

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) **June 11, 2008**

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))

**Item 5.02 Departure of Director or Certain Officers; Election of Directors;
Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

Execution of Employment Agreements

On June 11, 2008, Joseph R. Tomkinson, Chief Executive Officer, William S. Ashmore, President, executed new employment agreements with Impac Funding Corporation ("IFC"), a wholly-owned subsidiary of Impac Mortgage Holdings, Inc. ("IMH" and together with IFC, the "Company"). The agreements are effective as of April 1, 2008 and have a term from January 1, 2008 through December 31, 2009, unless terminated earlier, and automatically renew for an additional two years unless the Company provides notice of non-renewal between July 15 and August 15, 2009.

Base Salary, Discretionary Bonus and Other Compensation. Mr. Tomkinson's and Mr. Ashmore's base salary is \$600,000 and \$500,000 per year, respectively, with no automatic adjustments, and each officer is eligible to receive cash or stock bonuses in the sole discretion of the Board of Directors. Messrs. Tomkinson and Ashmore are also eligible to receive paid vacation, an annual car allowance of \$12,000, and participate in health and other benefit plans and will be reimbursed for reasonable and necessary business and entertainment expenses. Each officer is prohibited, without approval from the Board of Directors, from receiving compensation, directly or indirectly, from any companies with whom the Company or any of its affiliates has any financial, business, or affiliated relationship.

Severance Compensation. If Mr. Tomkinson's or Mr. Ashmore's employment is terminated for any reason, other than without cause or good reason, each will be entitled to receive his base salary prorated through the termination date, any expense reimbursement due and owing for reasonable and necessary business and entertainment expenses, and accrued vacation benefits. If termination is due to death or the executive officer is declared legally incompetent, then such officer will also receive six additional months of his base salary. If either officer is terminated without cause or resigns with good reason, he will also receive 18 months of his base salary, along with health benefits, to be paid out over an 18 month period. Termination with cause includes conviction of a crime of dishonesty or a felony with certain penalties, substantial failure to perform duties after notice, willful misconduct or gross negligence, or material breach of the employment agreement. Good reason includes material changes to employee's duties, relocation, without his prior written consent, of the place of principal performance of such executive's responsibilities and duties to a location more than 65 miles away, the Company's material breach of the

employment agreement and failure by the Company to obtain from any acquirer of the Company an agreement to assume the employment agreement. Each executive officer has agreed not to compete with the Company during the 18 months that severance payments are made, provided that the agreement not to compete will be waived if the executive officer foregoes the severance compensation.

Change of Control. The employment agreements will not be terminated by merger, an acquisition by another entity, or by transferring of all or substantially all of the Company's assets. In the event of any such change of control, the surviving entity or transferee would be bound by the employment agreements.

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Guaranty. Because IMH will receive direct and indirect benefits from the performance of each officer under the employment agreements, IMH has entered into guaranties also effective as of April 1, 2008, in favor of each officer. Under the terms of each guaranty, IMH promises to pay any and all obligations owed to the officers in the event of default by IFC.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Executive Employment Agreement made as of April 1, 2008 between Impac Funding Corporation and Joseph R. Tomkinson
10.2	Impac Mortgage Holdings, Inc. Guaranty dated as of April 1, 2008 in favor of Joseph R. Tomkinson
10.3	Executive Employment Agreement made as of April 1, 2008 between Impac Funding Corporation and William S. Ashmore
10.4	Impac Mortgage Holdings, Inc. Guaranty dated as of April 1, 2008 in favor of William S. Ashmore

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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: June 16, 2008

By: /s/ Ron Morrison
Name: Ron Morrison
Title: Executive Vice President and General
Counsel

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EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT is made as of April 1, 2008, by and between Impac Funding Corporation, a California corporation ("Employer"), and Joseph Tomkinson, an individual ("Executive").

RECITALS

WHEREAS, Executive is knowledgeable of and skillful in the business of Employer and IMH, which includes but is not limited to acquiring for investment and sale non-conforming residential mortgage loans and mortgage backed securities and performing mortgage operations for affiliates or related entities of Employer and those duties and functions identified in Exhibit A hereto (the "Business");

WHEREAS, Employer believes that Executive is an integral part of its management and currently is and will become more knowledgeable of and be in part responsible for developing the Business;

WHEREAS, Executive possesses extensive management experience and knowledge regarding the Business, including confidential information concerning service marketing plans and strategy, business plans and projections and the formulas and models pertaining thereto, customer needs and peculiarities, finances, operations, billing methods and customer lists;

WHEREAS, Employer desires that Executive continue his employment as Chief Executive Officer of Employer; and

WHEREAS, Executive is willing to be employed by Employer and provide services to Employer and any affiliates or related entities of Employer (as more fully described in Exhibit A attached hereto) under the terms and conditions herein stated.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, it is hereby agreed by and between the parties hereto as follows:

1. Employment, Services and Duties.

1.1 Employer hereby employs Executive and Executive hereby accepts such employment full-time (subject to those exceptions, if any, set forth below) as Chief Executive Officer of Employer to perform the duties and functions set forth in Exhibit A attached hereto and, Subject to Section 2.2(i), to perform such other duties or functions as are reasonably required or as may be prescribed from time to time or as otherwise agreed. Executive shall

render his services by and subject to the instructions and under the direction of Employer's Board of Directors to whom Executive shall directly report.

1.2 Executive acknowledges and agrees that Executive may be required by Employer to devote a portion of his working time to perform functions for Employer's affiliates or related entities (as set forth in Exhibit A attached hereto) and that such services are to be performed pursuant to and consistent with Executive's duties and obligations under this Agreement.

1.3 Executive will at all times faithfully, industriously and to the best of his ability, experience and talents perform all of the duties required of and from him pursuant to the terms of this Agreement. Executive will devote his full business energies and abilities and all of his business time to the performance of his duties hereunder and will not, without Employer's prior written consent, render to others any service of any kind (whether or not for compensation) that would interfere with the full performance of Executive's duties hereunder, and in no event will engage in any activities that compete with the Business or that could create a reasonably foreseeable conflict of interest or the appearance of a reasonably foreseeable conflict of interest; provided that nothing contained in this Section 1.3 shall preclude Executive from engaging in or managing Executive's outside investments.

2. Term and Termination.

2.1 The term of this Agreement shall be from January 1, 2008 through December 31, 2009, unless extended by the mutual written agreement of Employer and Executive or pursuant to the terms of Paragraph 2.8 herein.

2.2 Executive's employment shall terminate prior to the expiration of the term set forth in Section 2.1 upon the happening of any of the following events:

(a) Voluntary termination by Executive other than for Good Reason (as defined below); provided that Executive shall be required to provide Employer with at least 30 days prior written notice of such voluntary termination;

(b) Death of Executive;

(c) Employer may terminate Executive under this Agreement for "cause" if any of the following occurs (any determination of "cause" as used in this Agreement shall be made only by an affirmative majority vote of the Board of Directors (not including Executive in the deliberations or vote on the same, if a director) of Employer):

(i) Executive is convicted of (or pleads nolo contendere to) (A) a crime of dishonesty or breach of trust, including such a crime involving either the property of Employer IMH (or any affiliate or related entity of Employer or IMH) or the property entrusted to Employer or IMH (or any affiliate or related entity of Employer or IMH) by its clients, including fraud, or embezzlement or other misappropriation of funds belonging to Employer or IMH (or any affiliate or related entity of Employer or IMH) or any of their respective

clients, or (B) a felony leading to incarceration of more than 90 days or the payment of a penalty or fine of \$100,000 or more;

(ii) Executive materially and substantially fails to perform Executive's job duties properly assigned to Executive after being provided 30 days prior written notification by the Board of Directors of Employer setting forth those duties that are not being performed by Executive; provided that Executive shall have a reasonable time to correct any such failures to the extent that such failures are correctable and Employer may not terminate Executive for "cause" on the basis on any such failure that is cured within a reasonable time.

(iii) Executive has engaged in willful misconduct or gross negligence in connection with his service to Employer or IMH (or any affiliate or related entity of Employer or IMH) that has caused or is causing material harm to Employer or IMH (or any affiliate or related entity of Employer or IMH); or

(iv) Executive's material breach of any of the terms of this Agreement or any other obligation that Executive owes to Employer or IMH (or any affiliate or related entity of Employer or IMH), including a material breach of trust or fiduciary duty or a material breach of any proprietary rights and inventions or confidentiality agreement between Employer and Executive or between IMH and Executive (or between Executive and any affiliate or related entity of Employer or IMH)(as such agreements may be adopted or amended from time to time by Employer and Executive).

(d) By mutual agreement between Employer and Executive;

(e) The date when Executive is declared legally incompetent under the laws of the State of California, or if Executive has a mental or physical condition that can reasonably be expected to prevent Executive from carrying out his essential duties and obligations under this Agreement for a period of greater than six months (any such condition an "Incapacitating Condition"), notwithstanding Employer's reasonable accommodations (to the extent required by law);

(f) Employer may terminate Executive under this Agreement at will (and without cause) upon written notice at any time. Unless otherwise provided in such notice, such termination shall be effective immediately upon providing written notice to Executive; or

(g) Executive may terminate his employment under this Agreement for Good Reason upon providing Employer at least 30 days prior written notice of such termination stating the basis on which Executive has determined that he has Good Reason to terminate his employment; provided that Employer shall have a reasonable time after receiving such notice to cure any event that would constitute Good Reason for Executive to terminate his employment (provided such event is curable) and Executive may not terminate his employment for Good Reason on the basis of any such event that is cured within a reasonable time. Notwithstanding the foregoing portion of this Section 2.02(g),

the aforementioned 30-day notice and reasonable cure period shall not apply to Section 2.02(g)(iv). "Good Reason" shall mean:

(i) the assignment to Executive of duties materially inconsistent with, or a substantial reduction or alteration in, the authority, duties or responsibilities of Executive as set forth in this Agreement, without Executive's prior written consent;

(ii) the principal place of the performance of Executive's responsibilities and duties is changed to a location more than 65 miles from the location of such place as of the date of this Agreement, without Executive's prior written consent;

(iii) a material breach by Employer of this Agreement, including a reduction by Employer of Executive's Base Salary, without Executive's prior written consent; or

(iv) a failure by Employer to obtain from any acquirer of Employer, before any Acquisition (as defined below) takes place, an agreement to assume and perform this Agreement.

Good Reason does not include the expiration of the term of this Agreement on December 31, 2009.

2.3 Except as set forth in Section 4, in the event that Executive's employment is terminated pursuant to Section 2.2(a), 2.2(b), 2.2(c) or 2.2(d) herein, neither Employer nor Executive shall have any remaining duties or obligations under this Agreement, except that Employer shall pay to Executive, or his legal representatives, on the date of termination of employment (the "Termination Date") or, with respect to reimbursement for expenses, as promptly as practical after the Termination Date, the following:

(a) Such compensation as is due pursuant to Section 3.1(a), prorated through the Termination Date;

(b) Any expense reimbursements due and owing to Executive for reasonable and necessary business and entertainment expenses of Employer incurred by Executive prior to the Termination Date; and

(c) The dollar value of all accrued and unused paid time off that Executive is entitled to through the Termination Date.

(d) If the termination is pursuant to the terms of 2.2(b) or (e), then Executive, or his estate or heirs, shall also be entitled to six (6) additional months of compensation due under 3.1(a), which shall be paid out over the following six (6) months.

2.4 Except as set forth in Section 4, in the event that Executive's employment is terminated pursuant to Section 2.2(f) or 2.2(g), neither Employer nor Executive shall have any

remaining duties or obligations under this Agreement, except that Employer shall pay to Executive, or his representatives, the amounts set forth in Section 2.3 at the times set forth in Section 2.3 and the following (provided that payments for health insurance coverage shall be made to an insurance provider):

(a) An additional 18 month's worth of Base Salary to be paid over the succeeding 18 month period after the Termination date:

(b) Premiums for continuation of Executive's health insurance benefits under Employer's group health insurance plan, pursuant to COBRA, for the 18 month period succeeding the Termination Date (with such health insurance coverage to be at a level and quality equivalent to the health insurance coverage provided by Employer to Executive immediately prior to the Termination Date, "Equivalent Coverage"); provided that Employer shall pay such premiums only so long as (during said 18 month period) Executive remains eligible for such Equivalent Coverage under COBRA;

(c) The payments set forth in Sections 2.4(a) and (b) above are referred to herein collectively as the "Severance Payments" and each as a "Severance Payment."

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2.5 As a condition precedent of Executive or his estate receiving any Severance Payment from Employer, whether in a lump sum payment or a string of payments or in the form of payment of benefits, Executive or his estate shall, in consideration for payment of such amount or benefit, sign and deliver to Employer (against the execution and delivery of the same by the other parties thereto) the form of Waiver and Release Agreement attached hereto as Exhibit B. Such Waiver and Release Agreement will not be construed to include any release of any indemnification rights Executive may have against Employer pursuant to Employer's Articles of Incorporation or bylaws, any indemnification agreement or California Labor Code Section 2800.

2.6 This Agreement shall not be terminated by Employer merging with or otherwise being acquired by another entity, whether or not Employer is the surviving entity, or by Employer transferring of all or substantially all of its assets (any such event, an "Acquisition").

2.7 In the event of any Acquisition, the surviving entity or transferee, as the case may be, shall be bound by and shall have the benefits of this Agreement, and Employer shall not enter into any Acquisition unless the surviving entity or transferee, as the case may be, agrees to be bound by the provisions of this Agreement.

2.8 This Agreement shall automatically renew for an additional two (2) year period at its conclusion with the same terms and conditions unless Employer gives Executive written notice of their intent not to renew this Agreement. If Employer chooses not to renew this Agreement then Notice of such nonrenewal must be given between July 15, 2009 and August 15, 2009. If Employer gives such Notice, then Executive's right to demand or seek compensation under Paragraph 2.4 herein shall no longer be available to Executive.

3. Compensation.

3.1 As the total consideration for Executive's services rendered hereunder, Executive shall be entitled to the following during the period that Executive is employed hereunder:

(a) A base salary of \$600,000 per year ("Base Salary"), payable in equal installments bi-weekly on those days when Employer normally pays its employees;

(b) Executive shall accrue paid time off during the period he is employed hereunder at the rate of five weeks per calendar year, subject to any vacation benefit accrual cap established by Employer (i.e., once the cap has been reached, further accrual shall cease until Executive uses some or all of his accrued time to fall below the accrual cap). The timing of Executive's vacation shall be governed by Employer's usual policies applicable to all employees;

(c) Executive is entitled to participate in any policies or plans regarding benefits of employment, including pension, profit sharing, group health, disability insurance and other employee welfare benefit plans now existing or hereafter established to the extent that Executive is eligible under the terms of such plans. Despite the foregoing, Executive is entitled to participate in any such plan or program only if the

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executive officers of Employer generally are eligible to participate in such plan or program. Employer may, in its sole discretion and from time to time, establish additional senior management benefit programs as it deems them appropriate. Executive understands that any such plans may be modified or eliminated in Employer's sole discretion in accordance with applicable law; and

(d) Executive shall be entitled to stock options at the sole discretion of the Board of Directors in the amount and subject to the terms and conditions as is consistent with other Executives in the Company.

(e) Such other benefits as the Board of Directors of Employer, in its sole discretion, may from time to time provide which may include cash bonuses or stock grants.

3.2 During the period that Executive is employed hereunder, Employer shall reimburse Executive for reasonable and necessary business and entertainment expenses incurred by Executive on behalf of Employer in connection with the performance of Executive's duties hereunder.

3.3 Executive may elect to defer any portion of his Base Salary into an approved, Employer sponsored deferred compensation plan; provided that Employer has no obligation to provide such a deferred compensation plan. All Base Salary, whether or not deferred, shall be deemed to be earned and immediately vested upon distribution to Executive or deferral into a deferred compensation plan.

that have been incurred or may be incurred by Employer with respect to such breach or threatened breach. Executive expressly agrees that Employer will not be required to post any bond or other security as a condition to obtaining any injunctive relief pursuant to this Section 10, and Executive expressly waives any right to the contrary. Executive agrees that this Section 10 is without prejudice to the rights of the parties to compel arbitration pursuant to Section 9.

11. Entire Agreement. This Agreement and the Exhibits attached hereto contain the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein or the Exhibits attached hereto. This Agreement supersedes any and all prior agreements, written or oral, with Employer relating to Executive's employment with Employer and any other subject matter of this Agreement. Any such prior agreements are hereby terminated and of no further effect and Executive, by the execution hereof, agrees that any compensation provided for under any such prior agreement is specifically superseded and replaced by the provision of this Agreement; subject to the following: (i) any and all compensation previously deferred under any pre-existing deferred compensation plan shall immediately be paid to Executive without condition or limitation; and (ii) this Agreement is not intended to supercede, cancel or replace any stock option or dividend equivalent right payments that Executive may have or otherwise be entitled to receive. The parties hereto agree that in no event shall an oral modification of this Agreement be enforceable or valid.

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12. Governing Law. This Agreement is and shall be governed and construed in accordance with the laws of the State of California, regardless of any laws on choice of law or conflicts of law of any jurisdiction.

13. Notice. All notices hereunder must be in writing and shall be sufficiently given for all purposes hereunder if properly addressed and delivered personally by documented overnight delivery service, by certified or registered mail, return receipt requested, or by facsimile or other electronic transmission service at the address or facsimile number, as the case may be, set forth below. Any notice given personally or by documented overnight delivery service is effective upon receipt. Any notice given by registered mail is effective upon receipt, to the extent such receipt is confirmed by return receipt. Any notice given by facsimile transmission is effective upon receipt, to the extent that receipt is confirmed, either verbally or in writing by the recipient. Any notice which is refused, unclaimed or undeliverable because of an act or omission of the party to be notified, if such notice was correctly addressed to the party to be notified, shall be deemed communicated as of the first date that said notice was refused, unclaimed or deemed undeliverable by the postal authorities, or overnight delivery service.

If to Employer:

Impac Funding Corporation
19500 Jamboree Rd.
Irvine, California 92603
Telephone: (949) 475-3600
Facsimile: (949) 475-3969
Attention: Ronald Morrison, Esq.
General Counsel

If to Executive:

Joseph Tomkinson

Telephone:
Facsimile:

With a copy to:

Ernest W. Klatte, III, Esq.
Rutan & Tucker, L.L.P.
611 Anton Blvd., 14th Floor
Costa Mesa, California 92626
Telephone: (714) 641-5100
Facsimile: (714) 546-9035

14. Amendments And Waivers. This Agreement may not be amended, modified, superseded, canceled, or any terms waived, except by written instrument signed by both parties, or in the case of waiver, by the party to be charged.

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15. Successor and Assigns. This Agreement is not assignable by Executive, nor by Employer except to an affiliated or successor entity. This Agreement is binding on the parties' heirs, executors, administrators, other legal representatives, successors, and, to the extent assignable, their assigns.

16. Representations. The person executing this Agreement on behalf of Employer hereby represents and warrants on behalf of himself and Employer that he is authorized to represent and bind Employer. Executive specifically represents and warrants to Employer that he is not now under any contractual or quasi-contractual obligations that is inconsistent or in conflict with this Agreement or that would prevent, limit or impair Executive's performance of his obligations under this Agreement, (b) he has had the opportunity to be represented by legal counsel of his choosing in preparing, negotiating, executing and delivering this Agreement; and (c) fully understands the terms and provisions of this Agreement.

17. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes. This Agreement may be executed by a party's signature transmitted by facsimile ("fax"), and copies of this Agreement executed and

delivered by means of faxed signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon faxed signatures as if such signatures were originals. Any party executing and delivering this Agreement by fax shall promptly thereafter deliver a counterpart signature page of this Agreement containing said party's original signature. All parties hereto agree that a faxed signature page may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

18. Rules of Construction. This Agreement has been negotiated by the parties and is to be interpreted according to its fair meaning as if the parties had prepared it together and not strictly for or against any party. References in this Agreement to "Sections" refer to Sections of this Agreement, unless the context expressly indicates otherwise. References to "provisions" of this Agreement refer to the terms, conditions, restrictions and promises contained in this Agreement. References in this Agreement to laws and regulations refer to such laws and regulations as in effect on this date and to the corresponding provisions, if any, of any successor law or regulation. At each place in this Agreement where the context so requires, the masculine, feminine or neuter gender includes the others and the singular or plural number includes the other. Forms of the verb "including" mean "including without limitation" unless the context expressly indicates otherwise. "Or" is inclusive and includes "and" unless the context expressly indicates otherwise. The introductory headings at the beginning of Sections of this Agreement are solely for the convenience of the parties and do not affect any provision of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

"EMPLOYER"

IMPAC FUNDING CORPORATION,
a California corporation

By: /s/ Ronald Morrison

Name:

Ronald
Morrison

Title: Executive Vice President and General
Counsel

"EXECUTIVE"

/s/ Joseph Tomkinson

JOSEPH TOMKINSON



EXHIBIT A

JOB DESCRIPTION

Job Title:

CEO

Department:

Executive Administration

Cost Center:

1805

Location:

Irvine, Ca

FLSA:

Exempt

Reports To:

Board of Directors

Salary Grade:

Effective Date:

2008

A. Scope of Job:

Responsible for the management of all aspects of the company's activities to ensure maximum profits commensurate with the best interests of customers, shareholders, employees, and the public. In conjunction with other directors is responsible for capital formation, authorization of capital expenditures, and declaration of dividends. Provides leadership in establishing overall objectives, policies, and plans.

B. Responsibilities:

- Insures that all regulatory policies and procedures and Board policies and procedures are strictly adhered to.
- Establish current and long-range strategies, plans, and policies.
- Insures the necessary corporate environment to carry out major plans and procedures, consistent with established policies and Board approval.
- Responsible for maintaining the overall adequacy and soundness of the organization's financial structure.
- Review operating results of the organization, compares them to established objectives, and takes steps to ensure that appropriate measures are taken to correct unsatisfactory results.

- Establish and maintains an effective system of communications throughout the organization.
- Represent the organization with major customers, shareholders, the financial community, and the public.
- Act as liaison between State and Federal Regulators on behalf of the company.

C. Supervisory Responsibilities:

- Ensures that the responsibilities, authorities, and accountability of all direct subordinates are defined and understood.

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D. Qualifications and Skills:

- To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
- Must possess excellent verbal and written communication skills.

E. Education and/or Experience:

- General Studies or Bachelors in Administration or Sciences
- 8-10 years previous experience in a similar capacity.

F. Certificates, Licenses, and/or Registrations:

- As necessary for the position/role

G. Physical Requirements

- The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

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EXHIBIT B

WAIVER AND RELEASE AGREEMENT

For full and valuable consideration, including, but not limited to, severance payments made and to be made by Impac Funding Corporation and any affiliate or related entity of Impac Funding Corporation (collectively, "Employer") to Joseph Tomkinson ("Executive") and guaranteed by Impac Mortgage Holdings, Inc. ("Guarantor") pursuant to the Employment Agreement between Employer and Executive dated as of April 1, 2008 (the "Employment Agreement"), Executive, on the one part, and Employer and Guarantor on the other part, hereby enter into this Waiver and Release Agreement ("Waiver"), and each agrees to waive and release the other and, as the case may be, the other's stockholders, directors, officers, employees, affiliates, agents, successors and assigns, if any, from all known and unknown claims, agreements or complaints related to or arising under Executive's employment with Employer, including, but not limited to, any claim arising out of Executive's termination, any express or implied agreement between Executive and Employer (other than each party's respective rights and obligations under Sections 2.3, 2.4 and 4.1 of the Employment Agreement, the Guaranty and the Proprietary Rights and Inventions Agreement), and any other federal or state constitutional provisions, statutes or laws relating to an employee's relationship with his employer, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act, the Age Discrimination in Employment Act, the Americans With Disabilities Act, the California Fair Employment and Housing Act, and the California Labor Code.

This Waiver shall not include a waiver of any of the following: (i) any right to defense and/or indemnification that Executive may have under California Labor Code section 2802, or under any defense and indemnification policy or agreement; (ii) any claim for breach of any pension, 401k, deferred compensation or stock option plan of Employer; or (iii) any claim that Executive may have against any officer, director, employee, or agent of Employer or Guarantor for defamation or intentional interference with prospective employment or business advantage.

This Waiver includes a waiver of any rights the parties may have under Section 1542 of the California Civil Code, which states:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Executive's Waiver is conditioned upon Employer and Guarantor's performance of all of their severance obligations pursuant to Sections 2.3 and 2.4 of the Employment Agreement and pursuant the Guaranty. In the event that either Employer or Guarantor materially breaches its severance obligations under the Employment Agreement or Guaranty, then Executive shall be entitled to pursue any claims as though this Waiver did not exist, and the statute of limitations for any such claims shall be deemed to have been tolled during the period from the date of Executive's termination through the date Employer or Guarantor breached its obligations.

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Employer's Waiver is conditioned upon Executive's performance of all of his obligations pursuant to Section 4.1 of the Employment Agreement. In the event that Executive materially breaches his noncompete obligations under the Employment Agreement, then Employer and Guarantor shall be entitled to

pursue any claims as though this Waiver did not exist, and the statute of limitations for any such claims shall be deemed to have been tolled during the period from the date of Executive's termination through the date Executive breached his obligations. The parties to this Waiver each acknowledge that each may hereafter discover facts different from or in addition to those now known or believed to be true with respect to the claims, suits, rights, actions, complaints, agreements, contracts, causes of action, and liabilities of any nature whatsoever that are the subject of the above release, and the parties expressly agree that this Waiver shall be and remain effective in all respects regardless of such additional or different facts.

Executive is advised as follows: (i) Executive should consult an attorney regarding this Waiver before executing it; (ii) Executive has 21 days in which to consider this Waiver and whether Executive will enter into it; (iii) this Waiver does not waive rights or claims that may arise after it is executed; and (iv) at anytime within seven days after executing this Waiver, Executive may revoke this Waiver. This Waiver shall not become effective or enforceable until the seven day revocation period set forth herein has passed.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Employment Agreement.

Dated: _____

JOSEPH TOMKINSON

IMPAC FUNDING CORPORATION

By: _____
Print Name: _____
Title: _____

IMPAC MORTGAGE HOLDINGS, INC.

By: _____
Print Name: _____
Title: _____

EXHIBIT C

EMPLOYEE'S DISCLOSURE

Gentlemen:

1. Except for the information and ideas listed below that rightfully became part of my general knowledge prior to my first contact or communication with the Company or any of its affiliates or related entities, I represent that I am not in the possession of and have no knowledge of any information that can be considered the Proprietary Information of Impac Funding Corporation, a California corporation (the "Company"), other than information disclosed by Company or any of its affiliates or related entities during my employment negotiations or my prior employment with the Company or any of its affiliates or related entities, which I understand and agree is the Proprietary Information of Company or its affiliates or related entities, as the case may be.

2. Except for the complete list of Inventions set forth below, I represent that I (in whole or in part, either alone or jointly with others) have not made, conceived, developed or first reduced to practice any Inventions relevant to the subject matter of my employment with the Company prior to my employment with the Company or any of its affiliates or related entities.

No Inventions

See below:

Additional sheets attached

JOSEPH TOMKINSON

IMPAC MORTGAGE HOLDINGS, INC.

GUARANTY

This Guaranty, dated as of April 1, 2008, is executed by Impac Mortgage Holdings, Inc., a Maryland corporation ("Guarantor"), in favor of Joseph Tomkinson ("Executive").

A. Impac Funding Corporation, a California corporation ("Obligor"), concurrently herewith has entered into an Employment Agreement with Obligor dated even date herewith (the "Contract"). Guarantor is the parent corporation of Obligor and will receive direct and indirect benefits from the performance of the Contract.

B. Executive's willingness to enter into the Contract is subject to receipt by it of this Guaranty duly executed by Guarantor.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Guarantor hereby agrees with Executive as follows:

1. Guaranty.

(a) Guarantor unconditionally guarantees and promises to pay to Executive, or order, at Executive's address set forth in Section 4(a) hereof, on demand after the default by Obligor, in lawful money of the United States, any and all Obligations (as hereinafter defined) consisting of payments due to Executive. For purposes of this Guaranty the term "Obligations" shall mean and include all payments owed by Obligor to Executive of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising pursuant to the terms of Section 2.3, 2.4, 3.1(a), 3.1(b), 3.1(c), or 3.2 of the Contract (as such Obligations may become due subject to the provisions of the Contract, including all notice requirements and cure provisions), including all interest, late fees, charges, expenses, attorneys' fees and other professionals' fees chargeable to Obligor or payable by Obligor thereunder and any costs of collection hereunder, including attorneys' and other professionals' fees.

(b) This Guaranty is absolute, unconditional, continuing and irrevocable and constitutes an independent guaranty of payment and not of collectibility (provided that it is subject to Obligor defaulting on any of the Obligations), and is in no way conditioned on or contingent upon any attempt to enforce in whole or in part any of Obligor's Obligations to Executive, the existence or continuance of Obligor as a legal entity, the consolidation or merger of Obligor with or into any other entity, the sale, lease or disposition by Obligor of all or substantially all of its assets to any other entity, or the bankruptcy or insolvency of Obligor, the admission by Obligor of its inability to pay its debts as they mature, or the making by Obligor of a general assignment for the benefit of, or entering into a composition or arrangement with, creditors. If Obligor or any permitted assignee or successor of Obligor shall fail to pay or perform any Obligations to Executive which are subject to this Guaranty as and when they are due, Guarantor shall forthwith pay to Executive all such liabilities or obligations in immediately available funds. Each failure by Obligor to pay or perform any such liabilities or obligations shall give rise to a separate cause of action, and separate suits may be brought hereunder as each cause of action arises.

(c) Executive, may (subject to the provisions of the Contract) at any time and from time to time, without the consent of or notice to Guarantor, except such notice as may be required by applicable statute which cannot be waived, without incurring responsibility to Guarantor, and without impairing or releasing the obligations of Guarantor hereunder, (i) change the manner, place and terms of payment or change or extend the time of payment of, renew, or alter any Obligation hereby guaranteed, or in any manner modify, amend or supplement the terms of the Contract or any documents, instruments or agreements executed in connection therewith, (ii) exercise or refrain from exercising any rights against

Obligor or others (including Guarantor) or otherwise act or refrain from acting, (iii) settle or compromise any Obligations hereby guaranteed and/or any obligations and liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any obligations and liabilities which may be due to Executive or others, (iv) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner or in any order any property pledged or mortgaged by anyone to secure or in any manner securing the Obligations hereby guaranteed, (v) take and hold security or additional security for any or all of the obligations or liabilities covered by this Guaranty, and (vi) assign its rights and interests under this Guaranty, in whole or in part.

(d) This is a continuing Guaranty for which Guarantor receives continuing consideration and all obligations to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon and this Guaranty is therefore irrevocable without the prior written consent of Executive.

(e) Guarantor may bring action to enforce Executive's obligations under the Contract if (i) any proceeding is brought against Guarantor to seek enforcement of this Guaranty or (ii) Guarantor makes any payment to Executive pursuant to this Guaranty.

2. Representations and Warranties. Guarantor represents and warrants to Executive that (a) Guarantor is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation; (b) the execution, delivery and performance by Guarantor of this Guaranty are within the power of Guarantor and have been duly authorized by all necessary actions on the part of Guarantor; (c) this Guaranty has been duly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against it in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally.

3. Waivers.

(a) Guarantor, to the extent permitted under applicable law, hereby waives any right to require Executive to (i) proceed against Obligor or any other guarantor of Obligor's obligations under the Contract, (ii) proceed against or exhaust any security received from Obligor or any other guarantor of Obligor's Obligations under the Contract, or (iii) pursue any other right or remedy in the Executive's power whatsoever.

(b) Guarantor further waives, to the extent permitted by applicable law, (i) any defense resulting from the absence, impairment or loss of any right of reimbursement, subrogation, contribution or other right or remedy of Guarantor against Obligor, any other guarantor of the Obligations or any security; (ii) any defense which results from any disability of Obligor or the lack of validity or enforceability of the Contract; (iii) any right to exoneration of sureties which would otherwise be applicable; (iv) any right of subrogation or reimbursement and, if there are any other guarantors of the Obligations, any right of contribution, and right to enforce any remedy which Executive now has or may hereafter have against Obligor, and any benefit of, and any right to participate in, any security now or hereafter received by Executive; (v) all presentments, demands for performance, notices of non-performance, notices delivered under the Contract, protests, notice of dishonor, and notices of acceptance of this Guaranty and of the existence, creation or incurring of new or additional Obligations and notices of any public or private foreclosure sale; (vi) any appraisal, valuation, stay, extension, moratorium redemption or similar law or similar rights for marshalling; and (vii) any right to be informed by Executive of the financial condition of Obligor or any other guarantor of the Obligations or any change therein or any other circumstances bearing upon the risk of nonpayment or nonperformance of the Obligations. Guarantor has the ability to and assumes the responsibility for keeping informed of the financial condition of Obligor and any other guarantors of the Obligations and of other circumstances affecting such nonpayment and nonperformance risks.

4. Miscellaneous.

(a) Notices. All notices hereunder must be in writing and shall be sufficiently given for all purposes hereunder if properly addressed and delivered personally by documented overnight delivery service, by certified or registered mail, return receipt requested, or by facsimile or other electronic transmission service at the address or facsimile number, as the case may be, set forth below. Any notice given personally or by documented overnight delivery service is effective upon receipt. Any notice given by registered mail is effective upon receipt, to the extent such receipt is confirmed by return receipt. Any notice given by facsimile transmission is effective upon receipt, to the extent that receipt is confirmed, either verbally or in writing by the recipient. Any notice which is refused, unclaimed or undeliverable because of an act or omission of the party to be notified, if such notice was correctly addressed to the party to be notified, shall be deemed communicated as of the first date that said notice was refused, unclaimed or deemed undeliverable by the postal authorities, or overnight delivery service.

Executive:

Joseph Tomkinson

Guarantor:

Impac Mortgage Holdings, Inc.
19500 Jamboree Rd.
Irvine, California 92612
Telephone: (949) 475-3600
Facsimile: (949) 475-3969
Attention: Ronald Morrison, Esq., General
Counsel

With a copy to:

With a copy to:

Ernest W. Klatte, III, Esq.
Rutan & Tucker, LLP
611 Anton Blvd., 14th Floor
Costa Mesa, California 92626
Telephone: (714) 641-5100
Facsimile: (714) 546-9035

(b) Nonwaiver. No failure or delay on Executive's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

(c) Amendments and Waivers. This Guaranty may not be amended, modified, superseded, canceled, or any terms waived, except by written instrument signed by both parties, or in the case of waiver, by the party to be charged.

(d) Assignments. This Guaranty shall be binding upon and inure to the benefit of Executive and Guarantor and their respective successors and assigns; provided, however, that without the prior written consent of Executive, Guarantor may not assign its rights and obligations hereunder.

(e) Cumulative Rights, etc. The rights, powers and remedies of Executive under this Guaranty shall be in addition to all rights, powers and remedies given to Executive by virtue of any applicable law, rule or regulation, the Contract or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Executive's rights hereunder.

(f) Partial Invalidity. The provisions of this Guaranty are severable and if any one or more provisions is determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

(g) Governing Law. This Guaranty is and shall be governed and construed in accordance with the laws of the State of California, regardless of any laws on choice of law or conflicts of law of any jurisdiction.

(h) Arbitration. To the fullest extent allowed by law, any controversy, claim or dispute between Executive and Guarantor (or any of its stockholders, directors, officers, employees, affiliates, agents, successors or assigns) relating to or arising out of this Guaranty will be submitted to final and binding arbitration in Orange County, California for determination in accordance with the American Arbitration Association's ("AAA") National Rules for

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT is made as of April 1, 2008, by and between Impac Funding Corporation, a California corporation ("Employer"), and William S. Ashmore, an individual ("Executive").

RECITALS

WHEREAS, Executive is knowledgeable of and skillful in the business of Employer and IMH, which includes but is not limited to acquiring for investment and sale non-conforming residential mortgage loans and mortgage backed securities and performing mortgage operations for affiliates or related entities of Employer and those duties and functions identified in Exhibit A hereto (the "Business");

WHEREAS, Employer believes that Executive is an integral part of its management and currently is and will become more knowledgeable of and be in part responsible for developing the Business;

WHEREAS, Executive possesses extensive management experience and knowledge regarding the Business, including confidential information concerning service marketing plans and strategy, business plans and projections and the formulas and models pertaining thereto, customer needs and peculiarities, finances, operations, billing methods and customer lists;

WHEREAS, Employer desires that Executive continue his employment as President of Employer; and

WHEREAS, Executive is willing to be employed by Employer and provide services to Employer and any affiliates or related entities of Employer (as more fully described in Exhibit A attached hereto) under the terms and conditions herein stated.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, it is hereby agreed by and between the parties hereto as follows:

1. Employment, Services and Duties.

1.1 Employer hereby employs Executive and Executive hereby accepts such employment full-time (subject to those exceptions, if any, set forth below) as President of Employer to perform the duties and functions set forth in Exhibit A attached hereto and, Subject to Section 2.2(i), to perform such other duties or functions as are reasonably required or as may be prescribed from time to time or as otherwise agreed. Executive

shall render his services by and subject to the instructions and under the direction of Employer's Chief Executive Officer to whom Executive shall directly report.

1.2 Executive acknowledges and agrees that Executive may be required by Employer to devote a portion of his working time to perform functions for Employer's affiliates or related entities (as set forth in Exhibit A attached hereto) and that such services are to be performed pursuant to and consistent with Executive's duties and obligations under this Agreement.

1.3 Executive will at all times faithfully, industriously and to the best of his ability, experience and talents perform all of the duties required of and from him pursuant to the terms of this Agreement. Executive will devote his full business energies and abilities and all of his business time to the performance of his duties hereunder and will not, without Employer's prior written consent, render to others any service of any kind (whether or not for compensation) that would interfere with the full performance of Executive's duties hereunder, and in no event will engage in any activities that compete with the Business or that could create a reasonably foreseeable conflict of interest or the appearance of a reasonably foreseeable conflict of interest; provided that nothing contained in this Section 1.3 shall preclude Executive from engaging in or managing Executive's outside investments.

2. Term and Termination.

2.1 The term of this Agreement shall be from January 1, 2008 through December 31, 2009, unless extended by the mutual written agreement of Employer and Executive or pursuant to the terms of Paragraph 2.8 herein.

2.2 Executive's employment shall terminate prior to the expiration of the term set forth in Section 2.1 upon the happening of any of the following events:

(a) Voluntary termination by Executive other than for Good Reason (as defined below); provided that Executive shall be required to provide Employer with at least 30 days prior written notice of such voluntary termination;

(b) Death of Executive;

(c) Employer may terminate Executive under this Agreement for "cause" if any of the following occurs (any determination of "cause" as used in this Agreement shall be made only by an affirmative majority vote of the Board of Directors (not including Executive in the deliberations or vote on the same, if a director) of Employer):

(i) Executive is convicted of (or pleads nolo contendere to) (A) a crime of dishonesty or breach of trust, including such a crime involving either the property of Employer IMH (or any affiliate or related entity of Employer or IMH) or the property entrusted to Employer or IMH (or any affiliate or related entity of Employer or IMH) by its clients, including fraud, or embezzlement or other misappropriation of funds belonging to Employer or IMH (or any affiliate or related entity of Employer or IMH) or any of their respective

clients, or (B) a felony leading to incarceration of more than 90 days or the payment of a penalty or fine of \$100,000 or more;

(ii) Executive materially and substantially fails to perform Executive's job duties properly assigned to Executive after being provided 30 days prior written notification by the Board of Directors of Employer setting forth those duties that are not being performed by Executive; provided that Executive shall have a reasonable time to correct any such failures to the extent that such failures are correctable and Employer may not terminate Executive for "cause" on the basis on any such failure that is cured within a reasonable time.

(iii) Executive has engaged in willful misconduct or gross negligence in connection with his service to Employer or IMH (or any affiliate or related entity of Employer or IMH) that has caused or is causing material harm to Employer or IMH (or any affiliate or related entity of Employer or IMH); or

(iv) Executive's material breach of any of the terms of this Agreement or any other obligation that Executive owes to Employer or IMH (or any affiliate or related entity of Employer or IMH), including a material breach of trust or fiduciary duty or a material breach of any proprietary rights and inventions or confidentiality agreement between Employer and Executive or between IMH and Executive (or between Executive and any affiliate or related entity of Employer or IMH)(as such agreements may be adopted or amended from time to time by Employer and Executive).

(d) By mutual agreement between Employer and Executive;

(e) The date when Executive is declared legally incompetent under the laws of the State of California, or if Executive has a mental or physical condition that can reasonably be expected to prevent Executive from carrying out his essential duties and obligations under this Agreement for a period of greater than six months (any such condition an "Incapacitating Condition"), notwithstanding Employer's reasonable accommodations (to the extent required by law);

(f) Employer may terminate Executive under this Agreement at will (and without cause) upon written notice at any time. Unless otherwise provided in such notice, such termination shall be effective immediately upon providing written notice to Executive; or

(g) Executive may terminate his employment under this Agreement for Good Reason upon providing Employer at least 30 days prior written notice of such termination stating the basis on which Executive has determined that he has Good Reason to terminate his employment; provided that Employer shall have a reasonable time after receiving such notice to cure any event that would constitute Good Reason for Executive to terminate his employment (provided such event is curable) and Executive may not terminate his employment for Good Reason on the basis of any such event that is cured within a reasonable time. Notwithstanding the foregoing portion of this Section 2.02(g),

the aforementioned 30-day notice and reasonable cure period shall not apply to Section 2.02(g)(iv). "Good Reason" shall mean:

(i) the assignment to Executive of duties materially inconsistent with, or a substantial reduction or alteration in, the authority, duties or responsibilities of Executive as set forth in this Agreement, without Executive's prior written consent;

(ii) the principal place of the performance of Executive's responsibilities and duties is changed to a location more than 65 miles from the location of such place as of the date of this Agreement, without Executive's prior written consent;

(iii) a material breach by Employer of this Agreement, including a reduction by Employer of Executive's Base Salary, without Executive's prior written consent; or

(iv) a failure by Employer to obtain from any acquirer of Employer, before any Acquisition (as defined below) takes place, an agreement to assume and perform this Agreement.

Good Reason does not include the expiration of the term of this Agreement on December 31, 2009.

2.3 Except as set forth in Section 4, in the event that Executive's employment is terminated pursuant to Section 2.2(a), 2.2(b), 2.2(c) or 2.2(d) herein, neither Employer nor Executive shall have any remaining duties or obligations under this Agreement, except that Employer shall pay to Executive, or his legal representatives, on the date of termination of employment (the "Termination Date") or, with respect to reimbursement for expenses, as promptly as practical after the Termination Date, the following:

(a) Such compensation as is due pursuant to Section 3.1(a), prorated through the Termination Date;

(b) Any expense reimbursements due and owing to Executive for reasonable and necessary business and entertainment expenses of Employer incurred by Executive prior to the Termination Date; and

(c) The dollar value of all accrued and unused paid time off that Executive is entitled to through the Termination Date.

(d) If the termination is pursuant to the terms of 2.2(b) or (e), then Executive, or his estate or heirs, shall also be entitled to six (6) additional months of compensation due under 3.1(a), which shall be paid out over the following six (6) months.

2.4 Except as set forth in Section 4, in the event that Executive's employment is terminated pursuant to Section 2.2(f) or 2.2(g), neither Employer nor Executive shall have any

remaining duties or obligations under this Agreement, except that Employer shall pay to Executive, or his representatives, the amounts set forth in Section 2.3 at the times set forth in Section 2.3 and the following (provided that payments for health insurance coverage shall be made to an insurance provider):

(a) An additional 18 month's worth of Base Salary to be paid over the succeeding 18 month period after the Termination date:

(b) Premiums for continuation of Executive's health insurance benefits under Employer's group health insurance plan, pursuant to COBRA, for the 18 month period succeeding the Termination Date (with such health insurance coverage to be at a level and quality equivalent to the health insurance coverage provided by Employer to Executive immediately prior to the Termination Date, "Equivalent Coverage"); provided that Employer shall pay such premiums only so long as (during said 18 month period) Executive remains eligible for such Equivalent Coverage under COBRA;

(c) The payments set forth in Sections 2.4(a) and (b) above are referred to herein collectively as the "Severance Payments" and each as a "Severance Payment."

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2.5 As a condition precedent of Executive or his estate receiving any Severance Payment from Employer, whether in a lump sum payment or a string of payments or in the form of payment of benefits, Executive or his estate shall, in consideration for payment of such amount or benefit, sign and deliver to Employer (against the execution and delivery of the same by the other parties thereto) the form of Waiver and Release Agreement attached hereto as Exhibit B. Such Waiver and Release Agreement will not be construed to include any release of any indemnification rights Executive may have against Employer pursuant to Employer's Articles of Incorporation or bylaws, any indemnification agreement or California Labor Code Section 2800.

2.6 This Agreement shall not be terminated by Employer merging with or otherwise being acquired by another entity, whether or not Employer is the surviving entity, or by Employer transferring of all or substantially all of its assets (any such event, an "Acquisition").

2.7 In the event of any Acquisition, the surviving entity or transferee, as the case may be, shall be bound by and shall have the benefits of this Agreement, and Employer shall not enter into any Acquisition unless the surviving entity or transferee, as the case may be, agrees to be bound by the provisions of this Agreement.

2.8 This Agreement shall automatically renew for an additional two (2) year period at its conclusion with the same terms and conditions unless Employer gives Executive written notice of their intent not to renew this Agreement. If Employer chooses not to renew this Agreement then Notice of such nonrenewal must be given between July 15, 2009 and August 15, 2009. If Employer gives such Notice, then Executive's right to demand or seek compensation under Paragraph 2.4 herein shall no longer be available to Executive.

3. Compensation.

3.1 As the total consideration for Executive's services rendered hereunder, Executive shall be entitled to the following during the period that Executive is employed hereunder:

(a) A base salary of \$500,000 per year ("Base Salary"), payable in equal installments bi-weekly on those days when Employer normally pays its employees;

(b) Executive shall accrue paid time off during the period he is employed hereunder at the rate of five weeks per calendar year, subject to any vacation benefit accrual cap established by Employer (i.e., once the cap has been reached, further accrual shall cease until Executive uses some or all of his accrued time to fall below the accrual cap). The timing of Executive's vacation shall be governed by Employer's usual policies applicable to all employees;

(c) Executive is entitled to participate in any policies or plans regarding benefits of employment, including pension, profit sharing, group health, disability insurance and other employee welfare benefit plans now existing or hereafter established to the extent that Executive is eligible under the terms of such plans. Despite the foregoing, Executive is entitled to participate in any such plan or program only if the

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executive officers of Employer generally are eligible to participate in such plan or program. Employer may, in its sole discretion and from time to time, establish additional senior management benefit programs as it deems them appropriate. Executive understands that any such plans may be modified or eliminated in Employer's sole discretion in accordance with applicable law; and

(d) Executive shall be entitled to stock options at the sole discretion of the Board of Directors in the amount and subject to the terms and conditions as is consistent with other Executives in the Company.

(e) Such other benefits as the Board of Directors of Employer, in its sole discretion, may from time to time provide which may include cash bonuses or stock grants.

3.2 During the period that Executive is employed hereunder, Employer shall reimburse Executive for reasonable and necessary business and entertainment expenses incurred by Executive on behalf of Employer in connection with the performance of Executive's duties hereunder.

3.3 Executive may elect to defer any portion of his Base Salary into an approved, Employer sponsored deferred compensation plan; provided that Employer has no obligation to provide such a deferred compensation plan. All Base Salary, whether or not deferred, shall be deemed to be

earned and immediately vested upon distribution to Executive or deferral into a deferred compensation plan.

3.4 There shall be no inflation or any other automatic adjustments to any of the compensation paid to Executive under this Agreement.

3.5 Employer shall have the right to deduct from the compensation due to Executive hereunder any and all sums required for social security and withholding taxes and for any other federal, state, or local tax or charge which may be in effect or hereafter enacted or required as a charge on the compensation of Executive.

3.6 During the period that Executive is employed hereunder, Employer shall pay to Executive an automobile allowance in the amount of \$1,000 per month (prorated for any partial month during the employment period).

4. Non-Competition.

4.1 At all times during Executive's employment hereunder, and in consideration for any and all payments and benefits provided to Executive pursuant to this Agreement, Executive shall not, directly or indirectly, engage or participate in, prepare or set up, assist or have any interest in any person, partnership, corporation, limited liability company, firm, association, or other business organization, entity or enterprise (whether as an employee, officer, director, member, agent, security holder, creditor, consultant or otherwise) that engages in any activity in those geographic areas where Employer conducts the Business, which activity is the same as, similar to, or competitive with any activity now engaged in by Employer or its affiliates or related entities or in any way relating to the Business.

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4.2 Nothing contained in Section 4.1 shall be deemed to preclude Executive from purchasing or owning, directly or beneficially, as a passive investment, less than five percent of any class of publicly traded securities of any entity so long as Executive does not actively participate in or control, directly or indirectly, any investment or other decisions with respect to such entity.

5. **No Compensation from Related Entities.** Without prior written approval from Employer's Board of Directors, Executive shall not directly or indirectly receive compensation from any company with whom Employer or any of its affiliates (as "affiliate" is defined in Rule 405 promulgated under the Securities Act of 1933) has any financial, business or affiliated relationship.

6. **Confidentiality; Non-Solicitation and Proprietary Rights.** Executive and Employer have previously signed a Proprietary Rights and Inventions Agreement in the form attached hereto as Exhibit C (the "Proprietary Rights and Inventions Agreement") and it is agreed that such Agreement is true and correct and will remain in effect during the term of this Agreement.

7. **Copies of Agreement.** Executive authorizes Employer to send a copy of the Proprietary Rights and Inventions Agreement to any and all future employers which Executive may have, and to any and all persons, firms, and corporations, with whom Executive may become affiliated in a business or commercial enterprise, and to inform any and all such employers, persons, firms or corporations that Employer intends to exercise its legal rights should Executive breach the terms of the Proprietary Rights and Inventions Agreement or should another party induce a breach of that agreement on Executive's part.

8. **Severable Provisions.** The provisions of this Agreement are severable and if any one or more provisions is determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

9. **Arbitration.** To the fullest extent allowed by law, any controversy, claim or dispute between Executive and Employer (or any of its stockholders, directors, officers, employees, affiliates, agents, successors or assigns) relating to or arising out of Executive's employment or the cessation of that employment will be submitted to final and binding arbitration in Orange County, California for determination in accordance with the American Arbitration Association's ("AAA") National Rules for the Resolution of Employment Disputes, as the exclusive remedy for such controversy, claim or dispute. In any such arbitration, the parties may conduct discovery to the same extent as would be permitted in a court of law. The arbitrator shall issue a written decision, and shall have full authority to award all remedies which would be available in court. The arbitrator shall be required to determine all issues in accordance with existing case law and the statutory laws of the State of California. Employer shall pay the arbitrator's fees and any AAA administrative expenses. In the event Executive files a claim to collect unpaid payments or benefits payable under Section 2.4, the prevailing party shall be awarded reasonable attorneys fees and costs. Any judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Possible disputes covered by the above include unpaid wages, breach of contract, torts, violation of public policy,

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discrimination, harassment, or any other employment-related claims under laws including Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Labor Code, and any other federal or state constitutional provisions, statutes or laws relating to an employee's relationship with his employer. However, claims for workers' compensation benefits and unemployment insurance (or any other claims where mandatory arbitration is prohibited by law) are not covered by this arbitration agreement, and such claims may be presented to the appropriate court or government agency. BY AGREEING TO THIS MUTUAL AND BINDING ARBITRATION PROVISION, BOTH EXECUTIVE AND EMPLOYER GIVE UP ALL RIGHTS TO TRIAL BY JURY. This arbitration policy is to be construed as broadly as is permissible under relevant law. EMPLOYER AND EXECUTIVE HAVE READ THIS SECTION 9 AND IRREVOCABLY AGREE TO ARBITRATE ANY DISPUTE IDENTIFIED ABOVE.

/s/ RM

Employer's Initials

/s/ WSA

Executive's Initials

10. **Injunctive Relief.** The parties hereto agree that any breach or threatened breach of Section 4 of this Agreement or the Proprietary Rights and Inventions Agreement will cause substantial and irreparable damage to Employer in an amount and of a character difficult to ascertain. Accordingly, to prevent any such breach or threatened breach, and in addition to any other relief to which Employer may otherwise be entitled, Employer will be entitled to

immediate temporary, preliminary and permanent injunctive relief through appropriate legal proceedings in any arbitration, without proof of actual damages that have been incurred or may be incurred by Employer with respect to such breach or threatened breach. Executive expressly agrees that Employer will not be required to post any bond or other security as a condition to obtaining any injunctive relief pursuant to this Section 10, and Executive expressly waives any right to the contrary. Executive agrees that this Section 10 is without prejudice to the rights of the parties to compel arbitration pursuant to Section 9.

11. Entire Agreement. This Agreement and the Exhibits attached hereto contain the entire agreement of the parties relating to the subject matter hereof, and the parties hereto have made no agreements, representations or warranties relating to the subject matter of this Agreement that are not set forth otherwise herein or the Exhibits attached hereto. This Agreement supersedes any and all prior agreements, written or oral, with Employer relating to Executives employment with Employer and any other subject matter of this Agreement. Any such prior agreements are hereby terminated and of no further effect and Executive, by the execution hereof, agrees that any compensation provided for under any such prior agreement is specifically superseded and replaced by the provision of this Agreement; subject to the following: (i) any and all compensation previously deferred under any pre-existing deferred compensation plan shall immediately be paid to Executive without condition or limitation; and (ii) this Agreement is not intended to supercede, cancel or replace any stock option or dividend equivalent right payments that Executive may have or otherwise be entitled to receive. The parties hereto agree that in no event shall an oral modification of this Agreement be enforceable or valid.

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12. Governing Law. This Agreement is and shall be governed and construed in accordance with the laws of the State of California, regardless of any laws on choice of law or conflicts of law of any jurisdiction.

13. Notice. All notices hereunder must be in writing and shall be sufficiently given for all purposes hereunder if properly addressed and delivered personally by documented overnight delivery service, by certified or registered mail, return receipt requested, or by facsimile or other electronic transmission service at the address or facsimile number, as the case may be, set forth below. Any notice given personally or by documented overnight delivery service is effective upon receipt. Any notice given by registered mail is effective upon receipt, to the extent such receipt is confirmed by return receipt. Any notice given by facsimile transmission is effective upon receipt, to the extent that receipt is confirmed, either verbally or in writing by the recipient. Any notice which is refused, unclaimed or undeliverable because of an act or omission of the party to be notified, if such notice was correctly addressed to the party to be notified, shall be deemed communicated as of the first date that said notice was refused, unclaimed or deemed undeliverable by the postal authorities, or overnight delivery service.

If to Employer:

Impac Funding Corporation
19500 Jamboree Rd.
Irvine, California 92603
Telephone: (949) 475-3600
Facsimile: (949) 475-3969
Attention: Ronald Morrison, Esq.
General Counsel

If to Executive:

William S. Ashmore

Telephone:
Facsimile:

With a copy to:

Ernest W. Klatte, III, Esq.
Rutan & Tucker, L.L.P.
611 Anton Blvd., 14th Floor
Costa Mesa, California 92626
Telephone: (714) 641-5100
Facsimile: (714) 546-9035

14. Amendments And Waivers. This Agreement may not be amended, modified, superseded, canceled, or any terms waived, except by written instrument signed by both parties, or in the case of waiver, by the party to be charged.

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15. Successor and Assigns. This Agreement is not assignable by Executive, nor by Employer except to an affiliated or successor entity. This Agreement is binding on the parties' heirs, executors, administrators, other legal representatives, successors, and, to the extent assignable, their assigns.

16. Representations. The person executing this Agreement on behalf of Employer hereby represents and warrants on behalf of himself and Employer that he is authorized to represent and bind Employer. Executive specifically represents and warrants to Employer that he is not now under any contractual or quasi-contractual obligations that is inconsistent or in conflict with this Agreement or that would prevent, limit or impair Executive's performance of his obligations under this Agreement, (b) he has had the opportunity to be represented by legal counsel of his choosing in preparing, negotiating, executing and delivering this Agreement; and (c) fully understands the terms and provisions of this Agreement.

17. **Counterparts; Facsimile Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes. This Agreement may be executed by a party's signature transmitted by facsimile ("fax"), and copies of this Agreement executed and delivered by means of faxed signatures shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon faxed signatures as if such signatures were originals. Any party executing and delivering this Agreement by fax shall promptly thereafter deliver a counterpart signature page of this Agreement containing said party's original signature. All parties hereto agree that a faxed signature page may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

18. **Rules of Construction.** This Agreement has been negotiated by the parties and is to be interpreted according to its fair meaning as if the parties had prepared it together and not strictly for or against any party. References in this Agreement to "Sections" refer to Sections of this Agreement, unless the context expressly indicates otherwise. References to "provisions" of this Agreement refer to the terms, conditions, restrictions and promises contained in this Agreement. References in this Agreement to laws and regulations refer to such laws and regulations as in effect on this date and to the corresponding provisions, if any, of any successor law or regulation. At each place in this Agreement where the context so requires, the masculine, feminine or neuter gender includes the others and the singular or plural number includes the other. Forms of the verb "including" mean "including without limitation" unless the context expressly indicates otherwise. "Or" is inclusive and includes "and" unless the context expressly indicates otherwise. The introductory headings at the beginning of Sections of this Agreement are solely for the convenience of the parties and do not affect any provision of this Agreement.

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IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

"EMPLOYER"

IMPAC FUNDING CORPORATION,
a California corporation

By: /s/ Ronald Morrison

Name: Ronald Morrison

Title: Executive Vice President and General

Counsel

"EXECUTIVE"

/s/ William S. Ashmore

WILLIAM S. ASHMORE

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EXHIBIT A

JOB DESCRIPTION AND RELATED ENTITIES

Direct, administer and coordinate the activities of the Organization in support of policies, goals and objectives established by the Chief Executive Officer and the Board by performing the following duties personally or through subordinate managers. For purposes of this Exhibit A, "Organization" means the Employer and any affiliates or related entities of Employer for whom Executive is requested to provide services pursuant to the Agreement. Guide and direct management in the development, production, promotion and the financial aspects of the Organization's products and services. Direct the preparation of short-term and long-range plans and budgets based on broad corporate goals and growth objectives. Oversee executives who direct department activities that implement the Organization's policies. Create the structure and processes necessary to manage the Organization's current activities and its projected growth. Implement programs that meet the Organization's goals and objectives. Maintain a sound plan of corporate Organization, establishing policies to ensure adequate management development and to provide for capable management succession. Develop and install procedures and controls to promote communication and adequate information flow within the Organization. Establish operating policies consistent with the Chief Executive Officer's broad policies and objectives and ensure their execution. Evaluate the results of overall operations regularly and systematically and reports these results to the Chief Executive Officer and the Board. Define responsibilities, authorities and accountability of all direct subordinates and manage compliance with same. Monitor all Organization activities and operations for compliance with local, state and federal regulations and laws governing business operations, and implement and oversee programs designed to ensure such compliance. Manage a staff of employees. Perform supervisory duties to include: hiring, corrective action, performance appraisals, salary reviews, counseling, work scheduling, training and budgeting.

Executive acknowledges and understands that Executive may be requested by Employer to devote some or all of Executive's time and effort during the term of employment pursuant to the Agreement to the businesses of Employer's affiliates or related entities pursuant to certain agreements between and among Employer and such affiliates or related entities. Such affiliates and related entities include, but are not limited to, the following: Impac Mortgage Holdings, Inc., Impac Mortgage Capital Corp., Impac Warehouse Lending Group, IMH Assets Corp., Impac Lending Group, Impac Secured Assets Corp., Impac Mortgage Acceptance Corp., Impac Multifamily Capital Corp., REDC, and Impac Foundation.

Executives further understands and acknowledges that, pursuant to the Agreement, Executive may be directed by Employer to provide services to additional real estate investment trusts or other entities which Employer establishes or with which Employer affiliates or becomes related and for which there exists an agreement with Employer or any of the above entities to provide such services.

Executive understands and acknowledges that Executive's obligations under the Agreement, including Executive's duties under Section 4 thereof and the Proprietary Rights and Inventions Agreement entered into pursuant to Section 6 thereof, shall apply and extend to

Executive's knowledge of the business of Employer's affiliates or related entities and any trade secret or other confidential or proprietary information relating to same.

EXHIBIT B

WAIVER AND RELEASE AGREEMENT

For full and valuable consideration, including, but not limited to, severance payments made and to be made by Impac Funding Corporation and any affiliate or related entity of Impac Funding Corporation (collectively, "Employer") to William S. Ashmore ("Executive") and guaranteed by Impac Mortgage Holdings, Inc. ("Guarantor") pursuant to the Employment Agreement between Employer and Executive dated as of April 1, 2008 (the "Employment Agreement"), Executive, on the one part, and Employer and Guarantor on the other part, hereby enter into this Waiver and Release Agreement ("Waiver"), and each agrees to waive and release the other and, as the case may be, the other's stockholders, directors, officers, employees, affiliates, agents, successors and assigns, if any, from all known and unknown claims, agreements or complaints related to or arising under Executive's employment with Employer, including, but not limited to, any claim arising out of Executive's termination, any express or implied agreement between Executive and Employer (other than each party's respective rights and obligations under Sections 2.3, 2.4 and 4.1 of the Employment Agreement, the Guaranty and the Proprietary Rights and Inventions Agreement), and any other federal or state constitutional provisions, statutes or laws relating to an employee's relationship with his employer, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act, the Age Discrimination in Employment Act, the Americans With Disabilities Act, the California Fair Employment and Housing Act, and the California Labor Code.

This Waiver shall not include a waiver of any of the following: (i) any right to defense and/or indemnification that Executive may have under California Labor Code section 2802, or under any defense and indemnification policy or agreement; (ii) any claim for breach of any pension, 401k, deferred compensation or stock option plan of Employer; or (iii) any claim that Executive may have against any officer, director, employee, or agent of Employer or Guarantor for defamation or intentional interference with prospective employment or business advantage.

This Waiver includes a waiver of any rights the parties may have under Section 1542 of the California Civil Code, which states:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Executive's Waiver is conditioned upon Employer and Guarantor's performance of all of their severance obligations pursuant to Sections 2.3 and 2.4 of the Employment Agreement and pursuant the Guaranty. In the event that either Employer or Guarantor materially breaches its severance obligations under the Employment Agreement or Guaranty, then Executive shall be entitled to pursue any claims as though this Waiver did not exist, and the statute of limitations for any such claims shall be deemed to have been tolled during the period from the date of Executive's termination through the date Employer or Guarantor breached it obligations.

Employer's Waiver is conditioned upon Executive's performance of all of his obligations pursuant to Section 4.1 of the Employment Agreement. In the event that Executive materially breaches his noncompete obligations under the Employment Agreement, then Employer and Guarantor shall be entitled to pursue any claims as though this Waiver did not exist, and the statute of limitations for any such claims shall be deemed to have been tolled during the period from the date of Executive's termination through the date Executive breached his obligations. The parties to this Waiver each acknowledge that each may hereafter discover facts different from or in addition to those now known or believed to be true with respect to the claims, suits, rights, actions, complaints, agreements, contracts, causes of action, and liabilities of any nature whatsoever that are the subject of the above release, and the parties expressly agree that this Waiver shall be and remain effective in all respects regardless of such additional or different facts.

Executive is advised as follows: (i) Executive should consult an attorney regarding this Waiver before executing it; (ii) Executive has 21 days in which to consider this Waiver and whether Executive will enter into it; (iii) this Waiver does not waive rights or claims that may arise after it is executed; and (iv) at anytime within seven days after executing this Waiver, Executive may revoke this Waiver. This Waiver shall not become effective or enforceable until the seven day revocation period set forth herein has passed.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Employment Agreement.

Dated: _____

WILLIAM S. ASHMORE

IMPAC FUNDING CORPORATION

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT C

EMPLOYEE'S DISCLOSURE

Gentlemen:

1. Except for the information and ideas listed below that rightfully became part of my general knowledge prior to my first contact or communication with the Company or any of its affiliates or related entities, I represent that I am not in the possession of and have no knowledge of any information that can be considered the Proprietary Information of Impac Funding Corporation, a California corporation (the "Company"), other than information disclosed by Company or any of its affiliates or related entities during my employment negotiations or my prior employment with the Company or any of its affiliates or related entities, which I understand and agree is the Proprietary Information of Company or its affiliates or related entities, as the case may be.

2. Except for the complete list of Inventions set forth below, I represent that I (in whole or in part, either alone or jointly with others) have not made, conceived, developed or first reduced to practice any Inventions relevant to the subject matter of my employment with the Company prior to my employment with the Company or any of its affiliates or related entities.

No Inventions

See below:

Additional sheets attached

WILLIAM S. ASHMORE

IMPAC MORTGAGE HOLDINGS, INC.

GUARANTY

This Guaranty, dated as of April 1, 2008, is executed by Impac Mortgage Holdings, Inc., a Maryland corporation ("Guarantor"), in favor of William S. Ashmore ("Executive").

A. Impac Funding Corporation, a California corporation ("Obligor"), concurrently herewith has entered into an Employment Agreement with Obligor dated even date herewith (the "Contract"). Guarantor is the parent corporation of Obligor and will receive direct and indirect benefits from the performance of the Contract.

B. Executive's willingness to enter into the Contract is subject to receipt by it of this Guaranty duly executed by Guarantor.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Guarantor hereby agrees with Executive as follows:

1. Guaranty.

(a) Guarantor unconditionally guarantees and promises to pay to Executive, or order, at Executive's address set forth in Section 4(a) hereof, on demand after the default by Obligor, in lawful money of the United States, any and all Obligations (as hereinafter defined) consisting of payments due to Executive. For purposes of this Guaranty the term "Obligations" shall mean and include all payments owed by Obligor to Executive of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising pursuant to the terms of Section 2.3, 2.4, 3.1(a), 3.1(b), 3.1(c), or 3.2 of the Contract (as such Obligations may become due subject to the provisions of the Contract, including all notice requirements and cure provisions), including all interest, late fees, charges, expenses, attorneys' fees and other professionals' fees chargeable to Obligor or payable by Obligor thereunder and any costs of collection hereunder, including attorneys' and other professionals' fees.

(b) This Guaranty is absolute, unconditional, continuing and irrevocable and constitutes an independent guaranty of payment and not of collectibility (provided that it is subject to Obligor defaulting on any of the Obligations), and is in no way conditioned on or contingent upon any attempt to enforce in whole or in part any of Obligor's Obligations to Executive, the existence or continuance of Obligor as a legal entity, the consolidation or merger of Obligor with or into any other entity, the sale, lease or disposition by Obligor of all or substantially all of its assets to any other entity, or the bankruptcy or insolvency of Obligor, the admission by Obligor of its inability to pay its debts as they mature, or the making by Obligor of a general assignment for the benefit of, or entering into a composition or arrangement with, creditors. If Obligor or any permitted assignee or successor of Obligor shall fail to pay or perform any Obligations to Executive which are subject to this Guaranty as and when they are due, Guarantor shall forthwith pay to Executive all such liabilities or obligations in immediately available funds. Each failure by Obligor to pay or perform any such liabilities or obligations shall give rise to a separate cause of action, and separate suits may be brought hereunder as each cause of action arises.

(c) Executive, may (subject to the provisions of the Contract) at any time and from time to time, without the consent of or notice to Guarantor, except such notice as may be required by applicable statute which cannot be waived, without incurring responsibility to Guarantor, and without impairing or releasing the obligations of Guarantor hereunder, (i) change the manner, place and terms of payment or change or extend the time of payment of, renew, or alter any Obligation hereby guaranteed, or in any manner modify, amend or supplement the terms of the Contract or any documents, instruments or agreements executed in connection therewith, (ii) exercise or refrain from exercising any rights against

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Obligor or others (including Guarantor) or otherwise act or refrain from acting, (iii) settle or compromise any Obligations hereby guaranteed and/or any obligations and liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any obligations and liabilities which may be due to Executive or others, (iv) sell, exchange, release, surrender, realize upon or otherwise deal with in any manner or in any order any property pledged or mortgaged by anyone to secure or in any manner securing the Obligations hereby guaranteed, (v) take and hold security or additional security for any or all of the obligations or liabilities covered by this Guaranty, and (vi) assign its rights and interests under this Guaranty, in whole or in part.

(d) This is a continuing Guaranty for which Guarantor receives continuing consideration and all obligations to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon and this Guaranty is therefore irrevocable without the prior written consent of Executive.

(e) Guarantor may bring action to enforce Executive's obligations under the Contract if (i) any proceeding is brought against Guarantor to seek enforcement of this Guaranty or (ii) Guarantor makes any payment to Executive pursuant to this Guaranty.

2. Representations and Warranties. Guarantor represents and warrants to Executive that

(a) Guarantor is a corporation duly organized, validly, existing and in good standing under the laws of its jurisdiction of incorporation or formation; (b) the execution, delivery and performance by Guarantor of this Guaranty are within the power of Guarantor and have been duly authorized by all necessary actions on the part of Guarantor; (c) this Guaranty has been duly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against it in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to or affecting the enforcement of creditors' rights generally.

3. Waivers.

(a) Guarantor, to the extent permitted under applicable law, hereby waives any right to require Executive to (i) proceed against Obligor or any other guarantor of Obligor's obligations under the Contract, (ii) proceed against or exhaust any security received from Obligor or any other guarantor of Obligor's Obligations under the Contract, or (iii) pursue any other right or remedy in the Executive's power whatsoever.

(b) Guarantor further waives, to the extent permitted by applicable law, (i) any defense resulting from the absence, impairment or loss of any right of reimbursement, subrogation, contribution or other right or remedy of Guarantor against Obligor, any other guarantor of the Obligations or any security; (ii) any defense which results from any disability of Obligor or the lack of validity or enforceability of the Contract; (iii) any right to exoneration of sureties which would otherwise be applicable; (iv) any right of subrogation or reimbursement and, if there are any other guarantors of the Obligations, any right of contribution, and right to enforce any remedy which Executive now has or may hereafter have against Obligor, and any benefit of, and any right to participate in, any security now or hereafter received by Executive; (v) all presentments, demands for performance, notices of non-performance, notices delivered under the Contract, protests, notice of dishonor, and notices of acceptance of this Guaranty and of the existence, creation or incurring of new or additional Obligations and notices of any public or private foreclosure sale; (vi) any appraisal, valuation, stay, extension, moratorium redemption or similar law or similar rights for marshalling; and (vii) any right to be informed by Executive of the financial condition of Obligor or any other guarantor of the Obligations or any change therein or any other circumstances bearing upon the risk of nonpayment or nonperformance of the Obligations. Guarantor has the ability to and assumes the responsibility for keeping informed of the financial condition of Obligor and any other guarantors of the Obligations and of other circumstances affecting such nonpayment and nonperformance risks.

4. Miscellaneous.

(a) Notices. All notices hereunder must be in writing and shall be sufficiently given for all purposes hereunder if properly addressed and delivered personally by documented overnight delivery service, by certified or registered mail, return receipt requested, or by facsimile or other electronic transmission service at the address or facsimile number, as the case may be, set forth below. Any notice given personally or by documented overnight delivery service is effective upon receipt. Any notice given by registered mail is effective upon receipt, to the extent such receipt is confirmed by return receipt. Any notice given by facsimile transmission is effective upon receipt, to the extent that receipt is confirmed, either verbally or in writing by the recipient. Any notice which is refused, unclaimed or undeliverable because of an act or omission of the party to be notified, if such notice was correctly addressed to the party to be notified, shall be deemed communicated as of the first date that said notice was refused, unclaimed or deemed undeliverable by the postal authorities, or overnight delivery service.

Executive:

William S. Ashmore

Guarantor:

Impac Mortgage Holdings, Inc.
19500 Jamboree Rd.
Irvine, California 92612
Telephone: (949) 475-3600
Facsimile: (949) 475-3969
Attention: Ronald Morrison, Esq., General
Counsel

With a copy to:

Ernest W. Klatte, III, Esq.
Rutan & Tucker, LLP
611 Anton Blvd., 14th Floor
Costa Mesa, California 92626
Telephone: (714) 641-5100
Facsimile: (714) 546-9035

(b) Nonwaiver. No failure or delay on Executive's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

(c) Amendments and Waivers. This Guaranty may not be amended, modified, superseded, canceled, or any terms waived, except by written instrument signed by both parties, or in the case of waiver, by the party to be charged.

(d) Assignments. This Guaranty shall be binding upon and inure to the benefit of Executive and Guarantor and their respective successors and assigns; provided, however, that without the prior written consent of Executive, Guarantor may not assign its rights and obligations hereunder.

(e) Cumulative Rights, etc. The rights, powers and remedies of Executive under this Guaranty shall be in addition to all rights, powers and remedies given to Executive by virtue of any applicable law, rule or regulation, the Contract or any other agreement, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Executive's rights hereunder.

(f) Partial Invalidity. The provisions of this Guaranty are severable and if any one or more provisions is determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions, and any partially unenforceable provisions to the extent enforceable, shall nevertheless be binding and enforceable.

(g) Governing Law. This Guaranty is and shall be governed and construed in accordance with the laws of the State of California, regardless of any laws on choice of law or conflicts of law of any jurisdiction.

(h) Arbitration. To the fullest extent allowed by law, any controversy, claim or dispute between Executive and Guarantor (or any of its stockholders, directors, officers, employees, affiliates, agents, successors or assigns) relating to or arising out of this Guaranty will be submitted to final and binding arbitration in Orange County, California for determination in accordance with the American Arbitration Association's ("AAA") National Rules for the Resolution of Employment Disputes, as the exclusive remedy for such controversy, claim or dispute. In any such arbitration, the parties may conduct

