amendment to any of the foregoing) or arise out of or are based upon the omission or alleged omission of 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, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Statutory Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication (or any supplement amendment to any of the foregoing) in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representative specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by such Underwriter Indemnified Party in connection with investigating or defending against any such loss, claim, damage, liability, action, litigation, investigation or proceeding whatsoever (whether or not such Underwriter Indemnified Party is a party thereto), whether threatened or commenced, based upon any such untrue statement or omission, or any such alleged untrue statement or omission as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Final Prospectus furnished on behalf of each Underwriter: the information contained in the fourth, fifth, eleventh and twelfth paragraphs under the caption "Underwriting" (such information, the "**Underwriter Information**").

(c) *Actions against Parties; Notification*. Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, 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 satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, 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 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. 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 an 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 an indemnified party.

(d) *Contribution*. If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (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 referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Offered Securities 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 Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Offered Securities (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault 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 the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue 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 the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 8(d).

9. *Default of Underwriters*. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First Closing Date or any Optional Closing Date and the aggregate number of shares of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, the Representative may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to the Representative and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Company or the Manager, except as provided in Section 10 (provided that if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

10. *Survival of Certain Representations and Obligations*. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Manager or their respective officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company, the Manager or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 9 hereof, the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities, and the respective obligations of the Company and the Underwriters pursuant to Section 8 hereof shall remain in effect; provided, however, that if the purchase of the Offered Securities by the Underwriters is not consummated as a result of the occurrence or happening of an event described in clauses 7(c)(iii), (iv), (vi), (vii) or (viii) hereof, such termination shall be without liability of any party to the other except as provided in Section 5(h). In addition, if any Offered Securities have been purchased hereunder, the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect.

11. *Notices*. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representative c/o Piper Sandler & Co., 1251 Avenue of the Americas, 6th Floor, New York, NY 10020, Attention: Equity Capital Markets, with a copy to Piper Sandler General Counsel at 1251 Avenue of the Americas, 6th Floor, New York, NY 10020 and LegalCapMarkets@psc.com with a copy to Ropes & Gray LLP, 1211 Avenue of the Americas, New York, New York 10012; Attention: Paul D. Tropp, Esq., if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at 53 Forest Avenue, Old Greenwich, CT 06870, Attention: Laurence Penn, Chief Executive Officer and President, with a copy to Vinson & Elkins L.L.P., 901 East Byrd Street, Suite 1500, Richmond, Virginia 23219; Attention: Daniel M. LeBey, Esq., or if sent to the Manager, will be mailed, delivered or telegraphed to and confirmed to it at 53 Forest Avenue, Old Greenwich, CT 06870, Attention: Laurence Penn; provided, however, that any notice to an Underwriter pursuant to Section 8 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

12. *Successors*. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 8, and no other person will have any right or obligation hereunder.

13. *Representation*. The Representative will act for the several Underwriters in connection with the transactions contemplated by this Agreement, and any action under this Agreement taken by the Representative will be binding upon all the Underwriters.

14. *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement. Electronic signatures complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law will be deemed original signatures for purposes of this Agreement. Transmission by telecopy, electronic mail or other transmission method of an executed counterpart of this Agreement will constitute due and sufficient delivery of such counterpart.

15. *Absence of Fiduciary Relationship*. The Company and the Manager acknowledge and agree that:

(a) *No Other Relationship*. The Underwriters have been retained solely to act as underwriters in connection with the sale of the Offered Securities and that no fiduciary, advisory or agency relationship between the Company or the Manager, on the one hand, and the Underwriters, on the other, has been created in respect of any of the transactions contemplated by this Agreement or the Final Prospectus, irrespective of whether the Underwriters have advised or are advising the Company or the Manager on other matters;

(b) *Absence of Obligation to Disclose*. The Company and the Manager have been advised that the Underwriters and their affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company or the Manager and that the Underwriters have no obligation to disclose such interests and transactions to the Company or the Manager by virtue of any fiduciary, advisory or agency relationship;

(c) *Waiver*. The Company and the Manager waive, to the fullest extent permitted by law, any claims they may have against the Underwriters for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Underwriters shall have no liability (whether direct or indirect) to the Company or the Manager in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company or the Manager, including stockholders, employees or creditors of the Company or the Manager; and

(d) *Arms' Length Negotiations*. The price of the Offered Securities set forth in this Agreement was established by the Company following discussions and arms'-length negotiations with the Underwriters, and the Company and the Manager are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated by this Agreement.

16. *Tax Disclosure*. Notwithstanding any other provision of this Agreement, from the commencement of discussions with respect to the transactions contemplated hereby, the Company (and each employee, representative or other agent of the Company) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the Code and the Treasury regulations thereunder) of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure.

17. *Applicable Law*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company irrevocably and unconditionally waives any objection to the laying of venue of any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby in Federal and state courts in the Borough of Manhattan in The City of New York and irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum. The Company (on its behalf and, to the extent permitted by applicable law, on behalf of its stockholders and affiliates), and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

18. *Recognition of the U.S. Special Resolution Regimes.*

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this

Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) For purposes of this Section 18, a "BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). **"**Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[*Remainder of page intentionally left blank*]

If the foregoing is in accordance with the Representative's understanding of our agreement, kindly sign and return to the Company and the Manager one of the counterparts hereof, whereupon it will become a binding agreement among the Company, the Manager and the several Underwriters in accordance with its terms.

Very truly yours,

ELLINGTON FINANCIAL INC.

By: /s/JR Herlihy
Name: JR Herlihy
Title: Chief Financial Officer

ELLINGTON FINANCIAL MANAGEMENT LLC

By: /s/JR Herlihy
Name: JR Herlihy
Title: Chief Financial Officer

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

PIPER SANDLER & CO.

By: /s/ Robert Kleinert
Name: Robert Kleinert
Title: Managing Director

Acting on behalf of itself and as Representative of the several Underwriters.

**SCHEDULE A**

| Underwriter | Number of Firm Securities |
|---|---|
| Piper Sandler & Co. | 4,400,000 |
| Total | 4,400,000 |

**SCHEDULE B**

1. **General Use Issuer Free Writing Prospectuses (included in the General Disclosure Package)**

   Final Term Sheet.

**SCHEDULE C**

**List of Subsidiaries**

- EF Mortgage LLC
- EF Securities LLC
- EF CMO LLC
- Ellington Financial Operating Partnership LLC
- EF Corporate Holdings LLC
- EF MBS/ABS Holdings LLC
- EFQ LLC
- EF SBC 2013-1 LLC
- EF Holdco Inc.
- EF Cayman Holdings Ltd.
- EF SBC 2013-1 REO Holdings LLC
- EF CH LLC
- Ellington Financial REIT
- EF Residential Loans LLC
- EF SBC 2015-2 LLC
- Ellington Financial REIT TRS LLC
- EF SBC 2015-1 LLC
- EF CH2 LLC
- EF CH3 LLC
- EF CH4 LLC
- EF NM 2015-1 LLC
- EF SBC 2016-1 LLC
- EF Holdco WRE Assets LLC
- EF Holdco RER Assets LLC
- EF Holdco AL Assets LLC
- EF Titan SBC 2016-1 LLC
- EF SBC FM Holdings LLC
- EF Edgewood SBC 2016-1 LLC
- EF Edgewood SBC 2018-1 LLC

EF Mortgage Depositor LLC

EF Mortgage Depositor II LLC

Ellington Financial REIT Cayman Ltd.

- EF PW 2019 SENS LLC
- Ellington Financial REIT QLH LLC
- EF Mortgage Depositor III LLC
- EF Holdco WRE Assets REO LLC
- Armstrong Securities Holdings LLC
- Armstrong Securities LLC
- EF WH LLC
- EF Cayman Non-MTM Ltd.

**ANNEX A**

**Final Term Sheet**

**EXHIBITA-1**

**Form of Opinion of Vinson & Elkins L.L.P., counsel to the Company**

**EXHIBIT A-2**

**Form of Negative Assurance Letter of Vinson & Elkins L.L.P., corporate counsel to the Company**

**EXHIBIT B**

**Form of Opinion of Hunton Andrews Kurth LLP, tax counsel to the Company**

**EXHIBIT C**

**Form of Opinion of Hunton Andrews Kurth LLP, Investment Company Act counsel to the Company**

**EXHIBIT D**

**Form of Opinion of Daniel Margolis, Esq., General Counsel of Ellington**

**Exhibit 5.1**

[Vinson & Elkins LLP letterhead]

December 13, 2021

Board of Directors
Ellington Financial Inc.
53 Forest Avenue
Old Greenwich, Connecticut 06870

Re: Issuance of up to 5,060,000 Shares of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock

Ladies and Gentlemen:

We have served as special counsel to Ellington Financial Inc., a Delaware corporation (the "Company"), in connection with the issuance and sale by the Company, in an underwritten public offering, of up to 5,060,000 shares (the "Shares") of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, liquidation preference of $25.00 per share (the "Series B Preferred Stock"), a series of the Company's preferred stock, par value $0.001 per share (including up to 660,000 shares subject to the underwriters' option to purchase additional shares), pursuant to an underwriting agreement, dated December 8, 2021 (the "Underwriting Agreement"), by and among the Company, Ellington Financial Management LLC and Piper Sandler & Co., as representative of the several underwriters named in Schedule A to the Underwriting Agreement. The Shares have been registered on a Registration Statement on Form S-3 (File No. 333-254762), filed by the Company with the United States Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), on March 26, 2021 and declared effective by the Commission on April 9, 2021 (the "Registration Statement").

In connection with the foregoing, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following documents:

1. The Registration Statement.

2. The preliminary prospectus supplement, dated December 8, 2021, in the form filed with the Commission on December 8, 2021, pursuant to Rule 424(b) promulgated under the Securities Act, together with the base prospectus dated April 9, 2021.

3. The final prospectus supplement, dated December 8, 2021, as filed with the Commission on December 9, 2021, pursuant to Rule 424(b) promulgated under the Securities Act, together with the base prospectus dated April 9, 2021 (collectively, the "Prospectus").

4. An executed copy of the Underwriting Agreement

5. The Certificate of Incorporation of the Company, as certified by the Secretary of State of the State of Delaware on October 13, 2021, and as certified by the Secretary of the Company on the date hereof.

6. An executed certificate evidencing the Series B Preferred Stock, registered in the name of Cede & Co.

7. The Certificate of Designations of the Company establishing the designations, powers, rights, preferences, qualifications, limitations and restrictions of the Shares, as certified by the Secretary of State of the State of Delaware on December 10, 2021, and as certified by the Secretary of the Company on the date hereof.

8. The Bylaws of the Company, dated as of March 1, 2019, as certified by the Secretary of the Company on the date hereof.

9. Resolutions of the Board of Directors of the Company, dated March 22, 2021 and December 2, 2021, and of the pricing committee of the Board of Directors of the Company (the "Pricing Committee"), dated December 8, 2021, with respect to, among other things, the issuance, sale and due authorization of the Shares and the formation of the Pricing

Committee in connection therewith, each as certified by the Secretary of the Company on the date hereof (collectively, the "Resolutions").

10. The certificate of the Secretary of State of the State of Delaware as to the due incorporation, existence and good standing of the Company dated December 13, 2021 (the "Delaware Certificate").

11. An executed copy of a certificate of the Secretary of the Company, dated the date hereof, as to certain factual matters (the "Secretary's Certificate").

For purposes of the opinions expressed below, we have assumed (i) the authenticity of all documents submitted to us as originals, (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals thereof, (iii) the legal capacity of natural persons, (iv) the genuineness of all signatures and (v) the due authorization, execution and delivery of all documents by all parties and the validity, binding effect and enforceability thereof (other than the authorization, execution and delivery of documents by the Company and the validity, binding effect and enforceability thereof upon the Company). As to factual matters, we have relied upon the Secretary's Certificate and upon certificates of public officials.

Based upon the foregoing and such other information and documents as we have considered necessary for the purposes hereof, we are of the opinion that:

1. The Company is a corporation duly incorporated and existing under the laws of the State of Delaware and is in good standing with the Secretary of State of the State of Delaware. The Company has the corporate power and authority to issue the Shares.

2. The issuance of the Shares has been duly authorized and, when issued and delivered upon payment therefor in accordance with the Registration Statement, the Resolutions and the Underwriting Agreement, the Shares will be validly issued, fully paid and nonassessable.

The opinion with respect to the incorporation, existence and good standing of the Company in the State of Delaware is based solely on the Delaware Certificate and the Secretary's Certificate.

We do not express an opinion on any laws other than the Delaware General Corporation Law.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement with the Commission on the date hereof and to the reference to this firm under the heading "Legal Matters" in the Prospectus. In giving this consent, we do not admit that we are within the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations promulgated thereunder by the Commission.

This opinion is limited to the matters stated in this letter, and no opinions may be implied or inferred beyond the matters expressly stated in this letter. The opinions expressed in this letter speak only as of its date. We do not undertake to advise you of any changes in the opinions expressed herein from matters that might hereafter arise or be brought to our attention.

Very truly yours,

/s/ Vinson & Elkins L.L.P.

**Exhibit 10.1**

**SECOND AMENDMENT TO THE**
**LIMITED LIABILITY COMPANY OPERATING AGREEMENT OF**
**ELLINGTON FINANCIAL OPERATING PARTNERSHIP LLC**

**DESIGNATION OF 6.250% SERIES B FIXED-RATE RESET**

**CUMULATIVE REDEEMABLE PREFERRED UNITS**

**December 10, 2021**

Pursuant to Sections 4.2 and 12.1 of the Limited Liability Company Operating Agreement of Ellington Financial Operating Partnership LLC (the "***Operating Agreement***"), the Managing Member hereby amends the Operating Agreement as follows in connection with the issuance of up to 5,060,000 shares of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, $0.001 par value per share (the "***Series B Preferred Stock***") of the Managing Member and the issuance to the Managing Member of Series B Preferred Units (as defined below) in exchange for the contribution by the Managing Member of the net proceeds from the issuance and sale of the Series B Preferred Stock:

1. Designation and Number. A series of Preferred Units (as defined below), designated the "6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Units" (the "***Series B Preferred Units***"), is hereby established. The number of authorized Series B Preferred Units shall be 5,060,000.

2. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Operating Agreement. The following defined terms used in this Amendment to the Operating Agreement shall have the meanings specified below:

"***Base Liquidation Preference***" shall have the meaning provided in Section 6.

"***Business Day***" shall have the meaning provided in the Certificate of Designations.

"***Calculation Agent***" shall have the meaning provided in the Certificate of Designations.

"***Certificate of Designations***" means the Certificate of Designations of the Managing Member filed with the Secretary of State of the State of Delaware, designating the terms, rights and preferences of the Series B Preferred Stock, dated December 10, 2021.

"***Common Stock***" means shares of the Managing Member's common stock, par value $0.001 per share.

"***Common Stock Price***" shall have the meaning provided in the Certificate of Designations.

"***Common Stock Conversion Consideration***" shall have the meaning provided in the Certificate of Designations.

"***Company***" means Ellington Financial Operating Partnership LLC, a Delaware limited liability company.

"***First Reset Date***" shall have the meaning provided in Section 5(a).

"***Five-Year Treasury Rate***" shall have the meaning provided in Section 5(b).

"***Junior Units***" shall have the meaning provided in Section 4.

"***Operating Agreement***" shall have the meaning provided in the recital above.

"***Original Issue Date***" shall have the meaning provided in the Certificate of Designations.

"***Parity Units***" shall have the meaning provided in Section 4.

"***Preferred Units***" means all Membership Interests designated as preferred units by the Managing Member from time to time in accordance with Section 4.2 of the Operating Agreement.

"***Reset Date***" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date, whether or not a Business Day.

"***Reset Distribution Determination Date***" shall have the meaning provided in Section 5(b).

"***Reset Period***" shall have the meaning provided in Section 5(b).

"***Senior Units***" shall have the meaning provided in Section 4.

"***Series B Preferred Distribution Payment Date***" shall have the meaning provided in Section 5(a).

"***Series B Preferred Distribution Period***" means the period from, and including, the immediately preceding Series B Preferred Distribution Payment Date to, but excluding, the next succeeding Series B Preferred Distribution Payment Date, except for the initial Series B Preferred Distribution Period, which will be the period from, and including, the Original Issue Date to, but excluding, January 30, 2022.

"***Series B Preferred Distribution Rate***" shall have the meaning provided in Section 5(a).

"***Series B Preferred Distribution Record Date***" shall have the meaning provided in Section 5(a).

"***Series B Preferred Stock***" shall have the meaning provided in the recital above.

"***Series B Preferred Units***" shall have the meaning provided in Section 1.

"***Set apart for payment***" shall be deemed to include (without limitation), without any action other than the following: the recording by the Company in its accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to an authorization by the Managing Member and a declaration of distribution by the Company, the allocation of funds to be so paid on any series or class of units of the Company; provided, however, that if any funds for any Junior Units or Parity Units are placed in a separate account of the Company or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series B Preferred Units shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

3. Maturity. The Series B Preferred Units have no stated maturity and will not be subject to any sinking fund or mandatory redemption.

4. Rank. The Series B Preferred Units will rank, with respect to rights to the payment of distributions and the distribution of assets in the event of any liquidation, dissolution or winding up of the Company, (a) senior to all classes or series of Common Units and LTIP Units of the Company and to all other classes or

series of Units that the Company may issue with terms specifically providing that such Units rank junior to the Series B Preferred Units with respect to rights to the payment of distributions and the distribution of assets upon the Company's liquidation, dissolution or winding (together with the Common Units and the LTIP Units, the "***Junior Units***"); (b) on a parity with the Company's 6.750% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Units" (the "***Series A Preferred Units***") and all other classes or series of Units that the Company may issue with terms specifically providing that such Units rank on a parity with the Series B Preferred Units with respect to rights to the payment of distributions and the distribution of assets upon the Company's liquidation, dissolution or winding (the "***Parity Units***"); and (c) junior to all classes or series of Units that the Company may issue with terms specifically providing that such Units rank senior to the Series B Preferred Units with respect to rights to the payment of distributions and the distribution of assets upon the Company's liquidation, dissolution or winding up (the "***Senior Units***"). The term "Units" shall not include convertible or exchangeable debt securities of the Company.

5. Distributions.

(a) Holders of the Series B Preferred Units are entitled to receive, when, as and if authorized by the Managing Member and declared by the Company, out of funds of the Company legally available for the payment of distributions, cumulative cash distributions based on the Base Liquidation Preference of $25.00 per unit at a rate (the "***Series B Preferred Distribution Rate***") equal to (i) from and including the Original Issue Date to, but excluding, January 30, 2027 (the "***First Reset Date***"), 6.250% per annum and (ii) from and including the First Reset Date, during each Reset Period (as defined below), the Five-Year Treasury Rate (as defined below) as of the most recent Reset Distribution Determination Date (as defined below) plus 4.99% per annum. Distributions on the Series B Preferred Units shall accumulate daily and be cumulative from, and including, the Original Issue Date and shall be payable quarterly in arrears on or about the 30th day of January, April, July and October of each year (each, a "***Series B Preferred Distribution Payment Date***"), when and as declared; *provided, however*, that if any Series B Preferred Distribution Payment Date is not a Business Day (as defined above), then the distribution which would otherwise have been payable on that Series B Preferred Distribution Payment Date may be paid, at the Company's option, on either the immediately preceding Business Day or the next succeeding Business Day, except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if paid on such Series B Preferred Distribution Payment Date, and no interest, additional distributions or other sums will accrue on the amount so payable for the period from such Series B Preferred Distribution Payment Date to such next succeeding Business Day. The first distribution is scheduled to be paid on or about January 30, 2022 in the amount of $0.20399 per unit, and that distribution will be paid to the persons who are the holders of record of the Series B Preferred Units at the close of business on the corresponding distribution record date, which will be on or about December 30, 2021. Distributions payable for any Series B Preferred Distribution Period will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Distributions will be payable to holders of record as they appear in the transfer records of the Company for the Series B Preferred Units at the close of business on the applicable record date, which shall be no fewer than ten days and no more than 35 days prior to the applicable Series B Preferred Distribution Payment Date, as shall be fixed by the Managing Member (each, a "***Series B Preferred Distribution Record Date***"). The distributions payable on any Series B Preferred Distribution Payment Date shall include distributions accumulated to, but excluding, such Series B Preferred Distribution Payment Date. The Five-Year Treasury Rate will be determined by the Calculation Agent on the third Business Day immediately preceding the applicable Reset Date. If the Five-Year Treasury Rate for any Series B Distribution Period cannot be determined pursuant to the methods described in the definition of Five-Year Treasury Rate below, the Series B Preferred Distribution Rate for such Series B Distribution Period will be the same as the Series B Preferred Distribution Rate determined

for the immediately preceding Series B Distribution Period. No holder of any Series B Preferred Units shall be entitled to receive any distributions paid or payable on the Series B Preferred Units with a Series B Preferred Distribution Record Date before the date such Series B Preferred Units are issued.

(b) "Five-Year Treasury Rate" means, for any Reset Period commencing on or after the First Reset Date, the rate determined by the Calculation Agent on the Reset Distribution Determination Date and equal to: (i) the average of the yields to maturity on actively traded U.S. treasury securities adjusted to constant maturity, for five-year maturities, for the five Business Days appearing under the caption "Treasury Constant Maturities" in the most recently published statistical release designated H.15 Daily Update or any successor publication which is published by the Federal Reserve Board, as determined by the Calculation Agent in its sole discretion; or (ii) if no calculation is provided as described in clause (i), then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year Treasury Rate, shall determine the five-year treasury rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor five-year treasury rate, then the Calculation Agent shall use such successor rate. If the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing, the Calculation Agent, in its sole discretion, may determine the "business day" convention, the definition of "business day" and the Reset Distribution Determination Date to be used and any other relevant methodology for calculating such substitute or successor rate, including any adjustment factor needed to make such substitute or successor rate comparable to the rate described in clause (i), in a manner that is consistent with industry-accepted practices for such substitute or successor rate.

"Reset Date" means the First Reset Date and each date falling on the fifth anniversary of the preceding Reset Date, whether or not a Business Day.

"Reset Distribution Determination Date" means, in respect of any Reset Period, the day falling three Business Days prior to the beginning of such Reset Period.

"Reset Period" means the period from, and including, the First Reset Date to, but excluding, the next following Reset Date and thereafter each period from, and including, each Reset Date to, but excluding, the next following Reset Date.

(c) No distributions on the Series B Preferred Units shall be authorized by the Managing Member or paid or set apart for payment by the Company at any time when the terms and provisions of any agreement of the Managing Member or the Company, including any agreement relating to any indebtedness of either of them, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment is restricted or prohibited by law.

(d) Notwithstanding anything to the contrary contained herein, distributions on the Series B Preferred Units will accumulate whether or not the Company has earnings, whether or not there are funds legally available for the payment of those distributions and whether or not those distributions are declared. No interest, or sum in lieu of interest, will be payable in respect of any distribution payment or payments on the Series B Preferred Units which may be in arrears, and holders of Series B Preferred Units will not be entitled to any distributions in excess of full cumulative distributions described in Section 5(a). Any distribution payment made on the Series B Preferred Units shall first be credited against the earliest accumulated but unpaid distribution due with respect to the Series B Preferred Units.

(e) Except as provided in this Section 5(e), unless full cumulative distributions on the Series B Preferred Units have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past Series B Preferred Distribution Periods, (i) no distributions (other than in Junior Units) shall be declared or paid or set apart for payment upon Junior Units or Parity Units and (ii) Junior Units or Parity Units shall not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such securities) by the Company (except by conversion into or exchange for Junior Units or options, warrants or rights to purchase or subscribe for Junior Units). The foregoing will not, however, prevent the redemption, purchase or acquisition by the Managing Member of shares of any class or series of the Managing Member's stock for the purpose of enforcing restrictions on transfer and ownership of the Managing Member's stock contained in the Certificate of Incorporation of the Managing Member, including in order to qualify and maintain the Managing Member's qualification as a real estate investment trust for U.S. federal income tax purposes, or the redemption, purchase or acquisition by the Managing Member of Common Stock for purposes of and in compliance with any incentive or benefit plan of the Managing Member.

(f) When distributions are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series B Preferred Units and any Parity Units, all distributions declared upon the Series B Preferred Units and any Parity Units shall be declared pro rata so that the amount of distributions declared per Series B Preferred Unit and such Parity Units shall in all cases bear to each other the same ratio that accumulated distributions per Series B Preferred Unit and accumulated distributions per Parity Unit (which shall not include any accumulation in respect of undeclared and unpaid distributions for past Series B Preferred Distribution Periods if such units do not have a cumulative distribution) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any distribution payment or payments on the Series B Preferred Units which may be in arrears.

6. Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Series B Preferred Units will be entitled to be paid out of the assets the Company has legally available for distribution to its Members, subject to the preferential rights of the holders of any Senior Units, a liquidation preference of $25.00 per unit (the "***Base Liquidation Preference***"), plus an amount equal to any accumulated and unpaid distributions thereon (whether or not authorized or declared) to, but excluding, the date of payment, before any distribution of assets is made to holders of Junior Units. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Company are insufficient to pay the amount of the liquidating distributions on all outstanding Series B Preferred Units and the corresponding amounts payable on all Parity Units, the holders of the Series B Preferred Units and all such Parity Units shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled. Holders of Series B Preferred Units will be entitled to written notice of any such liquidation no fewer than 30 days and no more than 60 days prior to the payment date. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series B Preferred Units will have no right or claim to any of the remaining assets of the Company. The consolidation or merger of the Company with or into any corporation, trust or entity or of any other entity with or into the Company, or the sale, lease, transfer or conveyance of all or substantially all of the property or business, individually or in a series of related transactions, of the Company, shall not be deemed to constitute a liquidation, dissolution or winding up of the Company.

7. Redemption.

(a) The Series B Preferred Units are not redeemable except as otherwise provided in this Section 7.

(b) In connection with any redemption by the Managing Member of any shares of Series B Preferred Stock pursuant to Section 6 of the Certificate of Designations, the Company shall redeem, on the date of such redemption, an equal number of Series B Preferred Units held by the Managing Member. As consideration for the redemption of such Series B Preferred Units, the Company shall deliver to the Managing Member an amount of cash equal to the amount of cash paid by the Managing Member to the holder of such shares of Series B Preferred Stock in connection with the redemption thereof.

8. Voting Rights. Holders of the Series B Preferred Units will not have any voting rights.

9. Conversion.

(a) The Series B Preferred Units are not convertible or exchangeable for any other property or securities except as otherwise provided in this Section 9.

(b) In the event that a holder of Series B Preferred Stock exercises its right to convert the Series B Preferred Stock into Common Stock in accordance with the terms of the Certificate of Designations, then, concurrently therewith, an equivalent number of Series B Preferred Units held by the Managing Member shall be automatically converted into a number of Common Units equal to the number of shares of Common Stock issued upon conversion of such Series B Preferred Stock; provided, however, that if a holder of Series B Preferred Stock receives cash or other consideration in addition to or in lieu of Common Stock in connection with such conversion, then the Managing Member, as the holder of the Series B Preferred Units, shall be entitled to receive cash or such other consideration equal (in amount and form) to the cash or other consideration to be paid by the Managing Member to such holder of the Series B Preferred Stock. Any such conversion will be effective at the same time the conversion of Series B Preferred Stock into Common Stock is effective.

(c) No fractional units will be issued in connection with the conversion of Series B Preferred Units into Common Units. In lieu of fractional Common Units, the Managing Member shall be entitled to receive a cash payment in respect of any fractional unit in an amount equal to the fractional interest multiplied by the Common Stock Price used in determining the Common Stock Conversion Consideration under the Certificate of Designations.

10. Allocation of Profit and Loss.

Article V, Section 5.1 of the Operating Agreement is hereby deleted in its entirety and the following new Section 5.1 is inserted in its place:

(a) Profit. After giving effect to the special allocations set forth in Section 5.1(c), (d), and (e) hereof, subject to Section 5.1(f), and except as set forth in Section 4.5 hereof, Profit of the Company for each fiscal year of the Company shall be allocated to the Members in accordance with their respective Percentage Interests.

(b) Loss. After giving effect to the special allocations set forth in Section 5.1(c), (d), and (e) hereof, subject to Section 5.1(f), and except as set forth in Section 4.5 hereof, Loss of the Company for each fiscal year of the Company shall be allocated to the Members in accordance with their respective Percentage Interests.

(c) Minimum Gain Chargeback. Notwithstanding any provision to the contrary, (i) any expense of the Company that is a "nonrecourse deduction" within the meaning of Regulations Section 1.704-2(b)(1) shall be allocated in accordance with the Members' respective Percentage Interests, (ii) any expense of the Company that is a "partner nonrecourse deduction" within the meaning of Regulations Section 1.704-2(i)(2) shall be allocated to the Member that bears the "economic risk of loss" of such deduction in accordance with Regulations Section 1.704-2(i)(1), (iii) if there is a net decrease in Company Minimum Gain within the meaning of Regulations Section 1.704-2(f)(1) for any Company taxable year, then, subject to the exceptions set forth in Regulations Section 1.704-2(f)(2),(3), (4) and (5), items of gain and income shall be allocated among the Members in accordance with Regulations Section 1.704-2(f) and the ordering rules contained in Regulations Section 1.704-2(j), and (iv) if there is a net decrease in Member Nonrecourse Debt Minimum Gain within the meaning of Regulations Section 1.704-2(i)(4) for any Company taxable year, then, subject to the exceptions set forth in Regulations Section 1.704-2(g), items of gain and income shall be allocated among the Members in accordance with Regulations Section 1.704-2(i)(4) and the ordering rules contained in Regulations Section 1.704-2(j). The manner in which it is reasonably expected that the deductions attributable to nonrecourse liabilities will be allocated for purposes of determining a Member's share of the nonrecourse liabilities of the Company within the meaning of Regulations Section 1.752-3(a)(3) shall be in accordance with a Member's Percentage Interest.

(d) Qualified Income Offset. If a Member receives in any taxable year an adjustment, allocation or distribution described in subparagraphs (4), (5) or (6) of Regulations Section 1.704-1(b)(2)(ii)(d) that causes or increases a deficit balance in such Member's Capital Account that exceeds the sum of such Member's shares of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, as determined in accordance with Regulations Sections 1.704-2(g) and 1.704-2(i), such Member shall be allocated specially for such taxable year (and, if necessary, later taxable years) items of income and gain in an amount and manner sufficient to eliminate such deficit Capital Account balance as quickly as possible as provided in Regulations Section 1.704-1(b)(2)(ii)(d). After the occurrence of an allocation of income or gain to a Member in accordance with this Section 5.1(d), to the extent permitted by Regulations Section 1.704-1(b), items of expense or loss shall be allocated to such Member in an amount necessary to offset the income or gain previously allocated to such Member under this Section 5.1(d).

(e) Capital Account Deficits. Loss shall not be allocated to a Member to the extent that such allocation would cause a deficit in such Member's Capital Account (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to exceed the sum of such Member's shares of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain. Any Loss in excess of that limitation shall be allocated to the other Members. After the occurrence of an allocation of Loss to the other Members in accordance with this Section 5.1(e), to the extent permitted by Regulations Section 1.704-1(b), Profit first shall be allocated to the other Members in an amount necessary to offset the Loss previously allocated to the other Members under this Section 5.1(e).

(f) Priority Allocations With Respect To Preferred Units. After giving effect to the allocations set forth in Sections 5.1(c), (d), and (e) hereof, but before giving effect to the allocations set forth in Sections 5.1(a) and 5.1(b), Net Profit shall be allocated to the Managing Member in respect of its Series A Preferred Units and Series B Preferred Units until the aggregate amount of Net Profit allocated to such holder under this Section 5.1(f) for the current and all prior years equals the cumulative cash distributions paid to such holders in respect of distributions for the current and all prior years or to the date of redemption. For purposes of this Section 5.1(f), "Net Profit" means the excess, if any, of the Company's Profit over the Company's Loss for any fiscal year or portion thereof (after giving effect to Section 5.1(g), if applicable). Notwithstanding anything to the contrary contained herein, in connection with the

liquidation of the Company or the interest of a holder of Series A Preferred Units or Series B Preferred Units, and prior to making any other allocations of Profits or Losses, items of income and gain or deduction and loss shall first be allocated to the Managing Member in respect of its Series A Preferred Units or Series B Preferred Units in such amounts as is required to cause the Managing Member's adjusted Capital Account balance (taking into account any amounts such Member is obligated to contribute to the capital of the Company or is deemed obligated to contribute pursuant to Treasury regulations 1.704-1(b)(2)(ii)(c)(2)) to equal the amount such Member is entitled to received pursuant to the provisions of Section 5 and 6 hereof minus its related share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, if any.

(g) LTIP Unit Catch-up. Immediately prior to a conversion of an LTIP Unit pursuant to Section 5.2(c), the LTIP Unitholder of such LTIP Unit shall be specially allocated items of Company gross income and gain for such Fiscal Year in an amount equal to the excess, if any, of (i) the Managing Member Capital Account Balance Per Common Unit over (ii) the Capital Account associated with the LTIP Unit that is to be converted. Immediately prior to (i) the occurrence of an Event of Dissolution, or (ii) a sale of all or substantially of the Company's assets, items of Company gross income and gain shall also be specially allocated to LTIP Unitholders in respect of all LTIP Units until the Capital Account balance of each LTIP Unit equals the Managing Member Capital Account Balance Per Common Unit at that time.

(h) Definition of Profit and Loss. "Profit" and "Loss" and any items of income, gain, expense or loss referred to in this Agreement shall be determined in accordance with federal income tax accounting principles, as modified by Regulations Section 1.704-1(b)(2)(iv), except that Profit and Loss shall not include items of income, gain and expense that are specially allocated pursuant to Sections 5.1(c), 5.1(d), 5.1(e), or 5.1(f) hereof. All allocations of income, Profit, gain, Loss and expense (and all items contained therein) for federal income tax purposes shall be identical to all allocations of such items set forth in this Section 5.1, except as otherwise required by Section 704(c) of the Code and Regulations Section 1.704-1(b)(4). With respect to properties acquired by the Company, the Managing Member shall have the authority to elect the method to be used by the Company for allocating items of income, gain and expense as required by Section 704(c) of the Code with respect to such properties, and such election shall be binding on all Members.

(i) Allocations Between Transferor and Transferee. If a Member Transfers any part or all of its Membership Interest, the distributive shares of the various items of Profit and Loss allocable among the Members during such fiscal year of the Company shall be allocated between the transferor and the transferee Member either (i) as if the Company's fiscal year had ended on the date of the Transfer, or (ii) based on the number of days of such fiscal year that each was a Member without regard to the results of Company activities in the respective portions of such fiscal year in which the transferor and the transferee were Members. The Managing Member, in its sole and absolute discretion, shall determine which method shall be used to allocate the distributive shares of the various items of Profit and Loss between the transferor and the transferee Member.

11. Except as modified herein, all terms and conditions of the Operating Agreement shall remain in full force and effect, which terms and conditions the Managing Member hereby ratifies and confirms.

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first set forth above.

MANAGING MEMBER:

ELLINGTON FINANCIAL INC., a Delaware corporation

By:/s/ Laurence Penn
Name: Laurence Penn
Title: Chief Executive Officer

*[Signature page for Second Amendment to Operating Agreement - December 2021]*