

**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) **April 15, 2020**

Impac Mortgage Holdings, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-14100
(Commission File Number)

33-0675505
(IRS Employer Identification No.)

1950 Jamboree Road, Irvine, California
(Address of Principal Executive Offices)

92612
(Zip Code)

(949) 475-3600
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, \$0.01 par value	IMH	NYSE American
Preferred Stock Purchase Rights	IMH	NYSE American

Item 1.01 Entry into a Material Definitive Agreement

On April 15, 2020, Impac Mortgage Holdings, Inc. (the “Company”) amended and restated those certain outstanding convertible promissory notes (the “Original Notes”) in the principal amount of \$25 million originally issued on May 8, 2015 pursuant to the terms of that certain Note Purchase Agreement between the Company and the holders (“Noteholders”) of the Original Notes (the “Note Purchase Agreement”). The Original Notes have been amended to extend the maturity date by six months (until November 9, 2020) and to reduce the interest rate on such notes to 7.0% per annum (the “Amended Notes”). The Amended Notes otherwise contain the same terms and conditions as the Original Notes as further described below.

Interest on the Amended Notes is payable quarterly and computed on the basis of a 360 day year of twelve (12) months each comprised of thirty (30) days. The Amended Notes contain customary affirmative and negative covenants of the Company, including covenants not to incur certain indebtedness that is not subordinated and not to make optional payments on its indebtedness (other than on the Amended Notes) or amend material indebtedness in a manner that is adverse in any material manner to the Noteholders.

Noteholders may convert at any time all or a portion of the outstanding principal amount of the Notes into shares of the Company’s Common Stock (“Conversion Shares”) at a rate of \$21.50 per share (up to 1,162,790 shares in the aggregate), subject to adjustment for stock splits and dividends (the “Conversion Price”). The Company has the right to convert the entire outstanding principal of the Notes into Conversion Shares at the Conversion Price if the market price per share of the Common Stock, as measured by the average volume-weighted closing stock price per share of the Common Stock on the NYSE MKT (or any other U.S. national securities exchange then serving as the principal such exchange on which the shares of Common Stock are listed) for any twenty (20) trading days in any period of thirty (30) consecutive trading days, reaches the level of \$30.10. Upon conversion of the Amended Notes by the Company, the entire amount of accrued and unpaid interest (and all other amounts owing) under the Amended Notes are immediately due and payable. To the extent the Company pays any cash dividends on its shares of Common Stock prior to conversion of the Notes, upon conversion of the Amended Notes, the Noteholders will also receive such dividends on an as-converted basis of the Amended Notes less the amount of interest paid by the Company prior to such dividend.

Upon a change of control of the Company, the holders of a majority of the outstanding principal balance of the Amended Notes have the right to either (a) cause all unpaid principal and accrued but unpaid interest and other amounts owing to become immediately due and payable in full, (b) cause the entire unpaid principal balance of the Amended Notes to be converted into shares of the Common Stock at the Conversion Price then in effect, with the entire amount of accrued but unpaid interest and other amounts owing under the Notes to be immediately due and payable in cash, or (c) cause the Amended Notes to continue in full force and effect.

The Amended Notes include customary events of default including: failure to pay principal on any Amended Notes when due; failure to pay interest on the Amended Notes for two business days after it becomes due; failure in the performance of any other covenant contained in the terms of the Amended Notes for a period of thirty (30) days after written notice from any Noteholder; acceleration of other debt agreements representing in excess of \$3 million of indebtedness at any one time; the entry of judgments in excess of \$3 million against the Company and certain bankruptcy events. Upon an event of default, holders of 66 2/3% of the aggregate unpaid principal balance of all outstanding Notes may declare the Notes immediately due and payable.

In connection with the issuance of the Amended Notes, the Company issued to the holders of the Amended Notes, warrants (“Warrants”) to purchase up to an aggregate of 212,649 shares of the Company’s common stock at a cash exercise price of \$2.97 per share. The Warrants are exercisable commencing on October 16, 2020 and expire on April 15, 2025.

The shares which may be issued upon conversion of the Amended Notes and upon exercise of the Warrants are afforded certain registration rights until such time all securities have been registered or may be sold pursuant to Rule 144 under the Securities Act within a three (3) month period. The Company has agreed to file registration statements upon request by holders of a majority of the Conversion Shares. The Noteholders may make a request for long form registrations and short form registrations up to two and four times, respectively, and registration of other securities (other than the Company’s securities) will not be included without prior written consent from at least a majority of the registrable securities included in a registration. The Noteholders also have piggyback registration rights.

The securities described above were offered and sold pursuant to an exemption from the registration requirements of the Securities Act pursuant to Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder since, among other things, the transactions did not involve a public offering and the securities were acquired for investment purposes only and not with a view to or for sale in connection with any distribution thereof. The description above is qualified in its entirety by reference to the form of Amended Note, form of Warrant and Note Purchase Agreement which are attached hereto as Exhibits 10.1, 10.2 and 10.3 and incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 1.01 is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

On April 15, 2020, Impac Mortgage Holdings, Inc. issued a press release announcing a business update. A copy of the press release is attached hereto as Exhibit 99.1 and the information therein is incorporated herein by reference.

The information reported under Items 7.01 in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed filed for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 Exhibits

Exhibit Number

[10.1 Form of Amended and Restated Convertible Promissory Note, due November 9, 2020.](#)

[10.2 Form of Warrant dated April 15, 2020.](#)

[10.3 Note Purchase Agreement dated as of May 8, 2015 by and among Impac Mortgage Holdings, Inc. and the Purchasers, and Registration Rights Agreement \(included as Exhibit B thereto\) \(incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 12, 2015\).](#)

[99.1 Press release dated April 15, 2020.](#)

SIGNATURES

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

IMPAC MORTGAGE HOLDINGS, INC.

Date: April 15, 2020

By: /s/ Nima J. Vahdat

Name: Nima J. Vahdat

Title: General Counsel

AMENDED AND RESTATED CONVERTIBLE PROMISSORY NOTE

THE SECURITY REPRESENTED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT IS IN EFFECT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE HOLDER OF THIS SECURITY IS SUBJECT TO THE TERMS OF THE NOTE PURCHASE AGREEMENT, DATED AS OF MAY 8, 2015 (THE "PURCHASE AGREEMENT"), AMONG IMPAC MORTGAGE HOLDINGS, INC., A MARYLAND CORPORATION (THE "COMPANY"), AND THE PURCHASERS NAMED THEREIN. A COPY OF SUCH PURCHASE AGREEMENT IS AVAILABLE AT THE OFFICES OF THE COMPANY.

AMENDED AND RESTATED CONVERTIBLE PROMISSORY NOTE DUE 2020

No. ___ \$ _____

Impac Mortgage Holdings, Inc., a corporation duly organized and existing under the laws of Maryland (herein called the "Company," which term includes any successor person under the Purchase Agreement), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ (\$ _____) on or before November 9, 2020 (the "Stated Maturity Date") in accordance with the terms of this Note. This Note amends and restates in its entirety the Convertible Promissory Note Due 2020 dated May 8, 2015, which was issued to the holder of this Note pursuant to the Purchase Agreement. Nothing in this Note shall be deemed to waive or otherwise impair any rights or remedies inuring to the benefit of Noteholders pursuant to any of the Financing Documents prior to the date of this Note. As inducement and partial consideration for the holder to enter into this Note, the Company will issue to holder a Warrant to Purchase Common Stock of the Company dated as of the date hereof (the "Warrant"). The issuance of this Note shall take place simultaneously with, and be conditioned on, the execution of the Warrant.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: April 15, 2020

IMPAC MORTGAGE HOLDINGS, INC.

By: _____
Name: _____
Title: _____

Attest:

By: _____
Title: _____

1. **General.** This Note is one of a duly authorized issue of Notes of the Company designated as its Amended and Restated Convertible Promissory Notes Due 2020 (the “**Notes**”), limited in aggregate principal amount to \$25,000,000, in each case, issued pursuant to the Note Purchase Agreement, dated as of May 8, 2015 (the “**Purchase Agreement**”), among the Company and the Purchasers named therein, to which Purchase Agreement and all amendments thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company and the Noteholders (including both the Purchasers and subsequent holders of the Notes) and of the terms upon which the Notes are, and are to be, issued and delivered.

Payments of principal and interest on this Note shall be made, in accordance with the Purchase Agreement and subject to applicable laws and regulations, by wire transfer in immediately available funds to such account as any holder hereof shall designate by written instructions received by the Company no less than 5 days prior to any applicable Interest Payment Date (as defined infra) or other applicable payment date hereunder, which wire instructions shall continue in effect until such time as the holder otherwise notifies the Company or such holder no longer is the registered owner of this Note.

2. **Payments of Principal and Interest.** The Company promises to pay interest on the outstanding principal amount of this Note from the date of issuance of this Note (or any Predecessor Note), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly in arrears on March 31, June 30, September 30 and December 31 in each year commencing June 30, 2015 (each, an “**Interest Payment Date**”) and on the Stated Maturity Date, at an interest rate equal to (i) 7.5% per annum for the period of May 8, 2015 to April 14, 2020 and (ii) 7.0% per annum from April 15, 2020 until the principal hereof is fully repaid; provided, however, that if any Interest Payment Date falls on a date which is not a Business Day, interest due on such Interest Payment Date shall be paid on the Business Day immediately preceding such Interest Payment Date; provided, further, that such interest payment shall include interest accruing to the calendar day immediately preceding such Interest Payment Date. Principal on this Note shall be due and payable in full on the Stated Maturity Date.

To the extent that the payment of such interest shall be legally enforceable, in the event of any Default on this Note, (x) the interest rate borne by this Note shall immediately increase by, and (y) any principal of, or installment of interest on, this Note which is overdue shall bear interest, in each case, at the rate of 2% per annum in excess of the rate of interest then borne by this Note from the date of such Default until cured or waived.

Interest on this Note shall be computed on the basis of a 360 day year of twelve (12) months each comprised of thirty (30) days.

All interest and principal payable on any Interest Payment Date or other applicable payment date hereunder will, as provided in the Purchase Agreement, be paid to the person in whose name this Note (or one or more Predecessor Notes) is registered at the close of business on the “**Regular Record Date**”, which shall be the fifteenth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date or other applicable payment date. Notwithstanding the foregoing, if this Note is issued after a Regular Record Date and prior to the first Interest Payment Date, the record date for the first Interest Payment Date hereunder shall be the original issue date.

3. **Prepayment.** This Note may not be prepaid, in whole or in part, without the prior written consent of the holder of this Note, except as expressly permitted by the terms of this Section 3 or by clause (i) of Section 6 of this Note.

(a) Prepayment Right. The Company shall have the right, but not the obligation, to prepay at any time prior to the Stated Maturity Date all, but not less than all, amounts then owing under all of the Notes, subject to the conditions set forth in this Section 3 (the “**Prepayment**”).

(b) Notice of Prepayment. The Company may exercise the right provided in Section 3(a) hereof by delivering written notice (the “**Prepayment Notice**”) of its election to make the Prepayment, in accordance with the provisions of Section 11.1 of the Purchase Agreement, to the holder of each Note, not less than thirty (30) calendar days prior to the date (which shall be a Business Day) that the Prepayment is to be made (the “**Prepayment Date**”), and further stating therein:

(i) the Prepayment Date;

(ii) the total amount, including the Prepayment Premium (as defined below), payable to such holder with respect to said Note on the Prepayment Date in connection with the Prepayment (the “**Total Prepayment Amount**”);

(iii) that, on the Prepayment Date, the Total Prepayment Amount will become due and payable in full to such holder, as proportionally reduced in the event that all or a portion of the outstanding principal under said Note is the subject of a Conversion (as defined below) noticed or elected as described in Section 3(e); and

(iv) that said Note is to be surrendered to the Company on the Prepayment Date.

(c) Prepayment Premium. The Company shall pay to the holder of each Note a prepayment premium (the “**Prepayment Premium**”) on the Prepayment Date, as follows: in the event that the Prepayment is effected prior to the expiration of the thirty (30)-month period following the Closing Date, then the Company shall pay to such holder on the Prepayment Date a Prepayment Premium in an amount equal to the entire amount of interest under said Note through the third (3rd) anniversary of the Closing Date that is forgone by such holder as a result of the occurrence of the Prepayment; in the event that the Prepayment is effected after the expiration of such thirty (30)-month period and prior to the Stated Maturity Date, then the Company shall pay to such holder on the Prepayment Date a Prepayment Premium in an amount equal to the entire amount of the interest under said Note that is forgone by such holder as a result of the occurrence of the Prepayment (x) for a period of six (6) months, or, if shorter, (y) for the period commencing on the Prepayment Date and ending on the Stated Maturity Date.

(d) Failure to Effectuate Prepayment. In the event that the Company fails to comply with any of its obligations under this Section 3 in attempting to effectuate a purported Prepayment, the subject Prepayment Notice shall thereupon be deemed null and void ab initio for all purposes hereof, and any sums paid to the holder of this Note in connection with such purported Prepayment shall be promptly returned by such holder to the Company, and, if this Note was surrendered to the Company in connection with such purported Prepayment, the Company shall promptly return this Note to such holder.

(e) Superseding Conversion Notice or Election. In the event that, during the period commencing with the delivery of the Prepayment Notice to the holder of this Note and ending on the day preceding the Prepayment Date, the holder of this Note either delivers a Conversion Notice (as defined below) pursuant to the provisions of Section 5(b) hereof or receives delivery of a Company Conversion Notice (as defined below) pursuant to the provisions of Section 5(d) hereof, or the Electing Holders (as defined below) timely make an election under clause (ii) of Section 6 hereof, then the Prepayment shall be immediately and automatically deemed to apply only to that portion, if any, of the outstanding principal of this Note that is not subject to the Conversion so noticed or elected.

4. OMITTED.

5. Conversion.

(a) Optional Conversion by Holder. Subject to and in accordance with the provisions of this Section 5, at any time after January 1, 2016 and through to and including the Stated Maturity Date, the holder hereof may elect, in its sole discretion, to effect the conversion of all or any portion of the outstanding principal under this Note into shares of the Common Stock (“**Conversion**”). The number of shares of Common Stock into which the outstanding principal under this Note shall be converted pursuant to this Section 5(a) shall be determined by dividing the amount of such principal the holder hereof has elected to convert by \$21.50 (including as adjusted pursuant to the terms of this Section 5, the “**Conversion Price**”). The Conversion Price, and the number and nature of the securities into which this Note is convertible, are subject to adjustment as provided in Section 5(f) hereof. Upon such Conversion, the entire amount of accrued and unpaid interest (and all other amounts owing) under this Note through the effective date of Conversion shall be immediately due and payable in cash to the holder of this Note, and such date shall thereupon be deemed an Interest Payment Date for purposes of Section 2 hereof.

(b) Manner of Effecting Section 5(a) Conversion. If the holder hereof elects to effect a Conversion pursuant to Section 5(a) hereof, the holder hereof shall deliver, in accordance with the provisions of Section 11.1 of the Purchase Agreement, a duly executed written notice to the Company of such election specifying the amount of principal to be converted (the “**Conversion Notice**”), and in such event the Conversion shall be deemed to have been effected at the close of business on the date such Conversion Notice is given. Upon any Conversion of this Note pursuant to Section 5(a) hereof, the rights of the holder hereof with respect to the outstanding principal thereby converted shall cease, and the holder hereof shall thereupon be deemed to have become the holder of record of the shares of Common Stock (or other securities) into which this Note shall have been converted, provided that, if the holder hereof elects to convert only a portion of the outstanding principal pursuant to Section 5(a) hereof, then the Company will promptly deliver a new note to the holder hereof, on the same terms and conditions as this Note, with respect to the portion of the outstanding principal that is not converted (the “**New Note**”). Concurrently with the delivery of a Conversion Notice, the holder hereof shall surrender this Note to the Company. Promptly upon its receipt of a Conversion Notice, the Company shall (i) deliver to or upon the written order of the holder hereof a certificate or certificates for the number of shares of Common Stock (or other securities) issuable upon such Conversion, (ii) make a cash payment to the holder in respect of any fraction of a share as provided in Section 5(e) hereof and in the amount required pursuant to the last sentence of Section 5(a) hereof, and (iii) if applicable, deliver a New Note to the holder hereof as set forth in this Section 5(b).

(c) Optional Conversion by Company. In the event that the market price per share of the Common Stock, as measured by the average volume-weighted closing stock price per share of the Common Stock on the NYSE MKT (or any other U.S. national securities exchange then serving as the principal such exchange on which the shares of Common Stock are listed) for any twenty (20) trading days in any period after January 1, 2016 of thirty (30) consecutive trading days, reaches the level of \$30.10 (as adjusted, mutatis mutandis, pursuant to the adjustment principles set forth in Section 5(f) infra) (the “**Optional Conversion Threshold**”), then the Company shall have the right, but not the obligation, to effect, without the consent of any holder of a Note, the Conversion of the entire outstanding principal balance of all of the Notes, and no lesser portion thereof, into shares of Common Stock at the Conversion Price as in effect at the effective time of such Conversion (including as adjusted as provided in Section 5(f) hereof). Upon such Conversion, the entire amount of accrued and unpaid interest (and all other amounts owing) under this Note through the effective date of Conversion shall be immediately due and payable in cash to the holder of this Note. In addition, if the Conversion effected pursuant to this Section 5(c) occurs prior to the third anniversary of the Closing Date, the entire amount of the interest under this Note through said third anniversary that is forgone by the holder of this Note as a result of the occurrence of this Conversion shall also be immediately due and payable in cash to said holder.

(d) Manner of Effecting Section 5(c) Conversion. The Company may exercise the right provided in Section 5(c) hereof by delivering a written notice of exercise (which shall include in reasonable detail the Company's bases for concluding that the Optional Conversion Threshold has been attained) (the "**Company Conversion Notice**"), in accordance with the provisions of Section 11.1 of the Purchase Agreement, to the holder of each Note not less than fifteen (15) calendar days prior to the effective date of the subject Conversion, which effective date may not be more than sixty (60) calendar days after the date that the Optional Conversion Threshold was attained, as set forth in the Company Conversion Notice, and in such event the Conversion shall be deemed to have been effected at the close of business on the date such Company Conversion Notice is given. Any failure by the Company, on any individual occasion of attaining the Optional Conversion Threshold, to effect a Conversion pursuant to Sections 5(c) and 5(d) hereof shall in no way affect any future right of the Company to effect such a Conversion on a subsequent date, assuming that all of the conditions to effecting such a Conversion are separately satisfied as of such subsequent date. Upon any Conversion of this Note pursuant to Section 5(c) hereof, the rights of the holder hereof with respect to the outstanding principal thereby converted shall cease, and the holder hereof shall thereupon be deemed to have become the holder of record of the shares of Common Stock (or other securities) into which this Note shall have been converted. Upon receipt of the Company Conversion Notice, the holder hereof shall surrender this Note to the Company, and the Company shall thereupon (i) deliver to or upon the written order of the holder hereof a certificate or certificates for the number of shares of Common Stock (or other securities) issuable upon such Conversion, and (ii) make a cash payment to the holder in respect of any fraction of a share as provided in Section 5(e) hereof and in the amount required pursuant to the last two sentences of Section 5(c) hereof.

(e) Fractional Shares. No fractional shares shall be issued upon any Conversion. Instead of any fractional share which would otherwise be issuable upon a Conversion, the Company shall pay a cash amount to the holder of this Note in respect of such fractional share in an amount based upon (i) the closing price of the Common Stock on the trading day immediately preceding the date of such Conversion on the principal national securities exchange on which the Common Stock is then listed, or (ii) if the Common Stock is not then so listed, the current fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Company.

(f) Adjustments. The Conversion Price and the aggregate number and nature of the securities issuable upon the exercise of this Note (the "**Conversion Rate**") shall be subject to adjustment from time to time upon the occurrence of the events enumerated in this Section 5(f), as follows.

If the Company:

- (1) pays a dividend or makes any other distribution on the Common Stock in shares of the Common Stock or other capital stock of the Company; or
- (2) subdivides, combines or reclassifies the outstanding shares of Common Stock;

then, in each case, the Conversion Rate and the Conversion Price in effect immediately prior to such action shall be proportionately adjusted so that the holder of this Note may upon payment of the same aggregate Conversion Price payable immediately prior to such action receive the aggregate number and kind of shares of capital stock of the Company which the holder would have owned immediately following such action if this Note had been converted immediately prior to such action.

Any such adjustment shall become effective immediately after the record date of such dividend or distribution or the effective date of such subdivision, combination or reclassification.

If after an adjustment the holder of this Note upon conversion of this Note may receive shares of two or more classes of capital stock of the Company, the Board of Directors of the Company shall determine the allocation of the adjusted Conversion Price between the classes of capital stock. After such allocation, the Conversion Rate and the Conversion Price of each such class of capital stock shall thereafter be subject to adjustment on terms comparable to those applicable to Common Stock in this Section 5(f).

Such adjustment shall be made successively whenever any event listed above shall occur.

In the event of any such adjustment, a Financial Officer of the Company shall, within three (3) Business Days thereof, notify the holder of this Note, in accordance with the provisions of Section 11.1 of the Purchase Agreement, of such adjustment and, in reasonable detail, the method of computing the adjusted Conversion Rate and the adjusted Conversion Price.

(g) **Registration Rights.** Pursuant to Section 11.15 of the Purchase Agreement, all of the shares of Common Stock issuable upon a Conversion pursuant to this Section 5 (as well as upon a Conversion pursuant to Section 6 hereof) shall have the benefit of registration rights on the terms set forth in the Registration Rights Agreement.

(h) **Pre-Conversion Dividends.** Upon the occurrence of any Conversion pursuant to this Section 5 (as well as upon a Conversion pursuant to Section 6 hereof), the Company shall, within three (3) Business Days thereof, pay to the holder of this Note (x) the sum of the applicable per share amounts of *each* cash dividend and other cash distribution paid by the Company with respect to all shares of Common Stock during the period commencing on the Closing Date and ending on the effective date of such Conversion, as if such Conversion had occurred immediately prior to the record date for said dividend or other distribution at the Conversion Price in effect immediately prior to said record date, (y) less the amount of all interest paid by the Company under this Note prior to the date of said dividend or distribution.

6. Change in Control. Notwithstanding any other provision of this Note, upon the occurrence of one or more events constituting a Change in Control, and on each such occasion during the term of this Note, the holders holding a majority of the outstanding principal balance of the Notes (the “**Electing Holders**”) shall have the right, in their sole and absolute discretion, by written election, to either (i) cause each of the outstanding Notes, and all amounts of unpaid principal, accrued but unpaid interest and other amounts owing thereunder, to become immediately due and payable in full simultaneously with such occurrence; (ii) cause the entire unpaid principal balance of each outstanding Note to be converted as of the logical instant immediately prior to such occurrence into shares of the Common Stock at a conversion price per share equal to the Conversion Price as then in effect, with the entire amount of accrued but unpaid interest and other amounts owing under each Note becoming immediately due and payable in cash to the holder of said Note; or (iii) cause the outstanding Notes, and all of the terms and provisions thereof, to continue in full force and effect notwithstanding the occurrence of said Change in Control. The Company shall provide each holder of a Note written notice of any contemplated Change in Control, specifying with reasonable particularity the nature, terms and contemplated timing thereof, not less than fifteen (15) Business Days prior to the scheduled or first anticipated date of the consummation thereof. The holders of the Notes shall have ten (10) Business Days from the date such notice is given to respond to the Company in writing with respect to electing the option set forth in either clause (i), (ii) or (iii) *supra*. In the event that the Electing Holders fail to make timely any such election, they will be deemed to have made the election set forth in clause (iii). In the event that the Electing Holders elect the option set forth in clause (i) or (ii), the Company shall promptly take all necessary and desirable actions to effectuate the full payment, or entire conversion of the aggregate principal balance, as applicable, of all of the Notes.

7. Events of Default. If an Event of Default shall occur and be continuing, the principal of this Note may be declared, or may automatically become, due and payable in the manner and with the effect provided in the Purchase Agreement.

8. Amendments, Modifications and Waivers. The Purchase Agreement permits, with certain exceptions as therein provided, the amendment thereof and of the Notes and the modification of the rights and obligations of the Company and certain rights of the Noteholders under the Purchase Agreement and the Notes at any time by the Company with the consent of the Required Holders. The Purchase Agreement also contains provisions permitting the Required Holders, on behalf of the Noteholders of all the Notes, to waive compliance by the Company with certain provisions of the Purchase Agreement and of the Notes and past defaults under the Purchase Agreement and their consequences. Any such consent or waiver shall be conclusive and binding upon such Noteholder and upon all future Noteholders of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

9. Restrictions on Transfer; Registration of Transfer. This Note is subject to restrictions on transfer as set forth in the Purchase Agreement. As provided in the Purchase Agreement and subject to certain limitations therein set forth, the transfer of this Note is registrable in the Security Register, upon surrender of this Note for registration of transfer at the principal offices of the Company, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company duly executed by, the holder hereof or its attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations authorized under the Purchase Agreement. As provided in the Purchase Agreement and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes of a different authorized denomination, as requested by the Noteholder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange.

Prior to due presentment of this Note for registration of transfer as permitted by the terms of the Purchase Agreement, the Company and any agent of the Company may treat the person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

10. Notice of Certain Events. If the Company proposes at any time (a) to declare any dividend or distribution upon its shares of Common Stock (or other class of its securities into which this Note may be converted), other than a cash dividend or distribution as referenced in Section 5(h) hereof, whether in property, stock or other securities (including, without limitation, stock or other securities of any subsidiary of the Company, whether in connection with a spin-off of such subsidiary, or otherwise); (b) to offer rights for subscription pro rata to the holders of any class securities into which this Note may be converted; (c) to effect any reclassification or recapitalization of any class of securities into which this Note may be converted; or (d) to merge or consolidate with or into any other corporation, or sell, lease, license, or convey all or substantially all of its assets, or to liquidate, dissolve or wind up; then, in connection with each such event, the Company shall give the holder of this Note (x) at least fifteen (15) days' prior written notice of the date on which a record will be taken for such dividend, distribution or subscription rights (and specifying the date on which the holders of the applicable securities will be entitled thereto) or for determining the rights, if any, of holders of such securities to vote in respect of the matters referred to in (c) and (d) above; and (y) in the case of the matters referred to in (c) and (d) above at least fifteen (15) days' prior written notice of the date when the same will take place (and specifying the date on which the holders of the applicable securities will be entitled to exchange such securities for securities or other property deliverable upon the occurrence of such event).

11. Miscellaneous. All terms used in this Note which are defined in the Purchase Agreement and not otherwise defined in this Note shall have the meanings respectively assigned to them in the Purchase Agreement.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

The terms and conditions of this Amended and Restated Convertible Promissory Note are acknowledged and agreed to by Holder as of April 15, 2020:

HOLDER

By: _____
Name: _____
Title: _____

THE WARRANT EVIDENCED OR CONSTITUTED HEREBY, AND ALL SHARES OF COMMON STOCK ISSUABLE HEREUNDER, MAY NOT BE SOLD, OFFERED FOR SALE, TRANSFERRED, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") UNLESS EITHER (i) THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY, TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED IN CONNECTION WITH SUCH DISPOSITION OR (ii) THE SALE OF SUCH SECURITIES IS MADE PURSUANT TO SEC RULE 144. THE SHARES OF COMMON STOCK ISSUABLE HEREUNDER WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT.

WARRANT TO PURCHASE COMMON STOCK
OF
IMPAC MORTGAGE HOLDINGS, INC.

NO. _____

April 15, 2020

THIS CERTIFIES THAT, for valuable consideration received by IMPAC MORTGAGE HOLDINGS, INC., a Maryland corporation (the "*Company*"), _____, or its permitted registered assigns ("*Holder*"), is entitled, subject to the terms and conditions of this Warrant, at any time or from time to time after the Initial Exercise Date (as defined herein), and before 5:00 p.m. Pacific Time on that day which is five (5) years from the Initial Exercise Date (the "*Expiration Date*"), to purchase from the Company, _____ shares of the Common Stock of the Company (the "*Warrant Shares*") at a price per share equal to \$2.97 (the "*Purchase Price*"). This Warrant is being issued as an inducement and partial consideration for the Holder to enter into that certain Amended and Restated Convertible Promissory Note Due 2020 (the "*Amended Note*"), dated as of the date hereof, with the Company (the Amended Note, and with the Note Purchase Agreement between the Company and the Holder, dated as of May 8, 2015, including the Registration Rights Agreement attached thereto as Exhibit B, the "*Related Agreements*"). The closing of the issuance of this Warrant to the Holder shall take place simultaneously with, and be conditioned on, the execution of the Amended Note. Both the number of shares of Common Stock purchasable upon exercise of this Warrant and the Purchase Price are subject to adjustment and change as provided herein.

1. **CERTAIN DEFINITIONS.** As used in this Warrant the following terms shall have the following respective meanings:
- 1.1 "*Business Day*" means any day excluding Saturday, Sunday and any day on which banking institutions located in Irvine, California are authorized by law or other governmental action to be closed.
 - 1.2 "*Company*" shall have the meaning set forth in the initial paragraph of this Warrant.
 - 1.3 "*Common Stock*" shall mean the Common Stock of the Company, par value \$0.01 per share.

- 1.4 “*Fair Market Value*” of a share of Common Stock as of a particular date shall mean:
- (a) If traded on a securities exchange, the Fair Market Value shall be deemed to be the average of the closing prices of the Common Stock of the Company on such exchange or market over the five (5) trading days ending immediately prior to the applicable date of the valuation;
 - (b) If actively traded over-the-counter, the Fair Market Value shall be deemed to be the average of the closing bid prices over the thirty (30)-day period ending immediately prior to the applicable date of valuation; and
 - (c) If there is no active public market, the Fair Market Value shall be the value thereof, as agreed upon by the Company and the Holder; *provided, however*, that if the Company and the Holder cannot agree on such value, such value shall be determined by an independent valuation firm experienced in valuing businesses such as the Company and jointly selected in good faith by the Company and the Holder. Fees and expenses of the valuation firm shall be paid for in equal proportions by the Company and the Holder.
- 1.5 “*Holder*” shall have the meaning set forth in the initial paragraph of this Warrant.
- 1.6 “*Initial Exercise Date*” shall have the meaning set forth in [Section 2.1](#).
- 1.7 “*Notice of Exercise*” shall have the meaning set forth in [Section 2.1](#).
- 1.8 “*Purchase Price*” shall have the meaning set forth in the initial paragraph of this Warrant.
- 1.9 “*Registered Holder*” shall mean any Holder in whose name this Warrant is registered upon the books and records maintained by the Company.
- 1.10 “*Related Agreements*” shall have the meaning set forth in the initial paragraph of this Warrant.
- 1.11 “*SEC*” shall have the meaning set forth in [Section 9](#).
- 1.12 “*Securities Act*” shall have the meaning set forth in [Section 9](#).
- 1.13 “*Termination Date*” shall have the meaning set forth in [Section 2.4](#)
- 1.14 “*Warrant*” as used herein, shall include this Warrant and any warrant delivered in substitution or exchange therefor as provided herein.

1.15 “Warrant Shares” shall have the meaning set forth in the initial paragraph of this Warrant.

2. EXERCISE OF WARRANT.

2.1 Payment. Subject to compliance with the terms and conditions of this Warrant and applicable securities laws, this Warrant may be exercised, in whole or in part at any time or from time to time, on or after October 16, 2020 (the “*Initial Exercise Date*”) and before the Expiration Date by the delivery (including, without limitation, delivery by facsimile) of the form of Notice of Exercise attached hereto as Exhibit A (the “*Notice of Exercise*”), duly executed by the Registered Holder, at the principal office of the Company, and as soon as practicable after such date, surrendering.

2.2 Stock Certificates; Direct Registration; Fractional Shares. As soon as practicable on or after the date of any exercise of this Warrant, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for the number of whole Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share equal to such fraction of the current Fair Market Value of one whole share of Common Stock as of such date of exercise. No fractional shares or scrip representing fractional shares shall be issued upon an exercise of this Warrant. In lieu of providing a stock certificate pursuant to this Section 2.2, the Registered Holder may request that the Company provide the securities in book-entry (uncertificated form) if, at such time, the Company is direct registration eligible.

2.3 Partial Exercise; Effective Date of Exercise. In case of any partial exercise of this Warrant, the Company shall cancel this Warrant upon surrender hereof and shall execute and deliver a new Warrant of like tenor and date for the balance of the Warrant Shares purchasable hereunder. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above. The person entitled to receive the Warrant Shares issuable upon exercise of the Warrant shall be treated for all purposes as the holder of record of such shares as of the close of business on the date the Registered Holder is deemed to have exercised this Warrant.

3. **VALID ISSUANCE; TAXES.** The Warrant Shares shall be validly issued, fully paid and nonassessable, and the Company shall pay all taxes and other governmental charges that may be imposed in respect of the issue or delivery thereof. The Company shall not be required to pay any tax or other charge imposed in connection with any transfer involved in the issuance of any certificate for Warrant Shares in any name other than that of the Registered Holder of this Warrant, and in such case the Company shall not be required to issue or deliver any stock certificate or security until such tax or other charge has been paid, or it has been established to the Company's reasonable satisfaction that no tax or other charge is due.

4. **ADJUSTMENT OF PURCHASE PRICE AND NUMBER OF WARRANT SHARES.** The number of Warrant Shares issuable upon exercise of this Warrant (or any shares of stock or other securities or property receivable or issuable upon exercise of this Warrant) and the Purchase Price are subject to adjustment upon occurrence of the following events:
- 4.1 Adjustment for Stock Splits, Stock Subdivisions or Combinations of Shares. The Purchase Price of this Warrant shall be proportionally decreased and the number of Warrant Shares issuable upon exercise of this Warrant (or any shares of stock or other securities at the time issuable upon exercise of this Warrant) shall be proportionally increased to reflect any stock split or subdivision of the Company's Common Stock. The Purchase Price of this Warrant shall be proportionally increased and the number of Warrant Shares issuable upon exercise of this Warrant (or any shares of stock or other securities at the time issuable upon exercise of this Warrant) shall be proportionally decreased to reflect any combination of the Company's Common Stock.
- 4.2 Adjustment for Dividends or Distributions of Stock or Other Securities or Property. In case the Company shall make or issue, or shall fix a record date for the determination of eligible holders entitled to receive, a dividend or other distribution with respect to its Common Stock (or any shares of stock or other securities at the time issuable upon exercise of the Warrant) payable in (a) securities of the Company or (b) assets (excluding cash dividends), then, in each such case, the Registered Holder on exercise hereof at any time after the consummation, effective date or record date of such dividend or other distribution, shall receive, in addition to the Warrant Shares (or such other stock or securities) issuable on such exercise prior to such date, and without the payment of additional consideration therefore, the securities or such other assets of the Company to which such Holder would have been entitled upon such date if such Holder had exercised this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and all such additional securities or other assets distributed with respect to such shares as aforesaid during such period giving effect to all adjustments called for by this Section 4.
- 4.3 Reclassification. If the Company, by reclassification of securities or otherwise, shall change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such reclassification or other change, and the Purchase Price therefor shall be appropriately adjusted, all subject to further adjustment as provided in this Section 4. No adjustment shall be made pursuant to this Section 4.3 upon any conversion or redemption of the Common Stock which is the subject of Section 4.5.

- 4.4 Adjustment for Capital Reorganization, Merger or Consolidation. In case of any capital reorganization of the capital stock of the Company (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), or any merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all the assets of the Company then, and in each such case, as a part of such reorganization, merger, consolidation, sale or transfer, lawful provision shall be made so that the Registered Holder shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the Purchase Price then in effect, the number of shares of stock or other securities or property of the successor corporation resulting from such reorganization, merger, consolidation, sale or transfer that a holder of the Warrant Shares deliverable upon exercise of this Warrant would have been entitled to receive in such reorganization, consolidation, merger, sale or transfer if this Warrant had been exercised immediately before such reorganization, merger, consolidation, sale or transfer, all subject to further adjustment as provided in this Section 4. The foregoing provisions of this Section 4.4 shall similarly apply to successive reorganizations, consolidations, mergers, sales and transfers and to the stock or securities of any other corporation that are at the time receivable upon the exercise of this Warrant. If the per-share consideration payable to the Holder hereof for shares in connection with any such transaction is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's Board of Directors. In all events, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Registered Holder after the transaction, to the end that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable after that event upon exercise of this Warrant.
- 4.5 Redemption or Conversion of Common Stock. In case all or any portion of the authorized and outstanding shares of Common Stock of the Company are redeemed or converted or reclassified into other securities or property pursuant to the Company's Articles of Amendment and Restatement or otherwise, or the Common Stock otherwise ceases to exist, then, in such case, the Registered Holder, upon exercise hereof at any time after the date on which the Common Stock is so redeemed or converted, reclassified or ceases to exist (the "*Termination Date*"), shall receive, in lieu of the number of Warrant Shares that would have been issuable upon such exercise immediately prior to the Termination Date, the securities or property that would have been received if this Warrant had been exercised in full and the Common Stock received thereupon had been simultaneously converted immediately prior to the Termination Date, all subject to further adjustment as provided in this Warrant. Additionally, the Purchase Price shall be immediately adjusted to equal the quotient obtained by dividing (x) the aggregate Purchase Price of the maximum number of Warrant Shares for which this Warrant was exercisable immediately prior to the Termination Date by (y) the number of Warrant Shares for which this Warrant is exercisable immediately after the Termination Date, all subject to further adjustment as provided herein.

5. **CERTIFICATE AS TO ADJUSTMENTS.** In each case of any adjustment in the Purchase Price, or number or type of shares issuable upon exercise of this Warrant, the Chief Financial Officer of the Company shall compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based, including a statement of the adjusted Purchase Price. The Company shall promptly send (by facsimile and by either first class mail, postage prepaid or overnight delivery) a copy of each such certificate to the Registered Holder.
6. **LOSS OR MUTILATION.** Upon receipt of evidence reasonably satisfactory to the Company of the ownership of and the loss, theft, destruction or mutilation of this Warrant, and of indemnity reasonably satisfactory to it, and (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will execute and deliver in lieu thereof a new Warrant of like tenor as the lost, stolen, destroyed or mutilated Warrant.
7. **RESERVATION OF COMMON STOCK.** The Company hereby covenants that at all times there shall be reserved for issuance and delivery upon exercise of this Warrant such number of Warrant Shares or other shares of capital stock of the Company as are from time to time issuable upon exercise of this Warrant and, from time to time, will take all steps necessary to amend, if necessary, its Articles of Amendment and Restatement to provide sufficient reserves of Warrant Shares issuable upon exercise of this Warrant. All such shares shall be duly authorized, and when issued upon such exercise, shall be validly issued, fully paid and non-assessable, free and clear of all liens, security interests, charges and other encumbrances or restrictions on sale and free and clear of all preemptive rights, except encumbrances or restrictions arising under federal or state securities laws. Issuance of this Warrant shall constitute full authority to the Company's officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for Warrant Shares of upon the exercise of this Warrant.

8. **TRANSFER AND EXCHANGE.** Subject to the terms and conditions of this Warrant and compliance with all applicable securities laws, this Warrant and all rights hereunder may be transferred to any Registered Holder's parent, subsidiary or affiliate, or, if the Registered Holder is a partnership, to any partner of such Holder, in whole or in part, on the books of the Company maintained for such purpose at the principal office of the Company referred to above, by the Registered Holder hereof in person, or by duly authorized attorney, upon surrender of this Warrant properly endorsed and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. Upon any permitted partial transfer, the Company will issue and deliver to the Registered Holder a new Warrant or Warrants with respect to the Warrant Shares not so transferred. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that when this Warrant shall have been so endorsed, the person in possession of this Warrant may be treated by the Company, and all other persons dealing with this Warrant, as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, any notice to the contrary notwithstanding; *provided, however*, that until a transfer of this Warrant is duly registered on the books of the Company, the Company may treat the Registered Holder hereof as the owner for all purposes.
9. **RESTRICTIONS ON TRANSFER.** The Holder, by acceptance hereof, agrees that, absent an effective registration statement filed with the Securities and Exchange Commission (the "*SEC*") under the Securities Act of 1933, as amended (the "*Securities Act*") covering the disposition or sale of this Warrant or the Warrant Shares issued or issuable upon exercise hereof, as the case may be, and registration or qualification under applicable state securities laws, such Holder will not sell, transfer, pledge, or hypothecate any or all of this Warrant or such Warrant Stock, as the case may be, unless either (i) the Company has received an opinion of counsel, in form and substance reasonably satisfactory to the Company, to the effect that such registration is not required in connection with such disposition or (ii) the sale of such securities is made pursuant to SEC Rule 144.
10. **COMPLIANCE WITH SECURITIES LAWS.** By acceptance of this Warrant and agreement to the terms of the Amended Note, the Holder hereby represents, warrants and covenants that it is an "accredited investor" as that term is defined under Rule 501 of Regulation D, that any shares of stock acquired upon exercise of this Warrant shall be acquired for investment only and not with a view to, or for sale in connection with, any distribution thereof; that the Holder has had such opportunity as such Holder has deemed adequate to obtain from representatives of the Company such information as is necessary to permit the Holder to evaluate the merits and risks of its investment in the Company, receipt of this Warrant and the Amended Note; that the Holder is able to bear the economic risk of holding such shares as may be acquired pursuant to the exercise of this Warrant for an indefinite period; that the Holder understands that the shares of stock acquired pursuant to the exercise of this Warrant will not be registered under the Securities Act (unless otherwise required pursuant to exercise by the Holder of the registration rights, if any, granted to the Registered Holder) and will be "restricted securities" within the meaning of Rule 144, in its current form, under the Securities Act and that the exemption from registration under Rule 144 will not be available for such minimum holding periods from the date of exercise of this Warrant, and even then will not be available unless a public market then exists for the stock, adequate information concerning the Company is then available to the public, and other terms and conditions of Rule 144 are complied with; and that all stock certificates representing shares of stock issued to the Holder upon exercise of this Warrant or upon conversion of such shares may have affixed thereto a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

11. **REGISTRATION RIGHTS.** The Warrant Shares shall be deemed "Conversion Shares" as such term is defined in the Related Agreements for purposes of the Registration Rights Agreement included as part of the Related Agreements and shall be entitled to the registration rights set forth therein.
12. **NO RIGHTS OR LIABILITIES AS A STOCKHOLDER.** This Warrant shall not entitle the Registered Holder to any voting rights or other rights as a stockholder of the Company. In the absence of affirmative action by such Holder to purchase Warrant Shares by exercise of this Warrant, no provisions of this Warrant, and no enumeration herein of the rights or privileges of the Registered Holder hereof shall cause such Holder hereof to be a stockholder of the Company for any purpose.
13. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company hereby represents and warrants to Holder that:
 - 13.1 **Due Authorization; Consents.** All corporate action on the part of the Company, its officers, directors and stockholders necessary for (a) the authorization, execution and delivery of, and the performance of all obligations of the Company under, this Warrant, and (b) the authorization, issuance, reservation for issuance and delivery of all of the Warrant Shares issuable upon exercise of this Warrant, has been duly taken. This Warrant constitutes a valid and binding obligation of the Company enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles.

13.2 **Organization.** The Company is a corporation duly organized and validly existing under the laws of the State of Maryland and has all requisite corporate power to own, lease and operate its property and to carry on its business as now being conducted and as currently proposed to be conducted.

14. **NOTICES.** Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party; (b) when received when sent by confirmed facsimile at the address and number set forth below; (c) three business days after deposit in the U.S. mail with first class or certified mail receipt requested postage prepaid and addressed to the other party as set forth below; or (d) the next business day after deposit with a national overnight delivery service, postage prepaid, addressed to the parties as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

To the Company:
Impac Mortgage Holdings, Inc.
19500 Jamboree Road, Irvine,
California 92612
Attention: Chief Executive Officer

To the Holder:

A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 14 by giving the other party written notice of the new address in the manner set forth above.

15. **HEADINGS.** The headings in this Warrant are for purposes of convenience in reference only, and shall not be deemed to constitute a part hereof.

16. **LAW GOVERNING.** This Warrant shall be construed and enforced in accordance with, and governed by, the laws of the State of Maryland, with regard to conflict of law principles of such state.

17. **NO IMPAIRMENT.** The Company will not, by amendment of its Articles of Amendment and Restatement or bylaws, or through reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Warrant against impairment.

18. **NOTICES OF RECORD DATE.** In case:

18.1 The Company shall take a record of the holders of its Common Stock (or other stock or securities at the time receivable upon the exercise of this Warrant), for the purpose of entitling them to receive any dividend or other distribution, or any right to subscribe for or purchase any shares of stock of any class or any other securities or to receive any other right; or

18.2 of any consolidation or merger of the Company with or into another corporation, any capital reorganization of the Company, any reclassification of the capital stock of the Company, or any conveyance of all or substantially all of the assets of the Company to another corporation in which holders of the Company's stock are to receive stock, securities or property of another corporation; or

18.3 of any voluntary dissolution, liquidation or winding-up of the Company; or

18.4 of any redemption or conversion of all outstanding Common Stock; then, and in each such case, the Company will mail or cause to be mailed to the Registered Holder a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend, distribution or right, or (ii) the date on which such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation, winding-up, redemption or conversion is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock or (such stock or securities as at the time are receivable upon the exercise of this Warrant), shall be entitled to exchange their shares of Common Stock (or such other stock or securities), for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding-up. The Company shall use all reasonable efforts to ensure such notice shall be delivered at least ten (10) days prior to the date therein specified.

19. **SEVERABILITY.** If any term, provision, covenant or restriction of this Warrant is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Warrant shall remain in full force and effect and shall in no way be affected, impaired or invalidated.
20. **COUNTERPARTS.** For the convenience of the parties, any number of counterparts of this Warrant may be executed by the parties hereto and each such executed counterpart shall be, and shall be deemed to be, an original instrument.
21. **SATURDAYS, SUNDAYS AND HOLIDAYS.** If the Expiration Date falls on a Saturday, Sunday or legal holiday, the Expiration Date shall automatically be extended until 5:00 p.m. PST the next Business Day.
22. **ENTIRE AGREEMENT.** This Warrant contains the sole and entire agreement and understanding of the parties with respect to the entire subject matter of this Warrant, and any and all prior discussions, negotiations, commitments and understandings, whether oral or otherwise, related to the subject matter of this Warrant are hereby merged herein.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed as of the Effective Date.

IMPAC MORTGAGE HOLDINGS, INC.

By: _____
Its: _____

IN WITNESS WHEREOF, the Holder has caused this Warrant to be duly executed as of the Effective Date.

By: _____
Its: _____

EXHIBIT A

NOTICE OF EXERCISE

(To be executed upon exercise of Warrant)

To: Impac Mortgage Holdings, Inc.

The undersigned hereby irrevocably elects to exercise the right of purchase represented by the within Warrant Certificate for, and to purchase thereunder, the securities of the Company, as provided for therein, and tenders herewith payment of the exercise price in full in the form of cash or a certified or official bank check in same-day funds in the amount of \$ for such securities.

Please issue a certificate or certificates for such securities in the name of, and pay any cash for any fractional share to (please print name, address and social security number):

Name: _____
Address: _____
Signature: _____

Note: The above signature should correspond exactly with the name on the first page of this Warrant Certificate or with the name of the assignee appearing in the assignment form below.

If said number of shares shall not be all the shares purchasable under the within Warrant Certificate, a new Warrant Certificate is to be issued in the name of said undersigned for the balance remaining of the shares purchasable thereunder rounded up to the next higher whole number of shares.

EXHIBIT B
ASSIGNMENT

(To be executed only upon assignment of Warrant Certificate)

For value received, hereby sells, assigns and transfers unto the within Warrant Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint, attorney, to transfer said Warrant Certificate on the books of the within-named Company with respect to the number of Warrants set forth below, with full power of substitution in the premises:

Name(s) of Assignee(s)	Address	#of Warrants
-	-	-

And if said number of Warrants shall not be all the Warrants represented by the Warrant Certificate, a new Warrant Certificate is to be issued in the name of said undersigned for the balance remaining of the Warrants registered by said Warrant Certificate.

Dated: _____
Signature: _____

Notice: The signature to the foregoing Assignment must correspond to the name as written upon the face of this security in every particular, without alteration or any change whatsoever; signature(s) must be guaranteed by an eligible guarantor institution (banks, stock brokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Securities and Exchange Commission Rule 17 Ad-15.



Impac Mortgage Holdings, Inc. Announces Business Update

Irvine, CA – April 15, 2020 – Impac Mortgage Holdings, Inc. (NYSE American: IMH, the “Company”), announced today a Company-wide business update:

On March 30, 2020, the Company announced that it had instituted a temporary suspension of all lending activity. While mortgage markets may appear to be normalizing, the industry, most acutely for non-bank mortgage originators and servicers, continues to manage to the uncertainties of the various initiatives promulgated by the U.S. Federal Government, the Federal Reserve and other state and local governmental and quasi-governmental agencies relating to economic stimulus, mortgage principal and interest forbearance, liquidity and origination and servicing practices. Until the industry achieves clarity on these items, the Company’s lending activities will remain on hold. The Company continues to believe it prudent to de-risk and to protect liquidity during this unprecedented time. These actions are crucial to preserving long-term value for our capital partners and stakeholders. As facts and circumstances change, the Company will update the market.

The novel coronavirus outbreak continues to have a real-time impact on all business sectors. The Company remains focused on prioritizing liquidity, preserving its business relationships and caring for its employees, their families and its community. The rapid development and fluidity of the effects of the coronavirus precludes any prediction as to the ultimate adverse impact of the coronavirus on its business. Nevertheless, the coronavirus presents material uncertainty and risk with respect to the Company’s performance, financial condition, results of operations and cash flows.

On April 15, 2020, the Company entered into final agreements with the holders of its Convertible Promissory Notes due May 8, 2020 in the original aggregate principal amount of \$25 million (the “Notes”) to (1) extend the maturity date of the Notes, from May 8, 2020, by an additional six months to November 9, 2020 and (2) to decrease the interest rate on the Notes to 7.0% per annum from date of issuance of the amended Notes. In connection with the issuance of the amended Notes, the Company issued to the holders of the amended Notes, warrants (“Warrants”) to purchase up to an aggregate of 212,649 shares of the Company’s common stock at a cash exercise price of \$2.97 per share.

The Company is pleased that all of the Noteholders agreed to extend the maturity date and reduce the interest rate of the Notes. In this dislocated market, the Company continues to focus on de-risking and protecting its liquidity. This action aligns with these objectives.

Mr. Richard M. Pickup has informed the Company that he does not intend to stand for re-election at the Company’s 2020 Annual Meeting of Stockholders. Mr. Pickup, age 86, was elected to the Impac Board of Directors in 2018 and has served on the compensation and governance and nominations committees. Mr. Pickup will continue to serve on those committees for the remainder of his term. Mr. Pickup is also one of the largest holders of the Company’s common stock, including as an investor in its Convertible Promissory Notes.

“On behalf of the Board of Directors and the Company, I want to express our sincere appreciation to Dick Pickup for his guidance, contributions and dedication to Impac,” said Mr. George A. Mangiaracina, Chairman and CEO of Impac Mortgage Holdings, Inc. “We have valued Dick’s perspective and insight during these past years and look forward to his continued support as a stakeholder.”

The Notes, the Warrants and the shares underlying the Notes and the Warrants have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy any of the Notes, the Warrants or shares underlying the Notes and the Warrants and shall not constitute an offer, solicitation or sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements, some of which are based on various assumptions and events that are beyond our control, may be identified by reference to a future period or periods or by the use of forward looking terminology, such as “may,” “capable,” “will,” “intends,” “believe,” “expect,” “likely,” “potentially” “appear,” “should,” “could,” “seem to,” “anticipate,” “expectations,” “plan,” “ensure,” “desire,” or similar terms or variations on those terms or the negative of those terms. The forward-looking statements are based on current management expectations. Actual results may differ materially as a result of several factors, including, but not limited to the following: impact on the U.S. economy and financial markets of the outbreak of the novel coronavirus, and any adverse impact or disruption to the Company’s operations; the effects of the various stimulus efforts promulgated by the United States and state and local governments in response to the coronavirus; performance by counterparties to the Company’s business contracts; successful development, marketing, sale and financing of new and existing financial products; expansion of Non-QM loan originations; ability to successfully diversify our loan products; ability to successfully sell loans to third-party investors; volatility in the mortgage industry; unexpected interest rate fluctuations and margin compression; performance of third-party sub-servicers; our ability to manage personnel expenses in relation to mortgage production levels; our ability to successfully use warehousing capacity and satisfy financial covenants; increased competition in the mortgage lending industry by larger or more efficient companies; issues and system risks related to our technology; ability to successfully create cost and product efficiencies through new technology including cyber risk and data security risk; more than expected increases in default rates or loss severities and mortgage related losses; ability to obtain additional financing through lending and repurchase facilities, debt or equity funding, strategic relationships or otherwise; the terms of any financing, whether debt or equity, that we do obtain and our expected use of proceeds from any financing; increase in loan repurchase requests and ability to adequately settle repurchase obligations; failure to create brand awareness; the outcome, including any settlements of litigation or regulatory actions pending against us or other legal contingencies; our compliance with applicable local, state and federal laws and regulations; and other general market and economic conditions.

For a discussion of these and other risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, see our latest Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and any subsequent Current Reports on Form 8-K or Quarterly Reports on Form 10-Q we file with the Securities and Exchange Commission and in particular the discussion of “Risk Factors” therein. This document speaks only as of its date and we do not undertake, and specifically disclaim any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements except as required by law.

About the Company

Impac Mortgage Holdings, Inc. (IMH or Impac) provides innovative mortgage lending and real estate solutions that address the challenges of today’s economic environment. Impac’s operations include mortgage lending, servicing, portfolio loss mitigation and real estate services as well as the management of the securitized long-term mortgage portfolio, which includes the residual interests in securitizations.

For additional information, questions or comments, please call Justin Moio, Chief Administrative Officer at (949) 475-3988 or email Justin.Moio@ImpacMail.com. Web site: <http://ir.impacompanies.com> or www.impacompanies.com
